



BUILDING A WORLD CLASS BANK

Our Vision

TO BUILD A WORLD CLASS BANK IN INDIA



**GUIDED BY
ETHICS**



**POWERED BY
TECHNOLOGY**



**BE A FORCE FOR
SOCIAL GOOD**

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Key Highlights | **Performance Snapshot**

The Bank has built a strong foundation for the future



₹**2,41,926** crore

Loans & Advances

20.4% ↑ Y-O-Y Growth

[₹2,00,965 crore]



₹**2,52,065** crore

Total Deposits

25.7% ↑ Y-O-Y Growth

[₹2,00,576 crore]



1.87%

**Gross NPA
(Overall Bank)**

[1.88%]



0.53%

**Net NPA
(Overall Bank)**

[0.60%]



1.70%

**Gross NPA
(Retail, Rural and MSME)**

[1.38%]



0.62%

**Net NPA
(Retail, Rural and MSME)**

[0.44%]

Excluding microfinance, the Gross NPA stood at 1.40%

Excluding microfinance, the Net NPA stood at 0.56%

- Numbers mentioned above are as on March 31, 2025. Figures in brackets [] are for the corresponding period of previous year
- Loans & Advances includes credit substitutes like investing in corporate bonds etc., and are net of IBPC



72.3%

Provision Coverage
(Overall Bank)

[68.8%]



46.9%

CASA Ratio

[47.2%]



15.48%

Capital Adequacy Ratio

[16.11%]



₹38,078 crore

Networkworth
(Shareholders' Funds)

[₹32,161 crore]

Post capital raise of ₹7,500 crore and proposed dividend of ₹0.25 per share, Capital Adequacy would be 18.20% and the Networkworth would be ₹45,395 crore, if calculated on March 31, 2025 financials



₹7,069 crore

Core Operating Profit

17.2% ↑ Y-O-Y Growth

[₹6,030 crore]



₹1,525 crore

Profit After Tax

(48)% ↓ Y-O-Y

[₹2,957 crore]



1,002

Branches

[944]



1,041

ATMs

[1,164]

- Numbers above are as on/for the year ended March 31, 2025. Figures in brackets [] are for the corresponding period of previous year
- Core Operating Profit is Net Interest Income plus Fee & Other Income (excluding trading gain) less Operating Expenses

Progress Since Merger (December 2018)

1

IDFC FIRST Bank has made significant progress since merger

(₹ crore)

	Parameters	Erst. CAPITAL FIRST (Pre-merger, 30-Sep-2018)	Erst. IDFC Bank (Pre-merger, 30-Sep-2018)	
BALANCE SHEET	Loan Book	26,994	75,332	
	Customer Deposit	0	36,369	
	Retail Deposit	0	9,008	
	CASA Deposit	0	6,253	
	CASA Ratio	0	13.0%	
	Net Worth	2,928	14,776	
PROFITABILITY	NIM %	8.2%	1.6%	
	Core PPOP to Average Asset	5.0%	0.10%	
	Cost to Income	47.5%	92.4%	
	Branches (#)	0	203	
	Parameters	IDFC FIRST Bank (At merger, 31-Dec-2018)	IDFC FIRST Bank (31-Mar-2025)	Change Since Merger
BALANCE SHEET	Loan Book	1,04,660	2,41,926	▲ 2.3X
	Customer Deposit	38,455	2,42,543	▲ 6.3X
	Retail Deposit	10,400	1,91,268	▲ 18.4X
	CASA Deposit	5,274	1,18,237	▲ 22.4X
	CASA Ratio	8.7%	46.9%	▲ 5.4X
	Net Worth	18,376	38,078	▲ 2.1X
PROFITABILITY	NIM %	3.1%	6.1%	▲ 300 bps
	Core PPOP to Average Asset	0.78%	2.21%	▲ 143 bps
	Cost to Income	82.2%	71.8%	▼ -1,036 bps
	Branches (#)	206	1,002	▲ 4.9X

Profitability numbers for Sep-18 are for H1 FY 2018-19, Dec-18 are of Q3 FY 2018-19; Mar-25 are of FY 2024-25.; NIM for FY25 is Gross of IBPC & Sell-down AUM of Capital First as on 30th September, 2018 stood at ₹32,623 crore but funded book was ₹26,994 crore. As an NBFC, Capital First did not have any deposits.

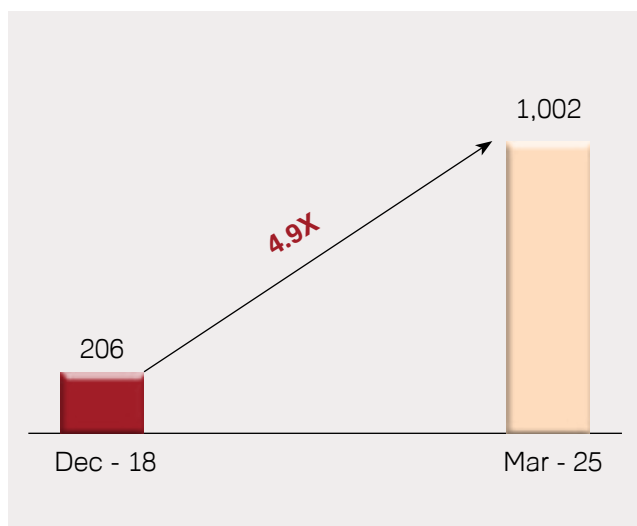


2

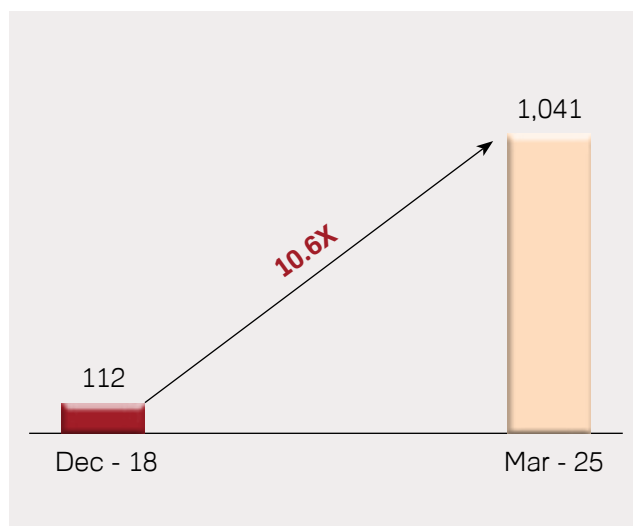
Built Essential Infrastructure

The Bank built an essential network of branches and ATMs that are spacious, customer friendly and digitally equipped. The Branch network has grown by 5X since merger in December 2018 from 206 branches to 1,002 branches as on March 31, 2025. Similarly, the ATMs grew 11X

i. Branches



ii. ATMs

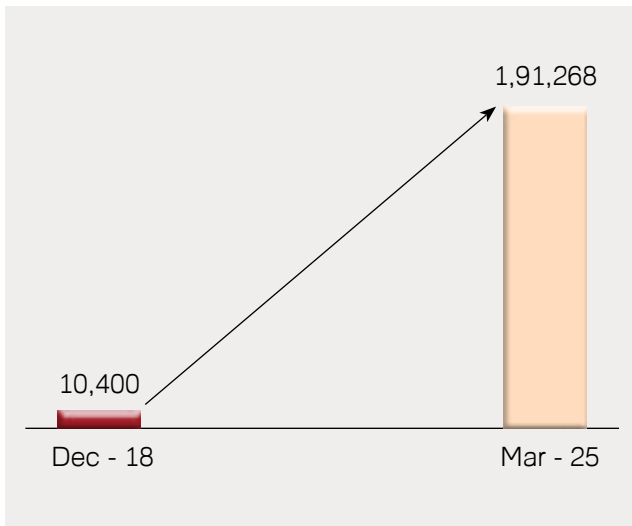


3

Strategic Transformation of Liability Profile

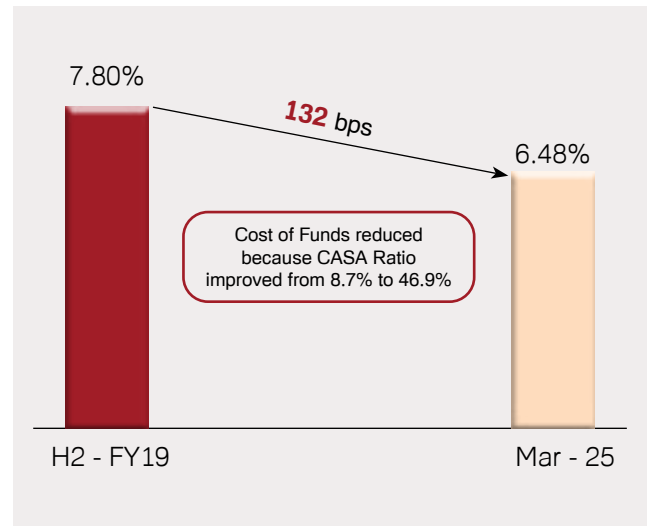
i. Success in Raising Retail Deposits (₹ crore)

The Retail Deposits of the Bank grew strongly by ₹1,80,868 crore, reflecting **18X** growth since merger



ii. Cost of Funds (%)

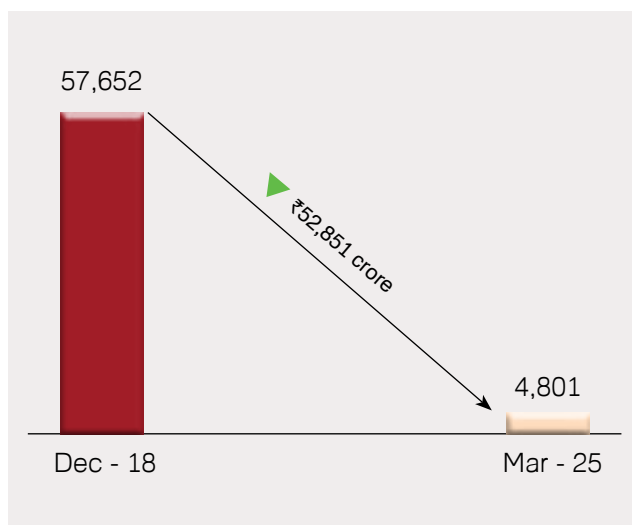
Such growth in retail deposits was achieved even while reducing the deposit rates and the Cost of Funds by **132 bps** since merger.



The Bank used the Retail Deposits so raised to pay off legacy borrowings on maturity and Certificate of Deposits

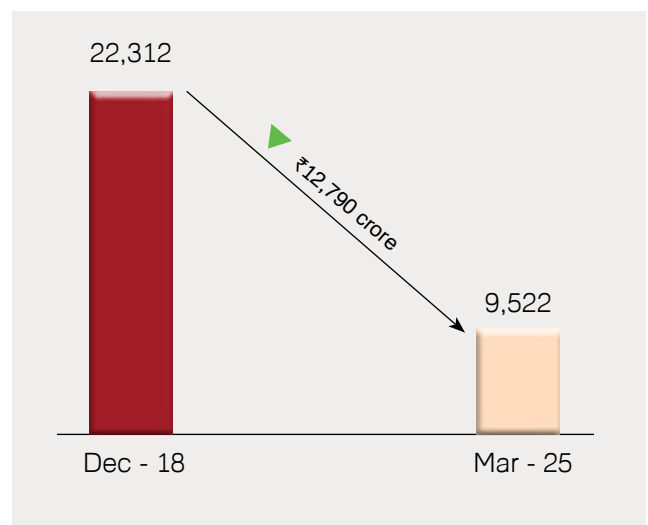
iii. Successfully paid-off Legacy Borrowings (₹ crore)

The Bank has repaid legacy borrowings of ₹52,851 crore on maturity in the last 6 years



iv. Certificate of Deposits (₹ crore)

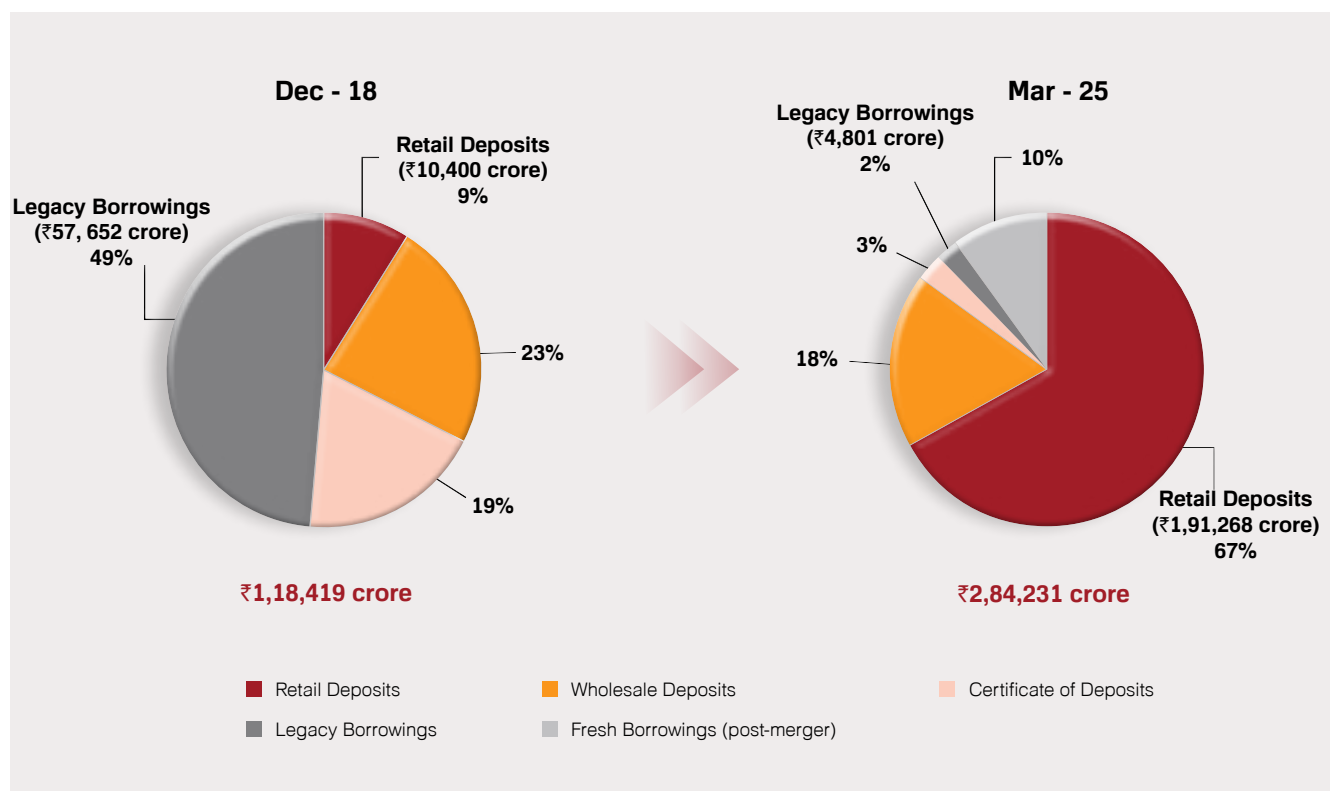
The Bank reduced its dependency on Certificate of Deposits and has repaid ₹12,790 crore since merger in Dec-18



Retail Deposits comprise of Retail CASA and Retail Term Deposits raised from Bank branches



v. Retail deposits as a % of total Deposits and Borrowings Increased from 9% to 67%



Liability profile excludes money market borrowings

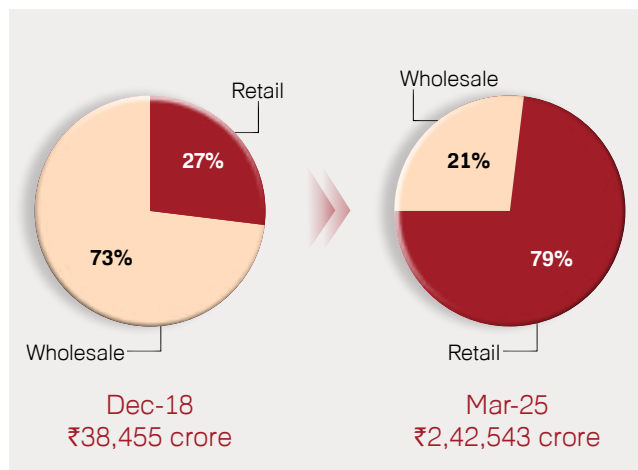
The Bank strategically transformed liability profile of the Bank into a retail deposit-led franchise.

As a % of total deposits and borrowings, the Bank:

- › Increased Retail Deposits from **9%** at merger to **67%** in Mar-25
- › Reduced Legacy Borrowings from **49%** at merger to **2%** in Mar-25
- › Reduced Certificate of Deposits from **19%** at merger to **3%** in Mar-25
- › Reduced Wholesale Deposits from **23%** at merger to **18%** in Mar-25

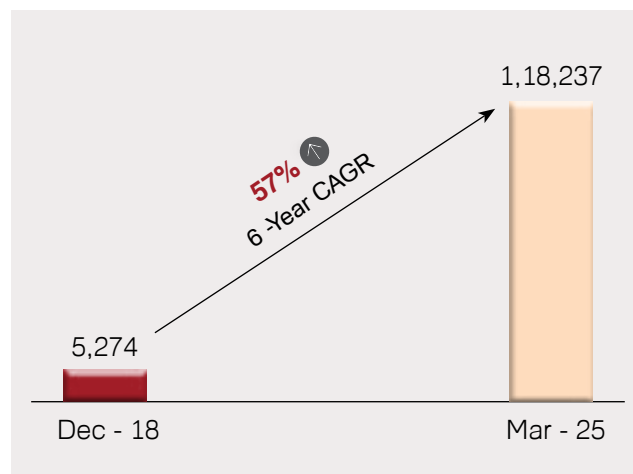
i. Composition of Customer Deposits (%)

Retail Deposits as a % of Total Customer Deposits, grew from 27% to 79% since merger. Retail deposits are more granular, sticky and stable



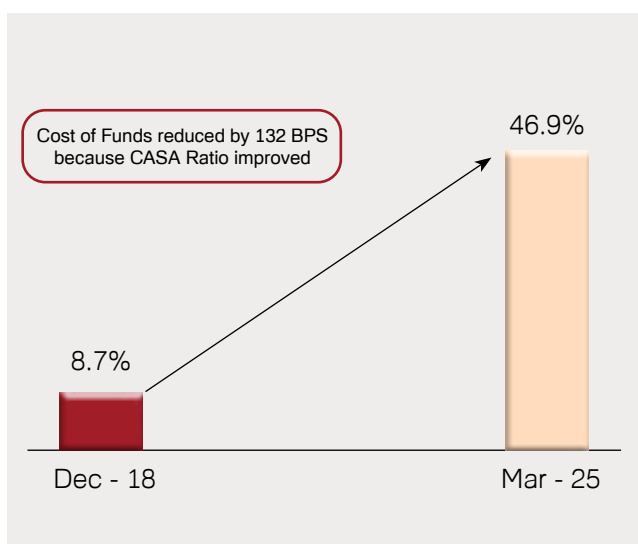
ii. Grew CASA Deposits (₹ crore)

CASA deposits grew strongly by 57% 6-Year CAGR (Mar-19 to Mar-25) to touch ₹1,18,237 crore



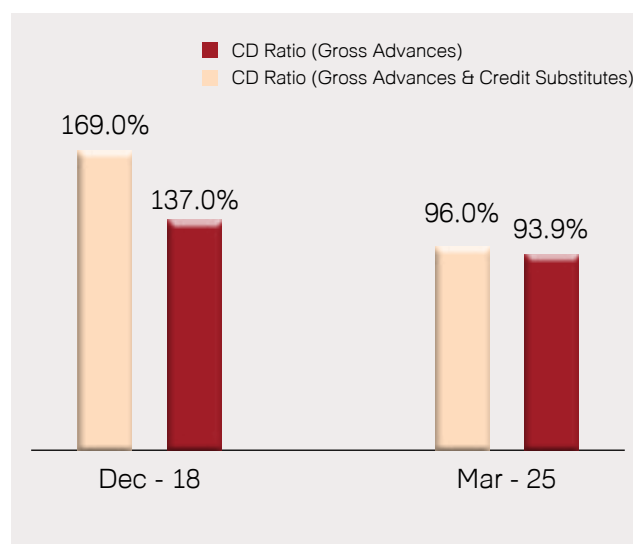
iii. Built Healthy CASA Ratio (%)

At 46.9%, the Bank has one of the healthiest CASA ratio in the banking system



iv. Improved Credit to Deposit Ratio (%)

The Bank had a conservative balance sheet approach.



Credit to Deposit ratio reduced from 137.0% at merger to 93.9% as on March 31, 2025. Incremental credit deposit ratio was low for six years, and for FY 2024-25, it was only 76.1%.

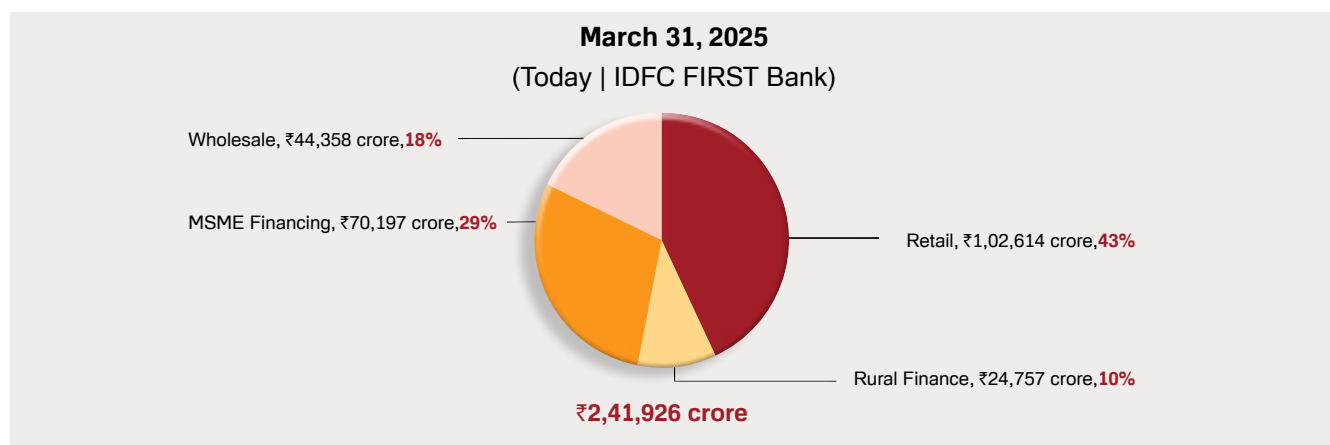
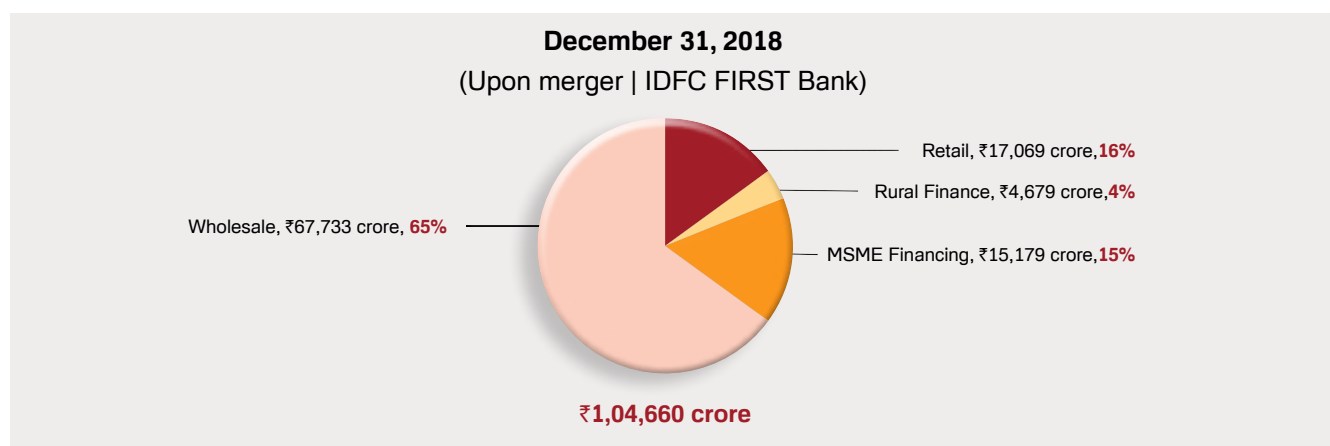
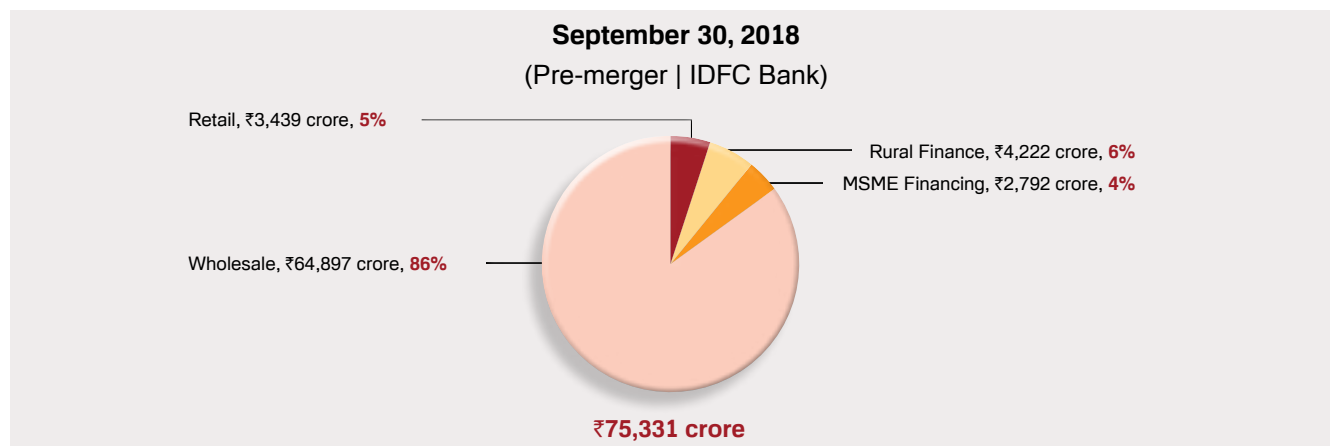


5

Well-Diversified Loan Book

i Transformation of Loan Book since Merger in December 2018

The Bank has transformed the loan book from a primarily wholesale credit book to a well diversified portfolio including Retail, Rural, MSME and Wholesale banking. Retail now constitutes 65% of the total loans' book



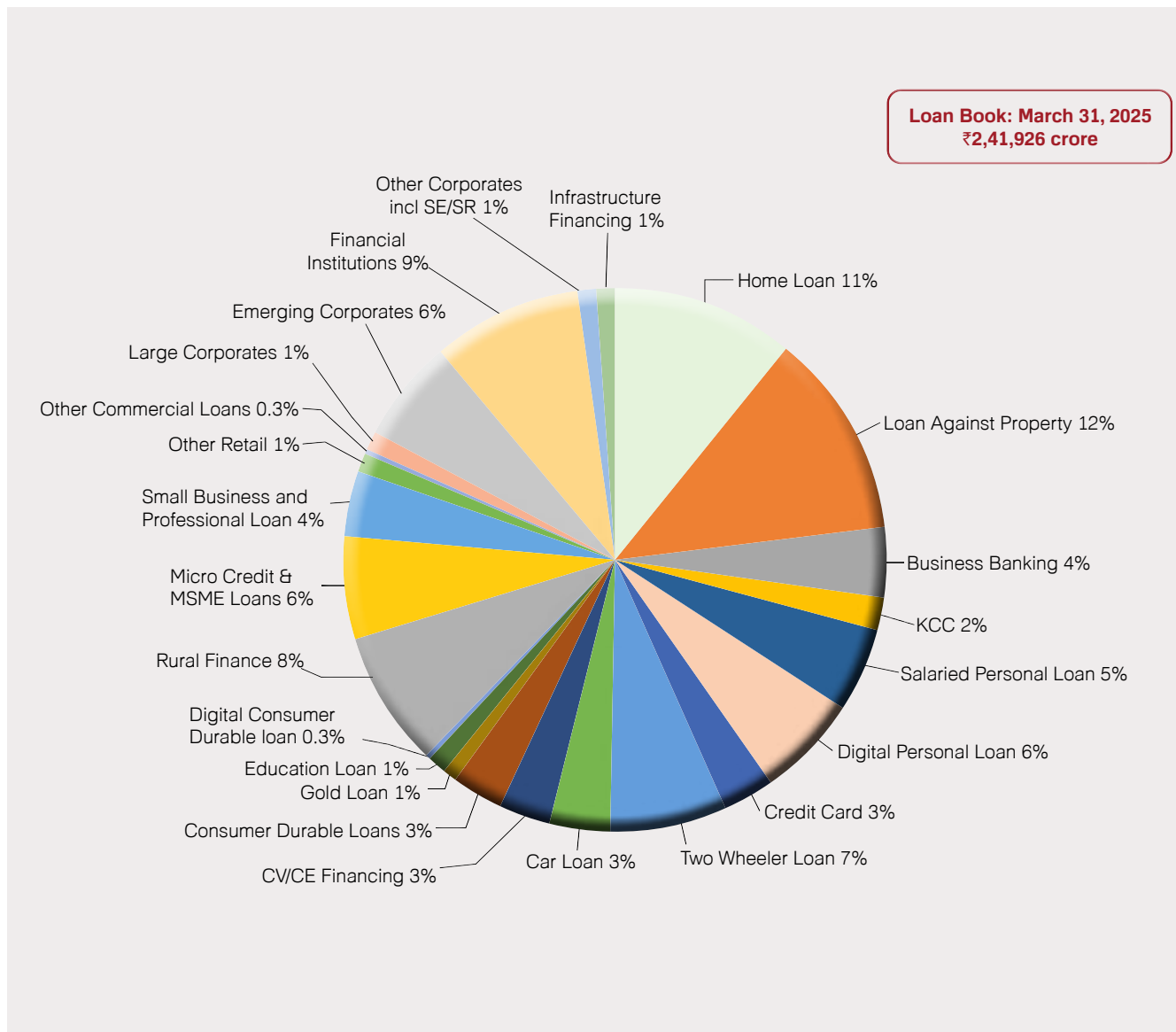
Retail includes Home loan, Vehicle Loans, Personal Loans, Credit Card, Consumer Durable Loans, Gold Loan, Education Loan etc.

MSME Financing includes Loan Against Property, Commercial Vehicles, Business Banking, Micro Credit and MSME Loans etc.

September 2018 figures are as disclosed in Investor Presentation of erstwhile IDFC Bank Limited

ii Diversified Loan Book across More than 25 Business Lines

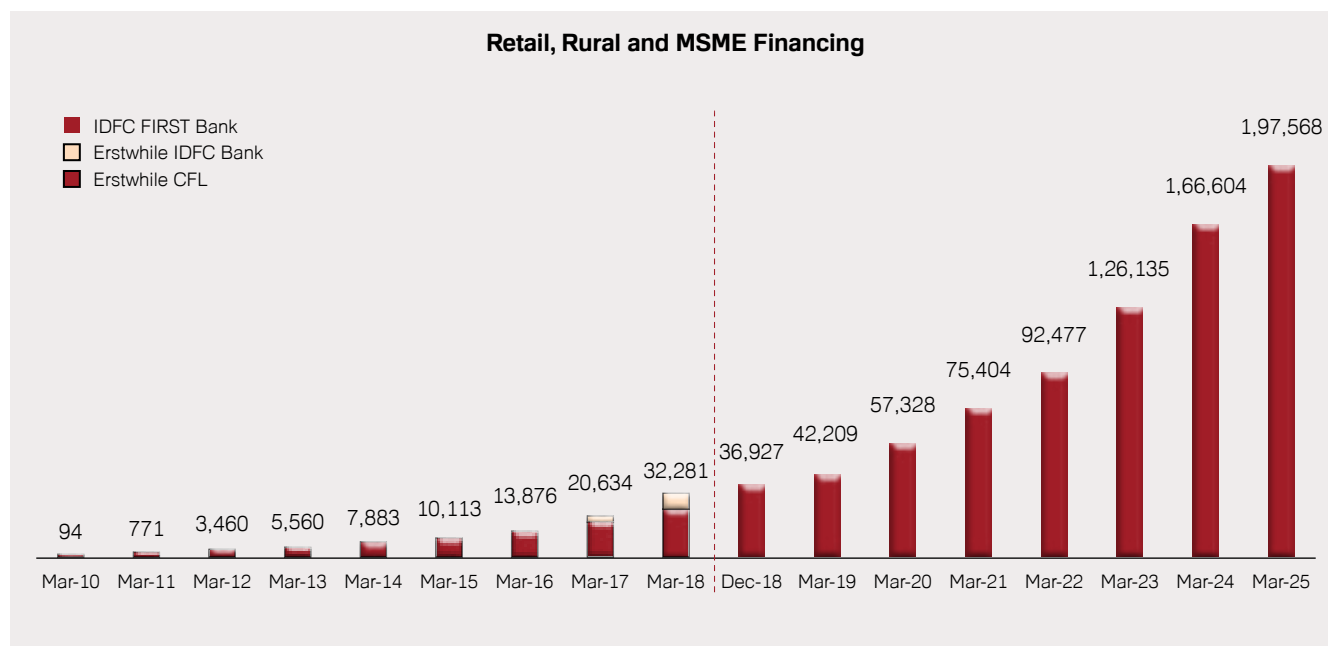
Bank has built a well-diversified loan book which diversifies risk over 25 product segments





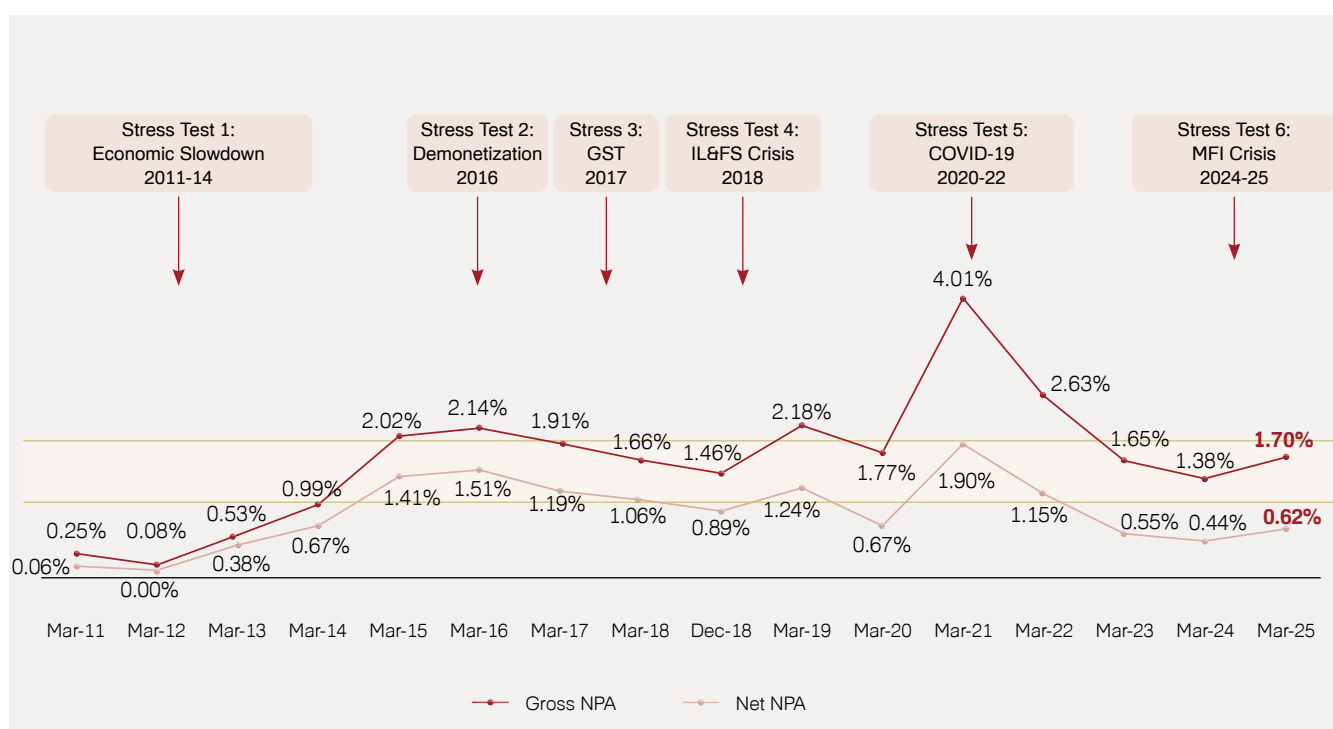
iii. Bank Growth Supported by Specialization in Cash Flow Financing (₹ crore)

With disciplined cashflow lending model, the Bank has specialized in Retail, Rural and MSME book with good asset quality



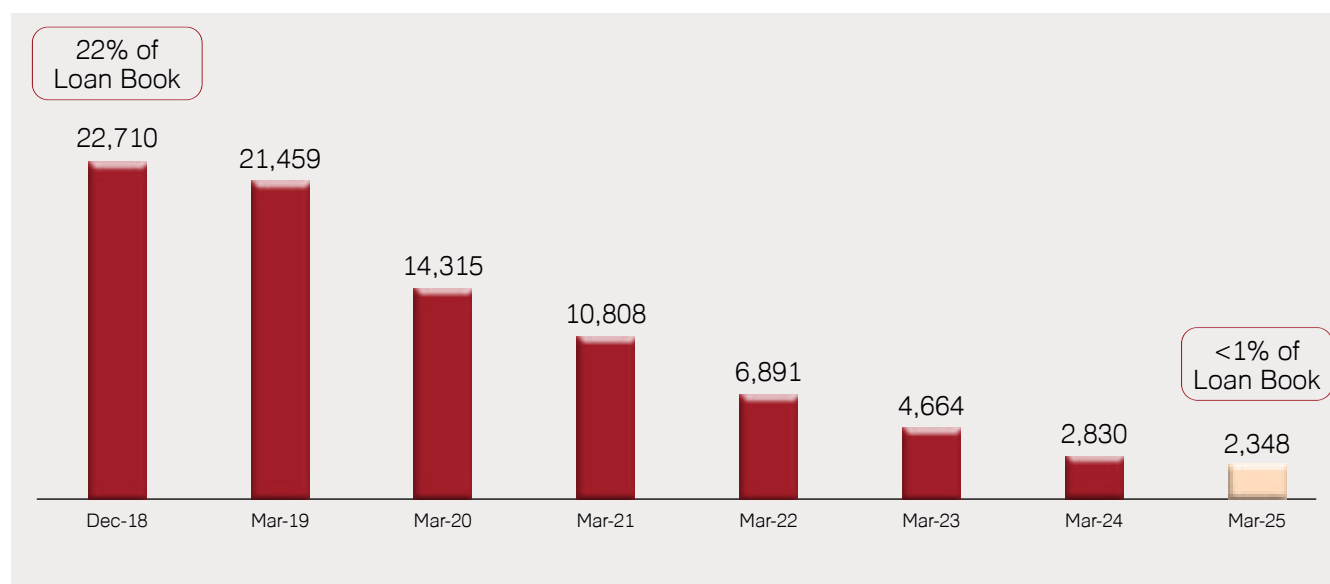
iv. Retail, Rural and MSME Segments Continue to Have Low NPA Ratios

The Bank maintained high asset quality in Retail, Rural and MSME book with GNPA and NNPA of ~2% and ~1% for 15 years through stress tests



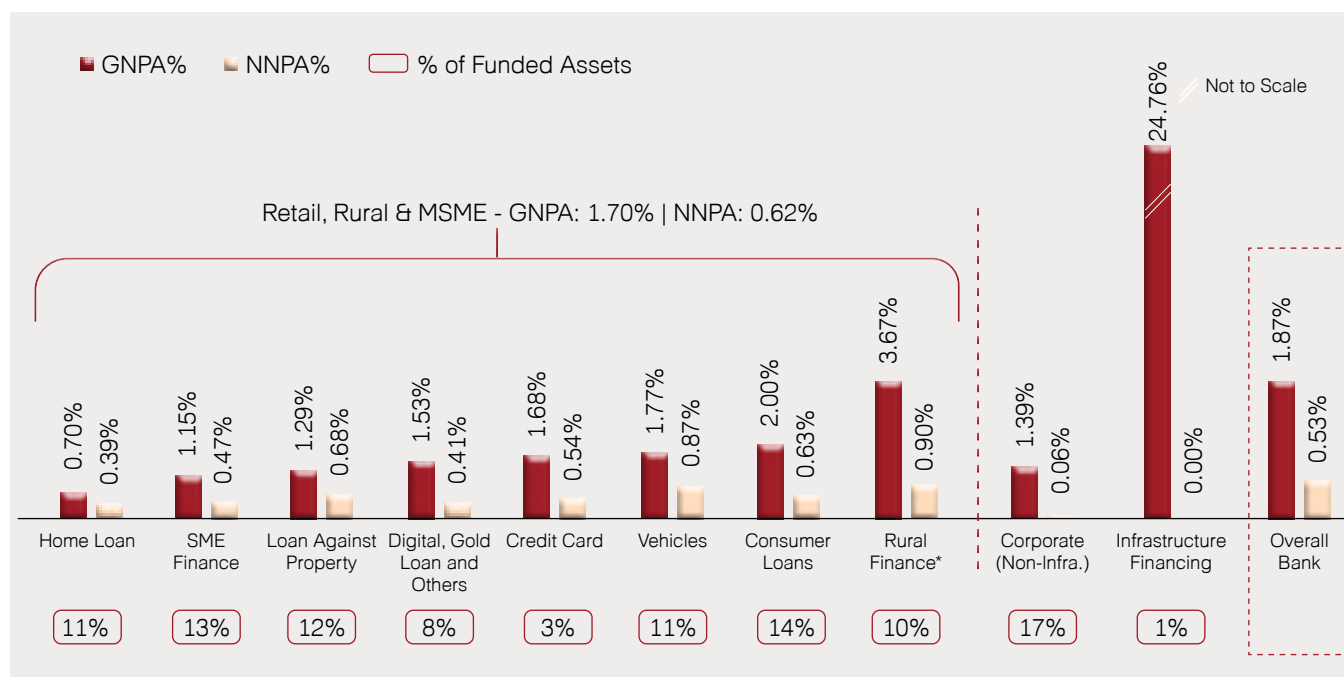
v. Bank Has Reduced Legacy Infrastructure Project Financing (₹ crore)

The Bank has successfully wound down its infrastructure project financing from 22% in Dec-18 to below 1% of the total funded assets in Mar-25



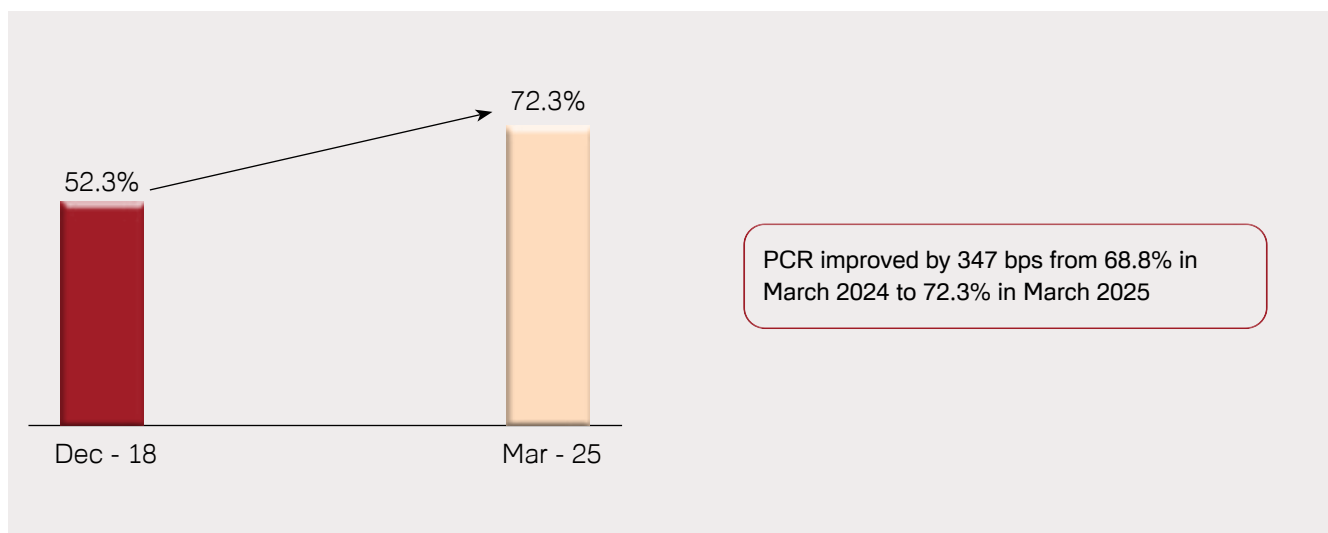
vi. Asset Quality of the Bank remains stable across segments except microfinance book

The Bank's Gross and Net NPA remained stable at 1.87% and 0.53%. Excluding the microfinance portfolio, the Gross and Net NPA of the Bank stood at 1.63% and 0.47% as on 31st March, 2025

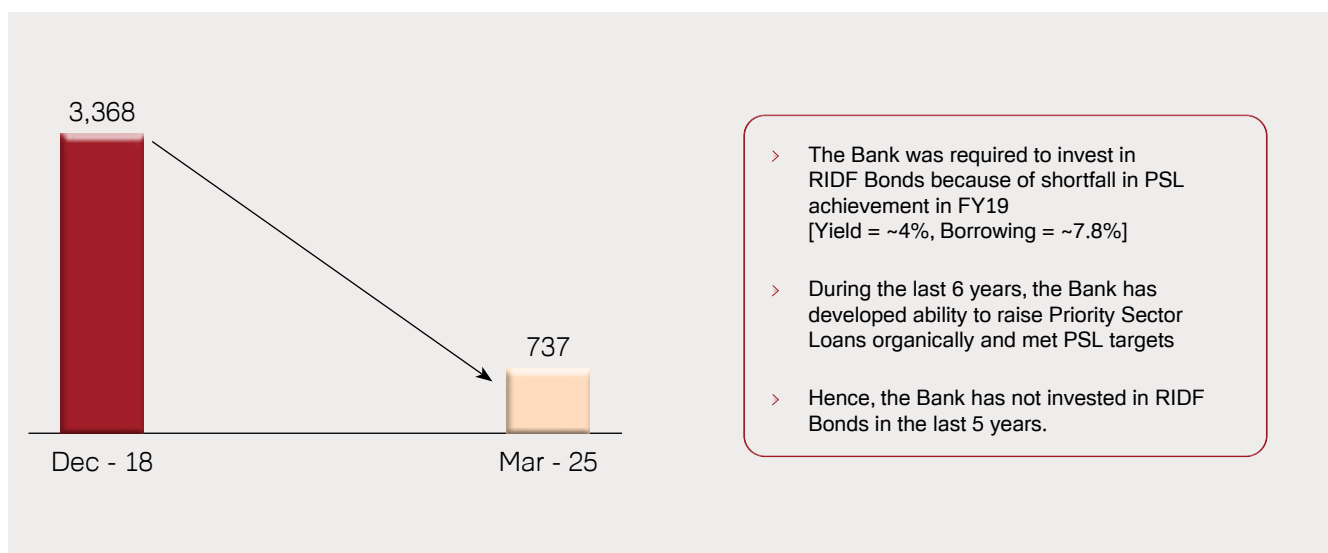




vii. Provision Coverage Ratio (%)

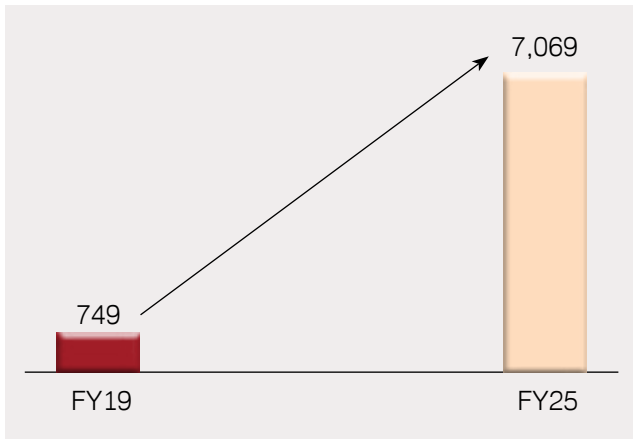


viii. RIDF Investments (₹ crore)



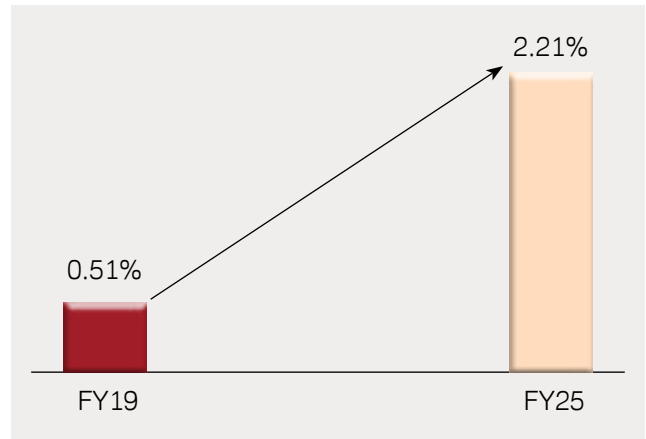
i. Core Operating Profit (₹ crore)

Core Operating Profit grew 17% in FY 2024-25 based on strong business model



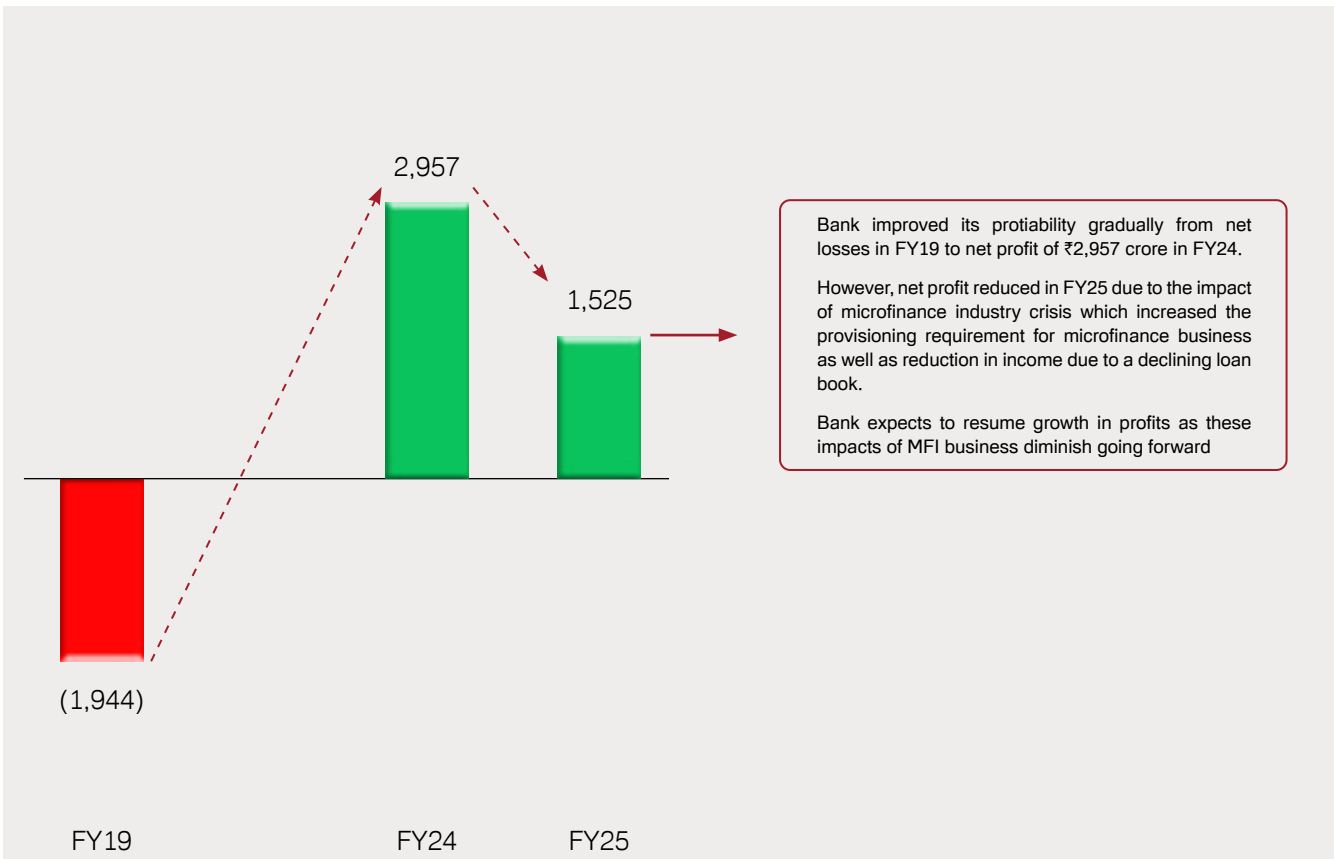
ii. Core Operating Profit to Average Assets (%)

Core Operating Profit as a % of average assets has increased substantially. This gives the space to absorb credit cost and be profitable



Core Operating Profit is Total Income (excluding trading gain) minus interest expenses and operating expenses

iii. Profit After Tax (₹ crore)



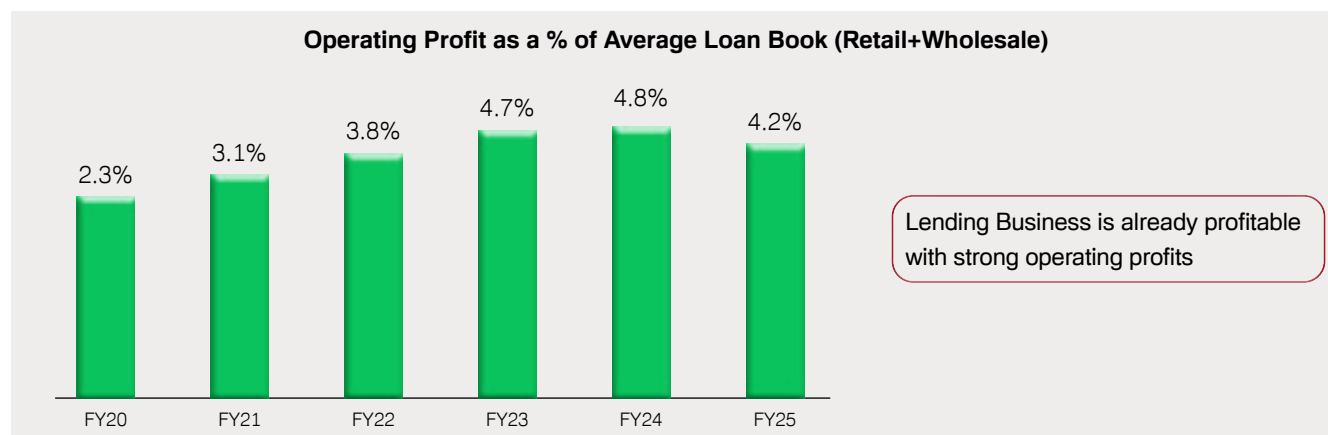
For FY 2018-19, the numbers are as per the financial results of March 31, 2019 and includes H1-FY19 of the standalone entity and H2-FY19 of the merged entity i.e. IDFC FIRST Bank



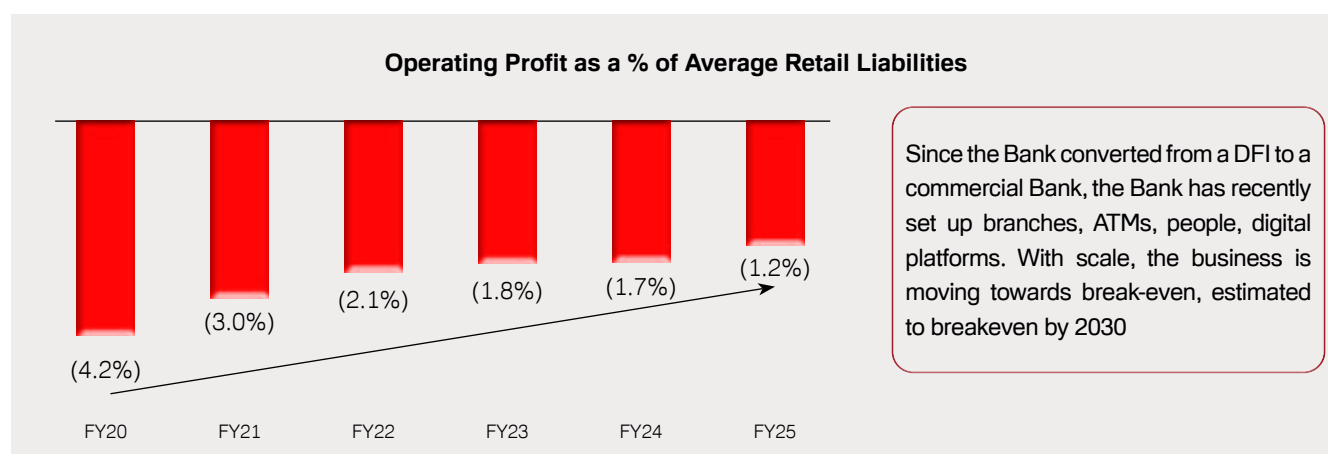
Core Operating Profit to improve with breakeven of liabilities and Credit Card

Broadly, the Bank has 3 lines of businesses – Lending, Deposits and Credit Cards. Of these, lending business is already consistently profitable. Deposit and Credit Cards business are in investment mode and are steadily moving toward profitability. As these businesses turn profitable, the overall profit of the Bank is expected to improve

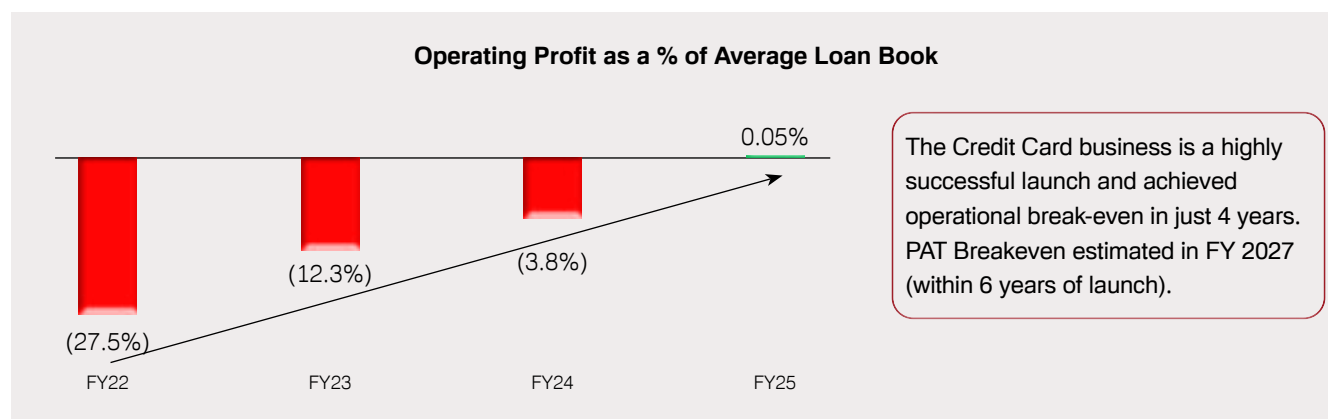
i. Assets (Retail Loans & Wholesale Banking)



ii. Retail Liabilities Business



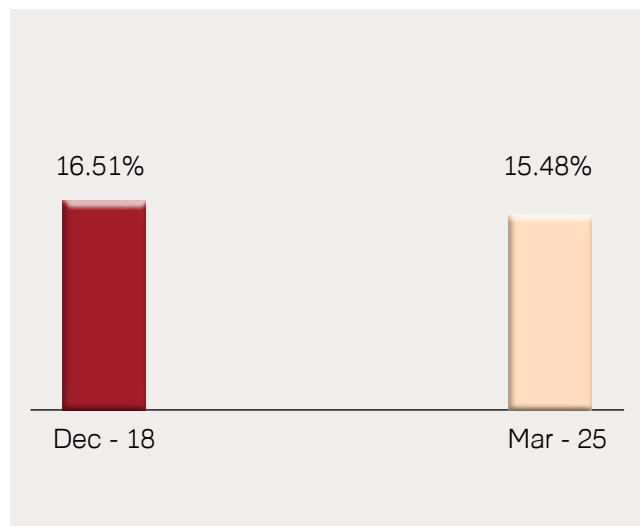
iii. Credit Cards Business



7 Capital

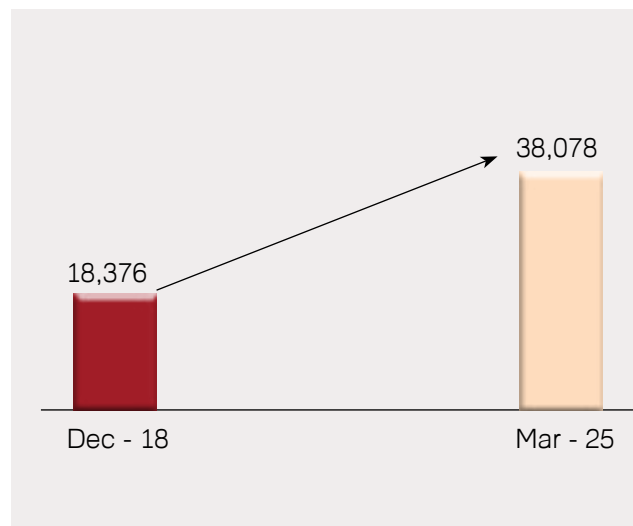
i. Capital Adequacy (%)

Capital Adequacy Ratio of the Bank continued to remain strong and CET-1 ratio as on 31st March, 2025 stood at 13.17%



ii. Networth (Shareholders' Funds) (₹ crore)

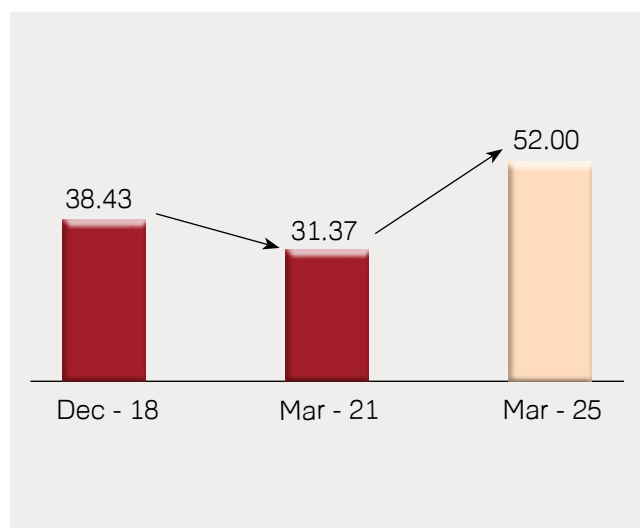
In April 2025, the Bank announced raising additional ₹7,500 crore equity to support its next phase of growth



Post capital raise of ₹7,500 crore and proposed dividend of ₹0.25 per share, Capital Adequacy ratio would be 18.20%, Tier-I ratio of 15.89% and the Networth would be ₹45,395 crore, if calculated on 31st March, 2025 financials

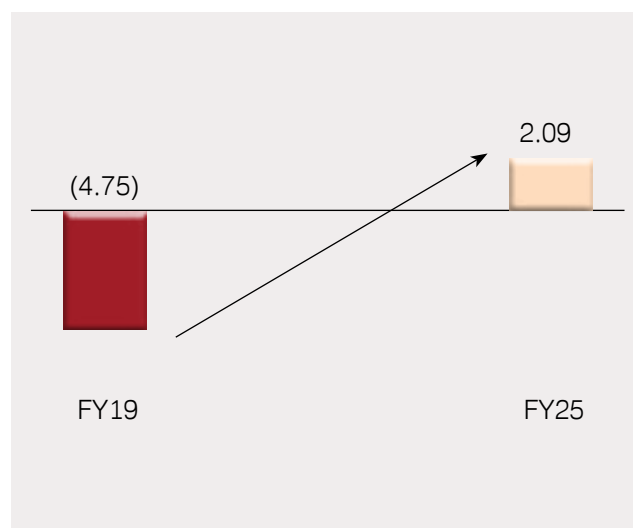
8 Book Value per Share and EPS

i. Book Value per Share (₹)



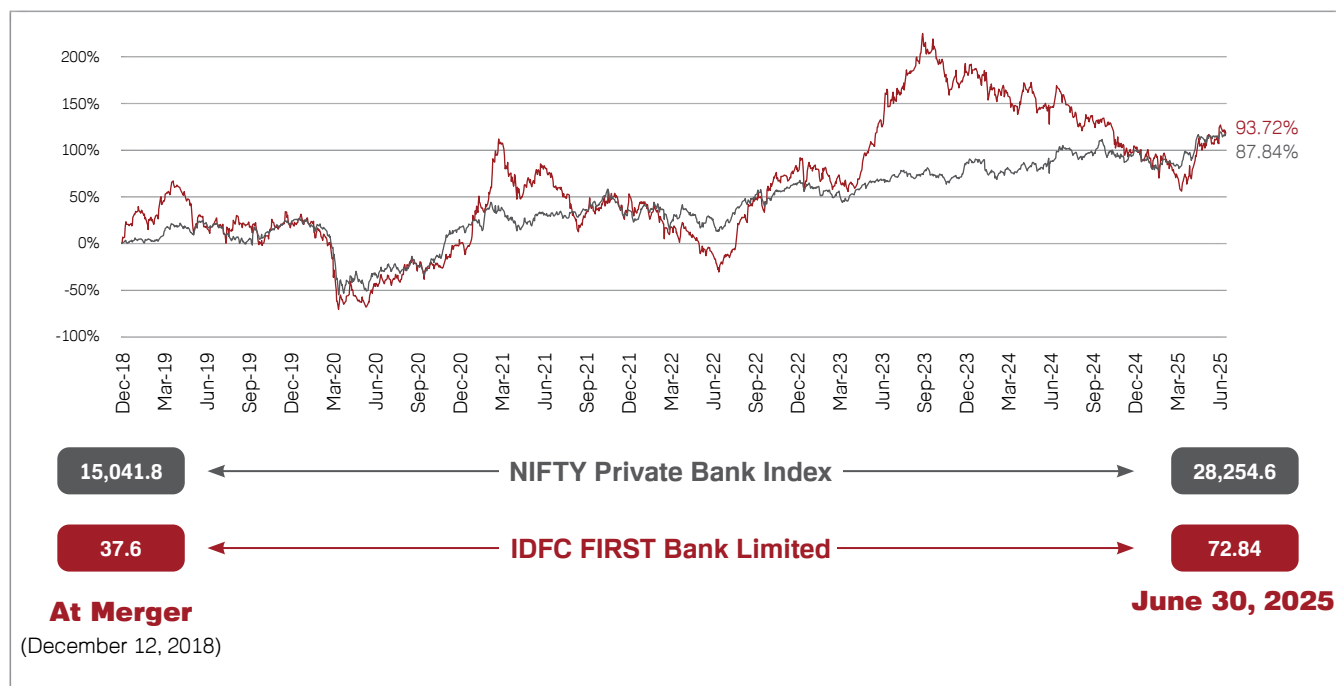
Book Value per share initially reduced from ₹38.43 at merger to ₹31.37 due to losses on account of infrastructure and corporate legacy loans. Since then, the BVPS has been increasing to reach ₹52.00 in FY 2024-25

ii. Earnings per Share (₹)





iii. Price Movement Since Merger: IDFC FIRST Bank vs NIFTY Private Bank Index (%)



iv. Number of Shareholders:

Year Ending 31 st March	2018	2019	2020	2021	2022	2023	2024	2025
No. of Shareholders (lac)	6.12	7.42	8.80	11.83	15.68	17.07	26.11	32.78

Governing with Responsibility



At IDFC FIRST Bank, we view sustainability as a core element of our long-term strategy.



Mr. Sanjeeb Chaudhuri
Chairman



Dear Stakeholders,

It is with a sense of immense satisfaction and pride that I present the Integrated Annual Report of IDFC FIRST Bank for FY 2024–25.

The global economy in FY 2024–25 experienced heightened divergence and disruption. Growth slowed to 3.3%, falling below historical trends, as persistent inflation, tighter monetary conditions, and rising geopolitical tensions weighed on trade and investment. A renewed wave of protectionism—marked by tariff increases in April 2025—further disrupted global supply chains and trade flows, compelling businesses worldwide to re-evaluate sourcing models and strategic priorities.

In this complex and fragmented environment, resilience, adaptability, and long-term thinking became essential for navigating uncertainty.

India: An Outperformer in a Volatile World

Amid global economic turbulence, India emerged as a standout performer, registering an impressive GDP growth of 6.5% in FY 2024–25—among the highest across major economies. This strong performance was underpinned by a combination of prudent macroeconomic policies, robust domestic consumption, and sustained public investment, particularly in infrastructure. India's expanding digital and financial ecosystems also played a pivotal role, powering inclusion, productivity, and innovation across sectors.

The Reserve Bank of India's announced calibrated rate cuts coupled with liquidity support without compromising financial stability. Simultaneously, the government's measured and forward-looking approach to global headwinds—whether related to trade disruptions, energy price volatility, or capital flow dynamics—reinforced investor confidence and safeguarded external sector resilience.

These coordinated efforts turned challenges into opportunities, bolstering India's reputation as a stable, future-ready economy with a strong institutional framework, growing digital maturity, and a commitment to inclusive development. In an increasingly fragmented world, India stood out not only for its growth momentum but also for its discipline, adaptability, and long-term strategic clarity—earning global recognition as a beacon of fiscal prudence, democratic strength, and sound governance.

Governance: The Bedrock of Our Institution

The Board believes that strong governance is essential to building a trustworthy and resilient institution. It ensures that decisions are made with discipline, risks are properly assessed, and the bank stays aligned with its long-term responsibilities to shareholders, regulators, and society. Governance provides the checks and balances necessary to manage complexity, uphold ethical standards, and maintain accountability across all levels of the organization.



One of the key highlights of the year was the successful completion of the merger of IDFC Limited with IDFC FIRST Bank. This long-anticipated milestone marks the culmination of a carefully considered process aimed at simplifying the corporate structure, removing redundancies and duplication, and enhancing governance



This past year, we were especially encouraged by the transparency and accountability with which management addressed sectoral challenges, including industry-wide stress in the microfinance segment. The leadership team was transparent with the Board, shared action plans and dealt with the situation. Throughout this period, your Bank remained committed to customer sensitivity, fair practices, and full accountability.

Since the merger six years ago, your Bank has faced several challenges which are common at set-up stage. With the hard work and focus of the management team, your Bank has now emerged stronger than ever before. More significantly, this strong and sustainable business model has made your Bank fundamentally profitable and resilient. During this phase, the institution consistently upheld the highest standards of corporate governance.

Risk Management and Internal Controls

As a Board, we have placed significant emphasis on robust risk management and strong internal control frameworks. The evolving risk landscape across credit, cyber, operational, and regulatory dimensions demands ongoing vigilance. We are pleased to note that your Bank has adopted forward-looking frameworks that emphasize early risk detection, resilient control environments, and well-articulated risk appetite statements. The Risk and Audit Committees of the Board have remained closely engaged in guiding the Bank's approach to systemic resilience.

Compliance and Oversight

Regulatory compliance is a non-negotiable priority. The Board continues to closely monitor your Bank's compliance frameworks, ensuring alignment with both regulatory expectations and our institutional values. Our focus is not merely to meet statutory requirements, but to uphold the spirit of integrity in every aspect of banking.

Sustainability and Social Responsibility

At IDFC FIRST Bank, we view sustainability as a core element of our long-term strategy. This year, we made substantial progress in embedding Environmental, Social, and Governance (ESG) principles across our business—integrating them into our risk frameworks, governance practices, product architecture, and operational planning. A notable improvement in our ESG ratings this year stands as both a recognition of our direction and a motivating milestone for our teams.

Our green finance agenda continues to build momentum. We have facilitated the adoption of clean mobility through widespread financing of electric vehicles and introduced Green

Deposits, where proceeds are channelled exclusively toward environmentally beneficial activities.

We are also strengthening our commitment to operational sustainability. Several of our offices now carry green building certifications, and our corporate headquarters in Mumbai has achieved IGBC Platinum certification. Additionally, we are actively transitioning to renewable energy sources to power our larger premises. These efforts are part of our broader goal to reduce our environmental footprint and contribute meaningfully to India's decarbonization journey.

Merger:

One of the key highlights of the year was the successful completion of the merger of IDFC Limited with IDFC FIRST Bank. This long-anticipated milestone marks the culmination of a carefully considered process aimed at simplifying the corporate structure, removing redundancies and duplication, and enhancing governance.

In conclusion, your Bank has made tremendous progress over the last few years. In fact, your Bank today is almost unrecognizable from what it was five years ago, in size, scale, vibrancy, stability, technology capabilities and core profitability.

At the Board, we are conscious of the long-term direction and provide necessary oversight to ensure your Bank balances innovation with responsibility. We believe that building a financial institution with enduring values of maintaining transparency, stable growth, strong internal controls, and growing with integrity, is the path to sustainable success.

I would like to express my heartfelt appreciation to all our stakeholders. To our regulators, for their guidance and advice. I would like to thank our customers, for their continued loyalty and trust. Once again, thanks to our employees, for their unwavering dedication and passion in serving all our stakeholders. Finally, dear shareholders, thank you for your trust, loyalty and continuous support. Thank you all for being an integral part of this journey.

Yours Sincerely,

Sanjeeb Chaudhuri
Chairman

Building a World Class Bank



As India emerges from \$4 trillion to be US\$ 10 trillion in 10 years, large opportunities will emerge across all segments; Corporate, Retail, MSME, Rural, Startups, and Government. We want to be fully prepared for this future. Hence, we are building a comprehensive suite of Universal Bank products and solutions for all these segments.

V. Vaidyanathan
Managing Director
& Chief Executive Officer



Dear Shareholders,

Greetings from IDFC FIRST Bank. I hope this note finds you in good health and spirits.

I'm happy to share that we have successfully completed our merger with IDFC Ltd. I extend a warm welcome to all our new shareholders. Over the last 7 years, our shareholder base has grown 4X from 7.4 lakh in March 31, 2019 to 32.8 lakh as of March 31, 2025 (3.3 lakh new unique shareholders from IDFC Limited). Thank you for your trust in us.

At IDFC FIRST Bank, we are singularly focused on one goal: **'To build a world-class bank in India'**. Every action we take is aligned to this vision.

As of March 31, 2025, the Bank's overall customer business reached ₹4.85 trillion, with loans and advances at ₹2.42 trillion and customer deposits at ₹2.43 trillion. Our CASA ratio is healthy at 46.9%. Gross and Net NPAs are at 1.87% and 0.53%, with healthy provision coverage ratio of 72.3%. Capital adequacy was strong at 15.48%, and Net-worth was ₹38,078 crore, which will rise to ₹45,395 crore post the fund raise and net of proposed dividend. Core operating profit increased 17.2% YoY to ₹7,069 crore. PAT was down 48% YoY to ₹1,525 crore. We now have 1,002 branches and 1,041 ATMs across the country.

This year, IDFC FIRST Bank made further strides toward becoming a Digital First Bank. Now 98.7% of all transactions at the Bank are done digitally i.e. through internet, mobile, prepaid, and FASTag. We are driving convenience and efficiency at scale.

Our digital journeys are powered by a modern technology stack comprising Cloud, DevSecOps, FinOps, Microservices, and advanced APIs. This architecture enables 99% e-KYC, 98% e-stamping, 98% e-signatures, and 99% e-mandates, ensuring seamless, paperless onboarding. With 99.9% uptime, we are steadily building the foundations of a real-time bank that delivers consistent, high-performance digital experiences. Our end-to-end digitisation is estimated to have saved over 100 million sheets of paper compared to traditional processes. We also piloted debit cards made from recycled plastic for employees. We are conscious about the harm caused to the environment and are trying to contribute positively in every way possible.

In this edition of the Annual Report, I would like to share with you (a) The Buildout (b) Our progress thus far (c) The issue faced in FY 25 and (d) The road ahead and (e) the Capital Raise.



Section A: The Buildout

Universal Bank: You may have thought of us as a predominantly retail-focused bank, since much of the conversation in banking often centres around deposits, lending, provisions, and so on. But the way we see it as India emerges from \$4 trillion to be US\$ 10 trillion economy, opportunities will emerge across all segments Corporate, Retail, MSME, Rural, Startups, and Government. We want to be fully prepared for this future. Hence, we are building a comprehensive suite of Universal Bank products and solutions for all these segments.

For corporates, we have built out a modern Cash Management Solution, Trade Finance, Treasury solutions, escrow facilities and advanced payments.

On the retail side, we have launched many products including Credit Cards, Wealth management, NRI banking, Gold Loans, Education Loans, New Car Loans, and channels like an advanced Mobile Banking app, Branches, ATMs, and Contact Center.

On the rural side, we have introduced Rural Working Capital Loans, Kisan Credit Cards, Gold Loans, Microfinance Loans, Rural Home Loans, Tractor Loans and MSME Loans. For the SME, Commercial and Corporate segments, we have launched Working Capital facilities, Trade, Fx, and other such solutions.

In Government Banking, we were empanelled by the CBDT and CBIC for the collection of Direct Taxes and GST, and authorised by the Central Pension Accounting Office for pension disbursements. We have also launched dedicated tax collection services.

Thus, within just six years, we have conceptualised, built, and launched solutions across all key customer segments and each of these has been well received in the marketplace. This is a Bank on the move.

I have always maintained that we are building this bank for the long run. We are thus laying the foundation of a true universal bank.

There are a few core principles we have embedded into the DNA of our people.

- › **Ethical Banking:** We ensure our products are so customer-friendly that employees can confidently recommend them to their loved ones. This is a pivotal test. I personally recommend IDFC FIRST Bank to all my friends, family and loved ones and do user testing all the time.



We avoid hidden charges and avoid dark pattern behaviour. We remind our employees that income earned from customers is finding their way into their homes through salaries, variable pay, ESOP, etc., and hence it should be clean in their own moral interest.



We take a strong stand against mis-selling and take strict action against anyone doing so. We avoid hidden charges and avoid dark pattern behaviour. We remind our employees that income earned from customers is finding their way into their homes through salaries, variable pay, ESOP etc. and hence it should be clean in their own moral interest.

When explained in that light, employees develop inherent desire to desist from unethical practices, both in designing products and in delivery, as no one we know would want dirty income into their pocket.



We set high service standards. We keep all gates open for our customers to reach us. At every channel, whether branch, website or app, "Customer Service" is prominently displayed.



- › **Customer Friendly Banking:** In every product we introduce, we try and package something special for our customers. With time over 40 million customers have experienced us.

In savings accounts, we offer monthly interest credits. In credit cards, we put no minimum spend conditions for our lifetime free cards and we offer zero interest on ATM cash withdrawals. We set high service standards. We are running initiatives for providing all services on the mobile app, so that customer does not have to call the service centre at all. We do root cause analysis for issues and see what we could have done to avoid the issue in the first place.

We keep all gates open for our customers to reach us – through internet, mobile, branches and email. At every channel, "Customer Service" is prominently displayed, with easy self-service and assisted journeys.

Through continuous root cause analysis and process improvements, customer call volumes to our call center in March 2025 declined by 29% compared to March 2024, even as our overall business (customer deposits and loans combined) grew by 22.7% during the same period. This improves service quality and contributes to cost efficiency for the Bank.

- › **Digital Banking:** We stay at the cutting edge of technology. Our modern technology stack, data platform, and data engineering capabilities are powered by advanced analytics, machine learning, and artificial intelligence. This foundation ensures superior experience across all channels, mobile, branch, internet banking, and call-centers. Our mobile app, used by over 20 million customers, is rated highly at 4.9 on Google Play and 4.8 on the App Store for its UI/UX.



We design products that employees can offer confidently to their family members. I personally recommend IDFC FIRST Bank to all my friends, family and loved ones and do user testing all the time.



- > **Security:** At IDFC FIRST Bank, we have made cybersecurity a strategic priority. We continue to adopt global best practices and deploy advanced technologies to strengthen our defences and to protect our customers. We provide multiple layers of security to keep our customers safe by using advanced analytics and studying transaction patterns at cohort level and customer level.

Section B: Progress since Merger

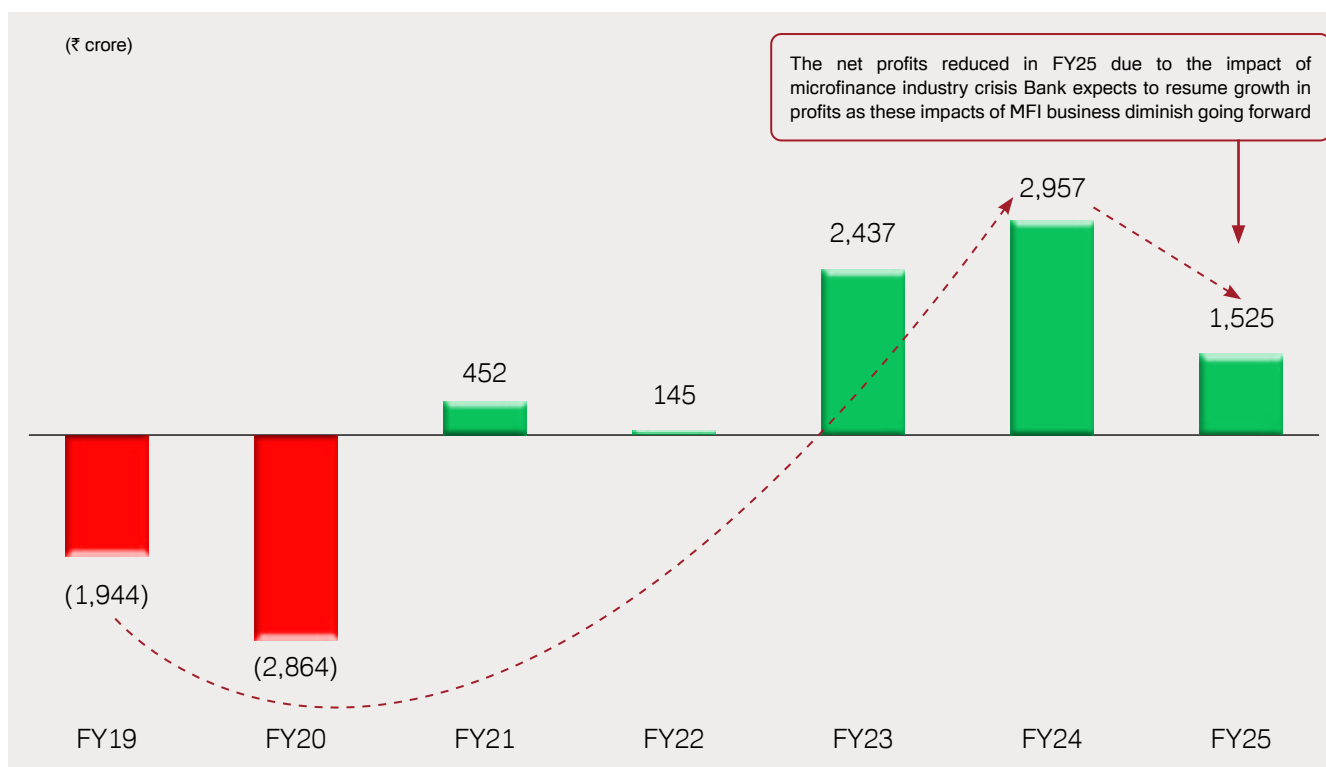
Based on these core practices, the Bank has made strong progress, addressing several issues that could have posed existential risks. Key challenges resolved over the years include:

1. **CASA:** We have increased CASA from 8.7% at merger to 46.9% which has helped us reduce cost of funds by 132 bps from 7.80% at merger to 6.48% currently.

2. **Legacy Infra and Corporate Loans:** We reduced the legacy infrastructure loan book from ₹22,710 crore (Dec 2018) to ₹2,348 crore (Mar 2025) and wound down troubled corporate exposures. A major distraction is now behind us
3. **Paid off Legacy Borrowings:** The Bank repaid ₹52,851 crore of legacy borrowings on maturity, entirely funded through retail deposits.
4. **PSL:** The Bank has built strong PSL capabilities by launching many PSL compliant business lines across thousands of villages nationwide.
5. **Credit to Deposit ratio:** We brought down our CD ratio from 137% to 94%, and target to bring it into the 80s next.
6. **Credit Rating:** Credit Rating agencies upgraded our rating twice, from AA- to AA+ (stable) from CRISIL, ICRA, India Ratings and CARE, with CRISIL rating our Fixed Deposits as **AAA**. This provides external endorsement of improvement in the Bank's strength.
7. We resolved the long pending **merger with IDFC Limited**.
8. **Infrastructure:** We set up 1,002 branches and 1,041 ATMs, multiple offices, Cash Processing Centers, and built inhouse technology capabilities.

Section C: Issues in FY25

Over the years, the Bank's PAT increased from loss of ₹1,944 crore in FY19 to PAT of ₹2,957 crore in FY24. Naturally, you expected a further rise in profits in FY25. Instead, PAT dipped by 48% in FY25 to ₹1,525 crore, and we have disappointed you on this front. I would like to address what exactly caused this.



For FY 2018-19, the numbers are as per the financial results of March 31, 2019 and includes H1-FY19 of the standalone entity and H2-FY19 of the merged entity i.e. IDFC FIRST Bank



Naturally, you expected a further rise in profits in FY25. Instead, PAT dipped by 48% in FY25 to ₹1,525 crore, and we have disappointed you on this front in FY25. I would like to address what exactly caused this.



As a bank, we are building over 25 lending lines of businesses. One such business pursued by us is Microfinance Loans (hereinafter called MFI loans).

What are microfinance loans?

Microfinance loans (MFI loans) are small-ticket loans, typically between ₹35,000 and ₹1,00,000—offered mainly to women in rural areas to support livelihood activities such as cattle rearing, small manufacturing (e.g., agarbathi, chappals), or trading (e.g., kirana shops). Borrowers usually form Joint Liability Groups (JLGs) of 10–20 members.

On a fixed day each month, our employee visits the town center to collect repayments in cash from borrowers who assemble there. This business represents one of the purest forms of financial inclusion, replacing informal borrowing at high rates of 50–100%. As of March 31, 2024, our loan book in this category was ₹13,344 crore, accounting for around 7% of the total loan book.

Why were we doing this business?

Our Bank transitioned overnight from an infrastructure DFI to a commercial bank in 2015, with no natural origination capabilities for meeting Priority Sector Lending (PSL) requirements, let alone challenging sub-targets like 'Weaker Sections', 'Agriculture PSL', or 'Small and Marginal Farmers PSL'.

The cost of not meeting PSL norms is significant. At the time of the merger in December 2018, with a loan book of ₹1,04,660 crore, we fell short of PSL targets and had to invest ₹3,368 crore in RIDF bonds. This led to an economic loss of around ₹100 crore per year for three years, as we borrowed at ~7.8% and invested in RIDF at ~4%.

The alternative of purchasing Weaker Section PSL Certificates was also costly. At a time when we were already incurring losses, we could neither afford high-priced PSL certificates nor absorb the impact of low-yield RIDF investments. So, we went about building organic capabilities for meeting PSL. The MFI business caters to the PSL requirements including the sub-sections and we built this business.

Finally, this business was profitable. So, MFI loans was a profitable way to meet PSL requirements, avoiding penalties, and also serving the weaker sections of society.

So, what exactly was the crisis?

In first half of 2024, there were rumours of loan waiver during elections, a rural slowdown, extreme heat wave and floods in Tamil Nadu. There was already a brewing concern of over-leveraging in the MFI system. In response, all lenders curtailed disbursements, and the sudden liquidity squeeze also

strained borrower cash flows in this segment, which affected repayment capability and hence repayments for all lenders in this segment.

Why is the MFI business more prone to crisis as compared to other retail businesses?

In majority of other retail lending businesses other than microfinance, we take a Post-Dated Cheque, NACH mandate, or Debit Instruction upfront for the full loan tenure. On due dates, repayments are automatically debited from the borrower's bank account.

In MFI, there is no debit instruction linked to the borrower's bank account; collections are made in cash by our employees. As a result, the collection mechanism is fundamentally different, and experiences in MFI should not be extrapolated to other lending businesses.

This was an industry-wide MFI crisis, not specific to IDFC FIRST Bank. Over 150 lenders, including NBFCs, NBFC-MFIs, and banks were impacted. Think of it like a pileup on a highway, everybody traveling on that highway gets affected.

How did our Bank react to the crisis?

(a) We reduced the book by 28% from ₹13,344 crore as on March 31, 2024 to ₹9,571 crore as on March 31, 2025.

(b) From January 2024 onwards, we started insuring the disbursements of microfinance loans under CGFMU scheme. 66% of our overall microfinance portfolio is insured under CGFMU coverage now. In the event of default, we will be paid ~72% of the default.

Why was the impact of one product so significant to the P&L?

There were two impacts. (a) NPA provisioning increased in MFI loans during the crisis. (b) reduction in book size in reaction to crisis, led to reduction in income as compared to earlier year.

When will the crisis end?

We expect improvement in MFI to start reflecting from Q2FY26 onwards.

Will you still do MFI business going forward?

We have built a well-oiled machinery of 6,500 staff dedicated to lending and collections, supported by robust systems and protocols. Over eight years, we've financed 4 million customers through multiple repayment cycles, bringing them into the formal credit system and transforming lives. This has helped us meet weaker section PSL norms, avoid penalties, and also run a profitable business.



In all other retail lending businesses other than MFI, we secure a Post-Dated Cheque, NACH mandate, or Debit Instruction upfront for the full loan tenure. On due dates, repayments are automatically debited from the borrower's bank account.



Given these capabilities, it makes little sense to exit due to this one-off crisis. Instead, we must reflect on what could have been done better to reduce the P&L impact.

In hindsight, the reasons for doing this business are still intact. What I regret most was not insuring the MFI portfolio from the start; this business has been prone to some crisis or the other every 5-8 years in some state or the other; AP, Assam or Tamilnadu (floods) are examples. Insurance would have significantly cushioned the blow by ~72%. Hopefully the next cycle would be longer as industry hopefully would be after a longer period, and hopefully, MFI industry would be wiser from this incident. There are other learnings too at an industry level about numbers of lenders, extent of leverage, etc.

Going forward, we will fully insure the portfolio, monitor it closely, keep track of industry practices, and keep it within certain limits of the Bank's overall portfolio.

How can we be sure that such issues will not come up in other part of the bank's book?

As mentioned earlier, unlike microfinance, all our other lending businesses are backed by automated debit instructions to the customer's bank account for EMI collections.

Further, in other businesses, the income and cash flow checks are better as there is more documented income.

Finally, in terms of customer profile, in other businesses, the income profile of the customer are higher than in MFI.

We are in the lending business, and there are always risks. Even other than MFI, some lines of businesses do see higher delinquency than normal from time to time. We continuously monitor and take corrective action.

But overall, we target to keep our Gross NPA: Net NPA: Provisions within '2-1-2' formula already shared with shareholders in Annual Report 20-21.

At no stage for a decade and a half, did we have to do a "one time cleanup" of our retail, MSME or rural book. We have been disciplined about our underwriting and have kept it in this approximate band.

Finally, we would like to share out that we call out the portfolio quality of the Bank's book excluding MFI book in our presentations only to point out exactly where the problem is, and not to evade responsibility. I take full responsibility for the MFI issue. We see the MFI book in its entirety with the positives and negatives it gave us and will insure the portfolio going forward.



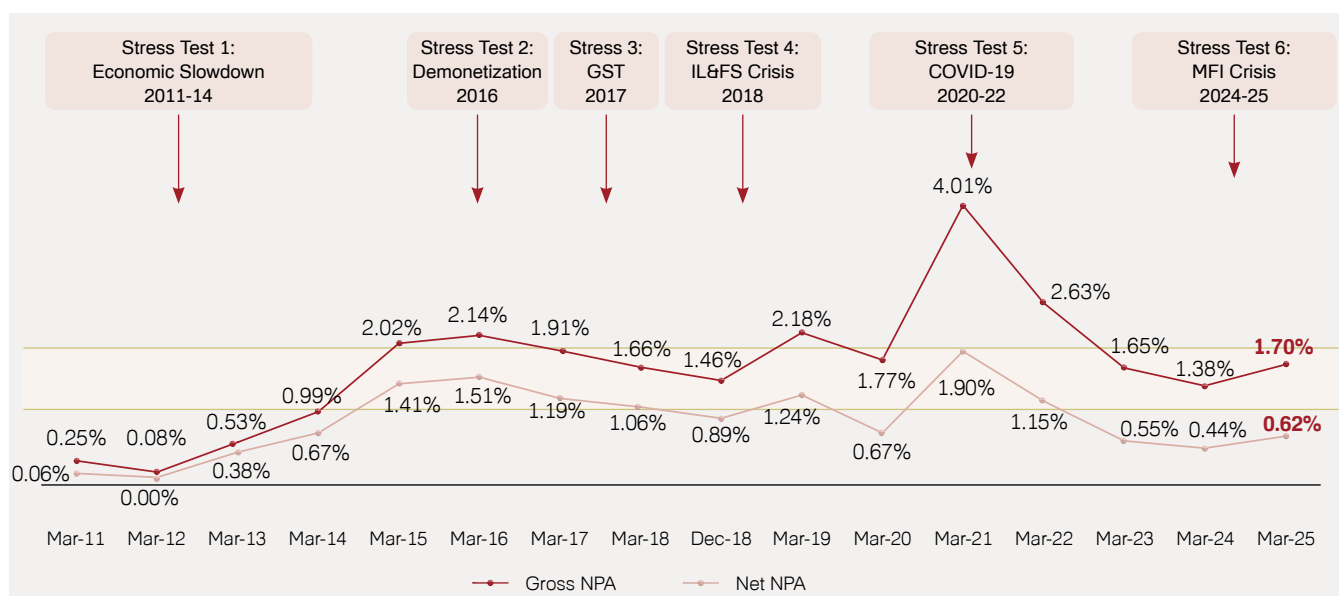
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Section D: Way forward

a. Risk Adjusted Approach: The Bank follows a risk-adjusted lending approach. Certain businesses carry higher NPAs and provisions but also generate risk adjusted income. In contrast, products like home loans have very low NPAs and credit costs but also yield lower interest income. For example, our prime home loan portfolio currently has negligible NPAs or credit costs yet is loss-making on a standalone basis due to its low yield.

Hence our bank uses a judicious mix to deliver a stable risk adjusted return. The important thing is the stability and sustainability of credit costs over cycles which we have had over a long time. The speciality of IDFC FIRST has not been that we have a better NIM, it is that the Credit cost as a % of loan book is low compared to our income, and our credit cost is stable. Our risk adjusted income is higher because of the specialisation in cash flow lending since long. In terms





of profitability, the matter to be addressed is increasing the operating leverage, which is addressed separately later.

The bank has maintained Gross and net NPA at ~ 2% and ~1% for 15 years now. To expand our business, we need not relax credit norms. Since we are yet a mid-size bank, we have a lot of opportunity to grow simply by expanding distribution.

b. Portfolio Strategy

It's important to understand the Bank's evolution, including its pre-merger phase. We began retail lending as an NBFC in 2010, borrowing at 12–13% and lending at 22% to kirana stores and similar profiles. As our cost of funds fell to 10%, we moved down the risk curve to better-rated segments like LAP, Personal credit, MSME loans. Today, with our cost of funds at 6.48%, we've further shifted toward prime customers of each segment.

As part of this evolution, we will continue shifting toward segments such as working capital, loan against property, home loans, vehicle loans, commercial vehicles, SMEs mid-size commercial loans (turnover ~ ₹100 - 10,000 crore), and also large corporates with turnover running into thousands of crore.

At the same time, we will retain our unique strength in cash flow-based lending to kirana shops, salons, restaurants, chemists, and similar small businesses. We will also retain our capability to finance laptops, washing machines, refrigerators etc. at scale using advanced technologies, scorecards, and our integration with the India's new digital ecosystem. We finance about 8 million such loans a year.

Together, we will follow a judicious mix and monitor the portfolio carefully. We believe what we do is also highly critical to for India to bring organised lending to millions of common



The Bank follows a risk adjusted lending approach. Overall, we target to keep our Gross NPA: Net NPA: Provisions within "2-1-2" formula already shared with shareholders in AR 2021.

people of the country.

As we grow into a larger bank, it is natural that the share of prime home loans, car loans, corporate and commercial loans, and secured working capital loans will rise. This will lead to lower yields and NIMs, but we would also have lower credit costs, and lower cost of funds. Overall, this shift should enable us to deliver strong, sustained ROA and ROE. It reflects the Bank's natural evolution into a long-term, large-scale financial institution.



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c. Interest Rates on Deposits

We have reduced the Fixed Deposit rates substantially. On savings accounts, the Bank has reduced the interest rates from 7% to 3% for upto ₹5 lakh, matching the large banks.

As pointed earlier, we have brought down the cost of funds at the Bank from 7.80% to 6.48%. That we have raised retail deposits at the Bank even while reducing interest rates demonstrates the capabilities built at the Bank to raise deposits.

Currently we have ~ ₹32,000 crore of outstanding borrowings. We will continue to raise deposits and repay these. Along the way, as we set up more distribution, we will also further reduce our interest rates.

d. Operating Expenses

As an early stage Bank, we had to invest to build a modern tech platform, expand branch network, launch new products, build necessary team and drive digital innovations to build a strong deposit franchise.

Over the next few years, we will get the benefits of the investments made so far while incrementally investing in select areas like digital innovations to drive operating efficiencies in the future.

While most of the discussions on costs have often revolved around investment for raising deposits, the reality is that the bank has also incurred expenses in setting up many other businesses such as credit cards, wealth management, corporate banking, cash management, Trade, Fx, Fastag etc. to be prepared to be a large universal bank of the future.

For instance, for our corporate customers, we've built advanced receivables and payables solutions including virtual accounts, payment gateway and UPI integration, escrow, liquidity management, remittances, reconciliation, tax collections, and corporate credit cards. We also offer host-to-host integration, real-time transaction monitoring, and a developer sandbox.

We are constantly rolling out transformation projects, which is helping us reduce costs and we are redeploying it in scaling up new businesses. Thus, we plan to stay in investment mode, and yet slow down the Opex growth.



We call out the portfolio quality of the Bank's book excluding MFI book in our presentations only to point out exactly where the problem is, and not to evade responsibility. I take full responsibility for the MFI book issue.



We are committed towards a reduced operating expenses growth, lower than our income growth, to widen the operating jaws further as we scale.

e. Outlook

In the near term, we expect the following

- 1 Our income to be impacted by the change in the repo rate.
- 2 The MFI portfolio has reduced ~30% YoY, which will result in lower YoY income growth.
- 3 Credit cost, particularly from MFI, could remain elevated in the near term.

We expect the impact of the above factors to largely play out over the next two quarters. However, we expect by end of the FY26, the contra of all these events to play out, and we expect things to look up. Further, we expect FY27 and onwards to be on a strong footing. If we look through the immediate MFI affected period, we are confident that the trajectory of the bank will improve meaningfully.

Section E: Recent Capital Raising Plan

Because of the early stage of the Bank, we were making near ZERO return on equity on a core basis (Income less Opex without trading income; less credit costs). But the good news is we have improved profitability on a core basis, based on sound economics. Our next stop is to reach ROE of 15% and improve beyond that. At that stage, we will be close to being self-sustaining on capital.

This gradual path is inevitable for a startup bank to become a large world class bank, the foundations for which are being laid today.

Around the time we were thinking of raising capital, the market conditions were weak, two wars were raging in different parts of world, and our stock was priced around ₹55 to ₹56. We felt that a large capital raise will reduce frequent capital raises.

Hence, we approached certain private equity players in strict confidence and presented our long-term prospects, technology strengths, strong governance, and performance over the past six years. From our public guidance, they could see that our short-term profits are expected to be low, but they have come in keeping our longer-term prospects in mind. They agreed to pay us a premium to the prevailing

price. We also saved significant fees that would otherwise be paid for arranging such equity.

We are thus delighted that we got commitments of ₹7,500 crore from Warburg Pincus via its affiliates, and ADIA Private Equity through a subsidiary, which was approved by shareholders with an overwhelming 99.18% majority. The transaction is subject to requisite regulatory approvals.

Raising such significant capital at this early stage and amid global uncertainties, is a major milestone for our Bank.

Effectively, the Networth of the Bank has increased 3X in five years, from ₹15,343 crore as on March 31, 2020 to ₹45,395 crore (post capital raise of ₹7,500 crore and net of the proposed dividend), largely through fresh capital raises. Our Capital Adequacy Ratio will rise to 18.2% and Tier-I to 15.9%, calculated on March 31, 2025 figures.

The large investment into our Bank also reflects global investors' confidence in India's growth-oriented policies and the strength and transparency of its banking regulations.



In hindsight, what I regret most was not insuring the MFI portfolio from the start; this business has been prone to some crisis or the other every 5-8 years in some state or the other; AP, Assam or Tamilnadu (floods) are examples. Insurance would have significantly cushioned the blow by 72%.



Section F: Corporate Governance

At the heart of our long-term value creation is a strong commitment to corporate governance. We uphold the highest standards of transparency, integrity, and accountability in all our practices.

We develop a compliance culture and ethical conduct across the organisation. These principles serve as the foundation for maintaining stakeholder trust.

Section G: ESG

We are happy to share that our Bank is financially inclusive. We have 16 million live customers on our books to whom we have provided inclusive financing, including 7.5 million customers for laptops, washing machines, refrigerators, etc., 3.6 million woman entrepreneurs customers (JLG), 4 million vehicle loan customers, 1 million micro business customers, 1.3 lakh tractor and commercial vehicle customers for productive use. The Bank has high ESG ratings which are improving further. I am personally very interested in this theme, considering the pace at which our environment is deteriorating. We are incorporating ESG in all aspects of our business.



I would like to specifically thank our Regulators for their continuous guidance and support, particularly important at our start up stage. This has helped us immensely. They take detailed and painstaking efforts to explain what we can do better and the benchmarks we should meet.



Thank You,

Converting a infrastructure DFI to a Bank does consume huge capital initially because infra lending business by its nature have low NIM of < 2% and face conversion related issues explained earlier. I thank all of our shareholders for their strong support, approvals, and goodwill during this phase.

I would like to thank all employees and teammates for your immense hard work and intellect in building the bank. To build a world class Bank is a privilege for all of us. I would like to particularly thank our control functions; they are critical for us. They are keeping us on track, so we avoid getting blindsided.

I would like to thank our customers for your goodwill towards us. Likewise with our partners and vendors who are all helping us build the bank. Thank you media, for your support as well in representing all matters dispassionately and accurately.

I would like to specifically thank our Regulators for their continuous guidance and support, particularly important at our start up stage. This has helped us immensely. They take detailed and painstaking efforts to explain what we can do better and the benchmarks we should meet.

To the Government of India, we sincerely thank you for your support at all stages over the years.

Our Board of Directors are helping shape the bank with their vast experience and wisdom, thank you.

With sincere thanks,

V Vaidyanathan

Managing Director & CEO
IDFC FIRST Bank

Remembering

Mr. Chinmay Dhoble



I would like to share a special note of thanks for Chinmay Dhoble. He was truly special. He was on a run one early Sunday morning on April 13, 2025, when he had a heart attack. A passerby called me directly on my cell and informed me, maybe they found my number on him. By the time he was rushed to the hospital he had passed away. It was beyond belief, a deep shock for all at the Bank.

Chinmay had a highly successful stint in building our home loan business to ₹25,000 crore from ground zero. Considering his exceptional conceptual and people capabilities, we took a leap of faith and moved him over to head the entire ₹1,50,000 crore Retail Deposits business of the bank, something he had never done before. Here too he was highly successful and took it to ₹2,00,000 crore within a year. He was doing an exceptional job building teams and launching products, always with an affable smile. Among us senior management, we talked many times a day.

All of us remember Chinmay with deep respect and gratitude for who he was and what he did. To his wife Suma and his son Advait we want to say there was no one like him. His absence is being felt deeply by all of us. There is no other Chinmay.

Driving Progress with Purpose

Dear Stakeholders,

At IDFC FIRST Bank, our goal is simple but ambitious: to build a strong, self-reliant institution that delivers lasting value. We are working to build necessary capabilities for deepening the strength of our franchise.

In the past few years, we have expanded our reach, grown our customer base, and built a stable, retail-led deposit franchise. This has been driven by operational efficiency, strong customer relationships, and a strategic shift towards sustainable business practices. The improvements in our financial performance reflect the strength of our model and the clarity of our decisions.

Technology and innovation remain central to our strategy, driving both superior customer experiences and operational efficiency. With a solid foundation established, IDFC FIRST Bank is well-equipped to meet future challenges and capitalize on emerging opportunities.

At IDFC FIRST Bank, we are genuinely excited about what we are building. As we look ahead, our focus remains on disciplined execution, prudent risk management, and long-

term value creation. With the right mix of capability, culture, and digital-first thinking, we are confident in our ability to deliver consistent performance and make a meaningful difference for all our stakeholders.

Pradeep Natarajan
Executive Director



Dear Stakeholders,

At IDFC FIRST Bank, we are reimagining how we engage with large and mid-sized corporates—shifting from conventional models to a highly digital, ecosystem-oriented approach integrated with banking solutions. We view every corporate as the hub of a vibrant network: their enterprise, employees, vendors, distributors, and end customers. This broader lens allows our Relationship Managers and Product Specialists to design financial solutions that span the entire value chain.

To deliver these solutions, we've implemented a cutting-edge tech infrastructure and are building best-in-class user interfaces to enhance client experience. While our corporate lending book grows steadily year-on-year, our core promise remains—empowering clients through a seamless, frictionless banking experience. Concepts like a developer-friendly API portal, fully digital onboarding, and collaborations with tech-driven partners are already live, significantly reducing turnaround times and enabling high-frequency transaction handling in Cash Management, Trade, and FX Remittances.

With this approach, the Bank is rapidly expanding its corporate client base, building a granular, diversified portfolio with strong credit quality. We aim to be a trusted, full-spectrum banking partner to India's dynamic enterprises.

Paritosh Mathur
Head - Wholesale Banking





How Warburg doubled down on Vaidyanathan's vision for IDFC First Bank

In private equity, repeat bets on the same founder are rare. Rarer still is when the first bet was made before the model was proven—and the second, after it scaled.

That's what makes the Warburg Pincus-V Vaidyanathan relationship exceptional. Nearly 13 years after first backing his retail lending vision, Warburg has returned with a renewed conviction: this time, with a ₹7,500 crore infusion into IDFC First Bank, alongside ADIA Private Equity.

A rare encore.

Chapter One: Betting on Belief

The story begins in 2010, when Vaidyanathan acquired a stake in Future Capital Holdings by leveraging his home, claiming he will be fetching external backing and convert to a bank. It was then a complex NBFC burdened by joint ventures, an unscalable structure, and market scepticism. Raising capital in that climate was brutally hard. "After a brief GDP lift in 2010, growth started falling sharply between 2010 and 2013," he recalled to this writer back in 2016. "It was the worst time to approach the market."

A ₹300 crore equity placement flopped. Lenders wouldn't lend. A foreign bank pulled out of a ₹300 crore loan after speculative reports.

"Even getting meetings with known bank chairmen became tough. We were a small NBFC and speculation wasn't helping," Vaidyanathan had said then.

Despite the media noise and capital drought, Vaidyanathan quietly built a new model. He hired on weekends at the Four Seasons, focussed on micro-entrepreneur lending, and began originating and securitizing loans using algorithmic scorecards. "We weren't waiting for money to build. We were building, so that money could follow," he said then.

Still, investor conversations often felt performative. "We strutted our strategy to fund after fund. There was never a hard 'no', but no 'yes' either. Others said, 'Come down and meet our global head when he visits in a few months.' A calm 'couple of months' for them felt like a tense 'couple of years' to me," Vaidyanathan had said then.

Then, in March 2012, a moment of serendipity. On a return flight from one of his frustrating visits to Delhi, Vaidyanathan was seated next to Narendra Ostawal, a then-rising star at Warburg Pincus, who had been with the firm since 2007 and today leads its India investment advisory business. He jumped on the opportunity and did a two-hour business deep dive.

Soon after, Ostawal and Warburg India co-head Vishal Mahadevia flew to Mumbai for a closer look. Vaidyanathan

was candid. He disclosed real estate bad loans, acknowledged ongoing losses in some verticals, but laid out a compelling vision—of a differentiated, retail-led lending engine, built on tech, risk intelligence, and governance.

Before writing the cheque, they reached out to HDFC's Deepak Parekh for a reference. Parekh's words were telling: "See what he's built at ICICI. If you want to back one person in this country, back him." ICICI's K. V. Kamath and Kalpana Morparia had similar things to say.

It wasn't just Warburg who got that mid-air napkin pitch. Around the same time, Vaidyanathan had a similar flight "napkin pitch" with Aditya Joshi, then at Apax Partners Private Equity. Others, such as Advent International, Barings and Blackstone, too, had heard the pitch but let the opportunity pass.

But Warburg didn't. They invested at ₹162 a share—a significant premium over the market price. For Vaidyanathan, it was the proverbial escape-from-hell card. It was also a moment of quiet celebration when his mentor, K.V. Kamath handed his blue tie to Vaidyanathan as a memento to mark the personal milestone.

What followed in the ensuing years was nothing short of transformational.

Reborn as Capital First, the shadow lender built a ₹30,000 crore loan MSME and consumer book, and in



2018, merged with IDFC Bank to form IDFC First Bank. Warburg, who had earlier exited 25% of their investment in Capital First in 2017 at ₹727 a share, exited its balance stake profitably in 2023-24, netting an overall 8-9x return, a fair deal for backing a rookie entrepreneur.

That could have been the end of a well-earned partnership.

Chapter Two: The Encore

But then came April 2025.

Vaidyanathan's desire to merge with IDFC to convert to a bank could even be his worst mistake. The bank mounted losses for six straight quarters, the longest streak for any private bank; he might as well have acquired a fresh bank licence. The bank emerged from the infrastructure and Vodafone exposure sagas, PAT rose from loss of ₹1,944 crore in FY19 to ₹2,957 crore in FY24. But 9M FY25 profit was down 44% owing losses in the microfinance business. Armed with this, he reached out to potential investors. He would request potential investors to look at the microfinance issue as a one-off and an industry wide issue, in an otherwise spotless decade.

Vaidyanathan believed the business was at an inflection point and what it needed was a stronger capital base. And this time, instead of launching a banker-led fundraising process, he did a Capital First encore. "I reached out directly. No investment bankers, no fee. Just direct," he tells Fortune India, adding that he was exploring other private equity funds, too—but all direct.

The Return of Trust

Warburg listened—and came back. In parallel, he struck another long-term investor in ADIA. Together, they committed ₹7,500 crore, in one of the largest PE investments in an Indian

private bank, with Warburg taking a bigger bite of the pie by investing ₹4,876 crore for a 9.5% stake.

"We had to go deep," Vaidyanathan recalls. "They asked us unit economics, franchise strength, risk metrics, tech stack, regulatory view, long-term ROE path. Another potential investor even commissioned an outside-in survey to assess customer experience. When the results came in, they told us it was simply off the charts."

What makes this story stand out is not that Warburg chose to back the same founder—at a different phase of his journey, with a different set of questions, but the same trust. Probably sentiment and strategy combined; that's how business happens.

"They have hundreds of proposals. For our bank to be attractive and get the top of the pile is really something. Thanks to our board and teams for work over many years" says Vaidyanathan.

Even though Warburg's return may seem like a continuation of an old story, but for the firm, it was a fresh investment—with fresh diligence.

"They went through everything all over again," says Vaidyanathan. "They had to see the economics. We showed them how we have a strong model. Everything had to be answered. We told them just look through the MFI issue it a one-year thing and that our PAT growth journey will resume strongly," reveals Vaidyanathan, adding, "Our tech and customer experience was a big clincher."

Vaidyanathan sees this access as the most telling indicator of what IDFC First has become: a bank that is attractive to an informed long-term investor. A business that's not just stable, but scalable. The bank has maintained high asset quality: GNPA of around 2% and NNPA of around 1% for 14 years across cycles even as its

loan book zoomed from ₹94 crore in 2010 to ₹1.97 lakh crore.

But why raise again?

"People often ask why we raise capital frequently. It's simple: we're born from an infrastructure DFI in 2016. We had low NIMs, at just 1.6% back then in 2019—so ROE is low, and growth is more. It was the only way out for this bank," answers Vaidyanathan.

Nor does he shy away from the comparison. "Even ICICI, which we all admire, raised \$2 billion in 2005 and \$5 billion in 2007. That's \$7 billion, way back 20 years ago! Now look where they are. That's how institutions are built. And they didn't raise for 10 straight years after that," he tells Fortune India.

The fact that when you need capital, people are willing to lend is a big vindication indeed. But that's not without reason: the bank's incremental economics has shown improvement over the years: with the ROE moving from 0% to 7% in six years. The bank's pre-provision operating profit (PPOP) too has risen from ₹749 crore in FY19 to ₹6,050 crore FY24. The next target is to hit 15% ROE. "Then we'll be self-sustaining on capital," says Vaidyanathan. The fundraise is expected to help the bank drive its next phase of growth with capital adequacy surging from 16.1% to 18.9%.

Notwithstanding the one-off loss in FY25, the bank's core operating profit has grown eightfold—from ₹749 crore in FY19 to ₹6,030 crore in FY24—even as the balance sheet has doubled.

In that context, Warburg's return isn't a white knight moment. It's something rarer: long-term capital staying true to character.

IDFC FIRST Bank's Role in Financing India's Green Transition

India has set ambitious sustainability targets, including installing 500GW of non-fossil energy capacity by 2030 and achieving net-zero emissions by 2070. Achieving these goals will require massive investments—on the order of ₹30 lakh crore by 2030 for renewable energy alone. Themes such as green mobility are also critical for achieving this. The banking sector plays a pivotal role in mobilizing this green finance. IDFC FIRST Bank has emerged as a proactive financier of India's green transition. This article examines the bank's contributions in electric vehicle (EV) financing, renewable energy, and green-certified infrastructure, and analyses how these efforts compare with other banks and impact India's economy and sustainability goals.

Pioneering Green Finance at IDFC FIRST Bank

IDFC FIRST Bank's sustainability strategy is anchored on three key pillars—integrating ESG into its products and services; ingraining sustainability within the organization; and aligning to global and national frameworks on ESG. The bank's green financing focus is evidenced by its focus on EV financing, lending towards energy-efficient consumer durables, supporting green home financing and enabling renewable energy adoption. The bank is also one of the first institutions in India

to proactively adopt global frameworks to manage its environmental and social risks in large-scale lending.

Financing EVs

IDFC FIRST Bank is among the market leaders in financing electric two-wheelers, an important segment for India's e-mobility push. As of March 2024, the bank had financed nearly 2,00,000 electric two-wheelers (primarily e-scooters and bikes) and thousands of electric three-wheelers. This sizeable portfolio reflects tie-ups with numerous EV manufacturers and dealerships, enabling consumers to buy EVs with low down payments and competitive interest rates.

By financing EV purchases, IDFC FIRST Bank helps accelerate the adoption of cleaner transportation. These loans not only support India's target of 30% electric mobility by 2030, but also contribute to reducing urban air pollution and oil import dependence. Each EV on the road replaces a petrol or diesel vehicle, cutting tailpipe emissions and fuelling a green economic ecosystem of manufacturers, service provider, and charging networks.

Embracing Renewable Energy

IDFC FIRST Bank has commenced lending towards retail and commercial solar rooftop installations, helping augment India's green mission. The bank also funds renewable energy transition through corporate lending.

It has also extended credit lines to green NBFCs, thus indirectly financing residential and SME solar projects. By backing such projects, the bank helps bring clean electricity to new consumers and contributes to India's renewables boom (the country's renewable capacity reached ~203GW in 2024). This translates into significant carbon emissions reduction over the project lifetimes and helps India inch closer to its climate commitments under the Paris Agreement.

Going Green

Green infrastructure includes buildings and facilities that meet high environmental standards, as well as infrastructure for water, waste and sanitation management. IDFC FIRST Bank has been leading by example with its own facilities. In fact, 21% of the bank's infrastructure is green-certified with its corporate headquarters in Mumbai certified as Platinum by the Indian Green Building Council (IGBC). The bank is also influencing retail consumption of green homes, by incentivising home loans taken against green buildings.

Enabling Green Financing

To drive green financing, IDFC FIRST Bank and its peers employ a range of financial instruments and products tailored for sustainability:

Green Bonds: These are bonds whose proceeds are earmarked for green projects. By tapping such bonds, banks can attract investors specifically interested in climate-friendly projects. IDFC FIRST Bank's strong green lending portfolio could in future be financed through green bond issuances, reflecting the bank's commitment to transparent use of proceeds for sustainability.



E&S-aligned Lending: These are loans given to projects and activities that have a defined outcome in terms of avoided emissions, greener infrastructure, sustainable mobility etc. IDFC FIRST Bank has integrated environmental risk assessment in its credit process for large projects and large-scale lending, ensuring that the financing meets required environmental and social (E&S) standards.

Green Deposits: In 2024, IDFC FIRST Bank launched its Green Deposits program in line with RBI's framework for acceptance of green deposits. These are fixed deposits from customers where the funds are earmarked exclusively for financing green projects. The bank's customers can also thus participate in ushering in a green transition. Depositors can thus directly contribute to eco-friendly

ventures while earning interest. IDFC FIRST Bank's green deposits carry the same security and return as regular deposits, with the bank committing to deploy the proceeds towards areas like renewable energy, energy efficiency and clean transportation.

Sustainability-Linked Loans (SLLs): These are loans where the interest rate or other terms are tied to the borrower's performance on sustainability targets (such as reducing emissions or improving energy efficiency). While still nascent in India, SLL structures are emerging as tools to encourage corporate borrowers to meet ESG benchmarks. For instance, if the bank lends to a large corporate for a capex project, it could incorporate interest reductions if the company meets predetermined carbon reduction goals.



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Home / Banking & Finance / Financial Literacy Should Be A Right For All, Not A Privilege: IDFC First Bank's Shende

Financial Literacy Should Be A Right For All, Not A Privilege: IDFC First Bank's Shende

By RFP Online Business | Jun 10, 2025

India faces a significant challenge in financial literacy, with around 75 per cent of adults struggling to grasp basic financial concepts, according to reports.

India faces a significant challenge in financial literacy, with around 75 per cent of adults struggling to grasp basic financial concepts, according to reports.

"We want to ensure that financial literacy is not just a privilege for the few, but a right for all", said Shreepad Shende- Head,

Business Excellence IDFC FIRST Bank. He said, "We often find that people are not so well informed about financial concepts. One of the reasons for this is that finance in general is an inherently complex subject and comes with various jargon that are not known to common people."



Media Release:



IDFC FIRST Bank Goes Live on GST Portal for Seamless Tax Payments

- Authorised for GST payment by Government of India
- Services available to IDFC FIRST Bank customers

Mumbai, 5th October, 2024: IDFC FIRST Bank is pleased to announce its integration with the Goods and Services Tax (GST) portal, enabling seamless GST payments. Customers will now benefit from an intuitive, hassle-free payment experience, with instant payment confirmations and easy access to downloadable challans.

This new integration allows IDFC FIRST Bank customers to pay GST through a variety of digital channels, including the Bank's user-friendly Retail and Corporate Internet Banking platforms and its nationwide branch network.

Mr. Chinmay Dhoble, Head – Retail Liabilities and Branch Banking, IDFC FIRST Bank, stated, *"As a customer-first bank, we are committed to providing seamless, easy-to-use solutions to our customers. This integration with the GST portal is another step in our mission to offer universal banking solutions. Our aim is to ensure a quick, simple, and efficient tax payment experience. We encourage our customers to use this facility to easily pay their GST through IDFC FIRST Bank's online and branch channels"*.

IDFC FIRST Bank is one of the select Scheduled Private Sector Banks to be authorised for GST collections, further underscoring the Bank's commitment to providing comprehensive financial services to its clients.

Steps to Pay GST Using IDFC FIRST Bank Internet Banking:

1. Log in to the GST portal: <https://services.gst.gov.in/services/login>
2. Create a Challan and select E-Payment via Net Banking
3. Choose IDFC FIRST Bank as the payment option
4. Complete the payment and download the GST paid challan

Additionally, IDFC FIRST Bank is working with GST officials to introduce more payment options, including UPI and card payments.

For more information, please visit www.idfcfirstbank.com.

**Media Release:****IDFC FIRST Bank authorized by the Central Pension Accounting Office, Government of India, for Pension Disbursement*****Seamless pension credit with exclusive benefits for senior citizens and family pension continuity***

2nd April 2025, Mumbai: IDFC FIRST Bank today announced that it has been authorised by Central Pension Accounting Office (CPAO), Government of India, to disburse pensions on its behalf.

This allows the Bank to disburse pensions to Central Government pensioners including - All India Service Officers, former Members of Parliament, retired Judges of High Courts and Supreme Court, former Presidents and Vice Presidents of India, and officials of Civil Ministries and Departments (other than Railways, Posts, Telecom and Defence). Pensioners can now receive their pension directly in their IDFC FIRST Bank Savings Account.

From a technical point of view, the integration between the CPAO, GOI and IDFC FIRST Bank is complete and is ready for such pension disbursements.

Pensioners can also open an IDFC FIRST Bank Savings Account jointly with their spouse to receive pension. In the event of the primary pensioner's demise, the spouse can continue receiving the family pension in the same account.

The IDFC FIRST Bank Savings Account where the pension will be credited comes with the following privileges:

1. Zero Fee Banking on all Savings Account Services, such as Debit Card Issuance, IMPS, NEFT and RTGS, Cheque Book Issuance, ATM Cash withdrawal, Branch cash withdrawals and deposits, Demand Drafts, Pay order, SMS Alerts, international ATM charges – 36 such services
2. Higher interest rates with Monthly Interest Credits
3. Exclusive Senior Citizen Savings Account benefits for pensioners above 60 years, offering:
 - ₹2 lakh Cyber Insurance coverage for protection against cyber fraud
 - One-year MediBuddy health membership with unlimited consultations
 - Free doorstep banking and priority service at branches
4. ZERO penalty for premature withdrawal of Fixed Deposits for Senior Citizens
5. Additional 0.5% interest on Fixed Deposits for Senior Citizens

Speaking on the development, Mr. Chinmay Dhoble, Country Head – Retail Liabilities at IDFC FIRST Bank, said, *"We are delighted that the esteemed Central Pension Accounting Office (CPAO), Government of India has authorized our bank to disburse pensions to Central Government pensioners. As a universal bank, it is our constant endeavour to offer a complete range of services to our customers. We encourage Central Government pensioners to use the facilities of IDFC FIRST Bank to receive pension in their Savings Account and enjoy industry-first benefits."*

To open the pension account >

Step 1: Pensioner to share IDFC FIRST Bank Account Number with their employer

Step 2: The employer to initiate the formalities with the respective Pay & Accounts office (PAO)

Step 3: PAO to generate the Pension Payment Order & forward it to CPAO

Step 4: CPAO on acceptance will share details with IDFC FIRST Bank for monthly disbursement

You may visit us at: www.idfcfirstbank.com

Media Release:



IDFC FIRST Bank Introduces Exclusive package designed for Senior Citizens

Tailored Mobile Banking App, Complimentary healthcare benefits and Cyber Insurance among others

6th February 2025, Mumbai – IDFC FIRST Bank has unveiled an exclusive and specialised range of banking products and services specifically curated to address the unique financial requirements of the elderly members of the society.

These offerings, include the [Senior Citizen Savings Account and Senior Citizen Fixed Deposits](#), reaffirming the bank's commitment to provide superior, secured and customised financial solutions for this important customer segment.

Under this program, the Bank has introduced a dedicated feature on its Mobile Banking App called 'Senior Citizen Specials'. This feature offers to senior citizens

- Safe, secure, and customised investment solutions as applicable to senior citizens' needs based on their life-stage.
- Additional 0.5% interest rate on fixed deposit
- No penalty on pre-mature closure of the FDs
- Cyber Insurance Coverage of ₹2 lakhs to protect our senior citizens from rising cyber threats,
- Complimentary one-year MediBuddy health membership with unlimited complimentary doctor video consultations for up to 4 family members
- Up to 15% discount in network pharmacies, a full body health checkup covering 50+ parameters, and a ₹500 wallet balance to avail.
- The mobile banking app also provides access to a simplified mutual fund investment experience which is backed by innovation and research. The MF offers are conservative, and can be modified by the senior citizen based on their own risk-reward appetite.

Commenting on the Bank's offerings for Senior Citizens, **Mr. Chinmay Dhoble, Country Head – Retail Liabilities & Branch Banking** said, "We want to treat our Senior Citizens special and we are happy to announce specialised and innovative offerings for Senior Citizens.

Our Senior Citizen Savings Account eliminates over 30 charges that are typically levied on savings accounts. In addition, we have put together a very special package for our esteemed senior citizens, with no premature breakage penalty on fixed deposits, health benefits, cyber insurance and a special app customised for seniors. We hope this is liked by our seniors and this will be a tribute for their contribution to us."



For more information, please visit www.idfcfirstbank.com

**Media Release:****IDFC FIRST Bank Launches ACE feature on the mobile banking app to Empower Investors with Smart Investments in Mutual Funds***DIY feature with advanced MF performance insights and tools, with premium User Experience*

Mumbai, 19th March, 2025: IDFC FIRST Bank has unveiled **Ace Feature** on its premium Mobile Banking App, that provides relevant insights and tools to allow investors make an informed Mutual Fund investment decision. This feature aims to empower an individual with 'do-it-yourself' investing, digitally.

The ACE Feature on the IDFC FIRST Bank app provides rich and useful details on more than 2500 Mutual Funds in India. Investors can browse through various fund categories (like Equity, Debt, Tax-Saving, Hybrid, and Index funds) and choose the right need-based fund to build a diversified portfolio.

IDFC FIRST Bank Customers can also access detailed information – like historical fund performance (1Y, 3Y & 5Y), holding patterns (by sectors, companies, and market cap), and expert ratings on each fund (*Morningstar Rating*).

This feature provides premium experience to the investor by combining information about the fund available publicly, insights and easy investing customer journey.

At a glance:

- **There are over 2,500 mutual funds in India;** how does a customer choose? Ace feature simplifies investment by providing relevant details to help select top performing funds.
- What are the **companies** invested in each MF? What are the **sectors** your MF has invested in? Simply click to know.
- **“Senior Citizen Assistance Special”** feature that automatically selects ‘Conservative’ funds with lower risks based on the typical risk appetite for Senior Citizens, ensuring enhanced safety while investing. Senior Citizens can select other funds by choice.
- **Goal-based** MF investing for key life stages and events like retirement planning, wedding, etc. by access to investing tools.
- **Customers can now link their external mutual funds** through eCAS (electronic Consolidated Account Statement) service for mutual funds to get a consolidated view of their MF holdings without switching multiple APPs



Mr. Ashish Anchaliya, Chief Product Officer, Digital Banking, IDFC FIRST Bank said *“We know that investing can feel overwhelming, and making the right investment can be a challenge, especially with over 2,500 mutual funds to choose from. That’s why we created the Ace feature with tools and insights that provides relevant information at a single place. With just a few taps, you can select funds that you want to invest in with confidence and ease.”*

IDFC FIRST Bank’s mobile banking app is the highest-rated Indian banking app on Play Store with a rating of 4.9 and is ranked #1 by Forrester (The Forrester Digital Experience Review™: Indian Mobile Banking Apps, Q3 2024).

Media Release:

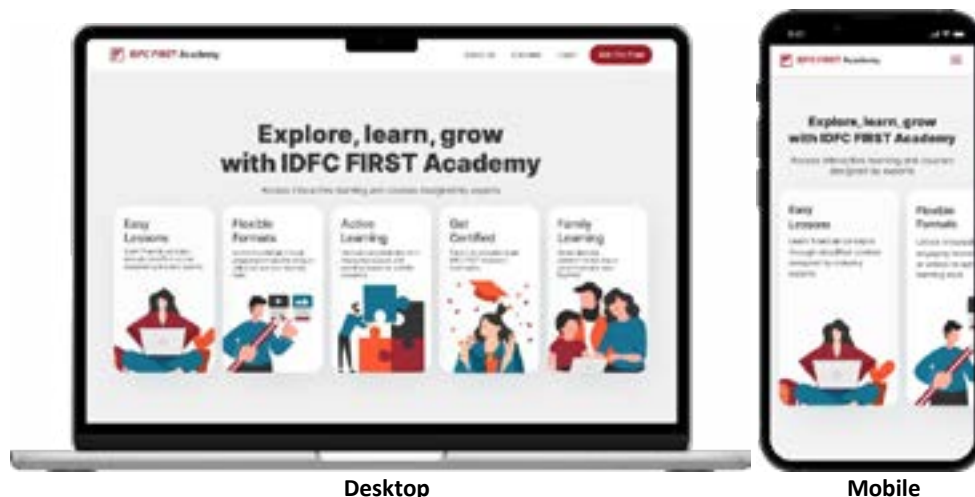


IDFC FIRST Bank launches **IDFC FIRST Academy** on eve of New Year 2025

Move to enhance Financial Literacy in India

1st January 2025, Mumbai: IDFC FIRST Bank is proud to announce the launch of **IDFC FIRST Academy**, a comprehensive financial literacy initiative available through digital platforms. This Academy reflects the Bank's mission to enhance financial literacy, enabling individuals to better manage their financial matters.

Participants can easily access the courses of IDFC FIRST Academy at <https://www.idfcfirstacademy.com> on the browser of the desktop or the mobile. For IDFC FIRST Bank customers, it is also available on the mobile Banking App.



IDFC FIRST Academy has simplified complex financial subjects in easy-to-understand bite-size modules with easy, expert-designed content for quick and effective learning. It has blogs, videos, and interactive quizzes for diverse learning styles. It also includes Real-world scenario-based activities to enhance practical understanding. Finally, it has Certification programs to recognize learning of the participant.



**Media Release:****IDFC FIRST Bank goes live on Direct Tax Collection System of CBDT**

Government of India (GOI) and RBI authorises IDFC FIRST Bank for the collection of Direct taxes.

9th January, 2025, Mumbai: IDFC FIRST Bank announced its integration with Income Tax Portal to collect Direct Tax on behalf of Central Board of Direct Taxes (CBDT), Government of India. The Bank's customers can now benefit from an intuitive, hassle-free payment experience for paying their Direct Taxes, with easy access to downloadable challans, easy payments and instant payment confirmations.

The Bank's customers can use the user-friendly Retail and Corporate Internet Banking platforms of IDFC FIRST Bank, or pay the taxes at any IDFC FIRST Bank branch using Cash, Cheque or Demand Draft.

Speaking on the development, Mr. Chinmay Dhoble, Country Head – Retail Liabilities at IDFC FIRST Bank, said, "We are a Universal Bank and are building a complete suite of products and services to represent Universal Banking. Payment of Income Tax and GST were the only two significant services that were lacking in our proposition. We are delighted that with the approval of CBDT, Government of India and the RBI, we are now authorised to collect taxes on behalf of CBDT, GOI.

In line with our high-quality internet banking services, we have built customer friendly interfaces for ease of our customers. We encourage our customers to use this facility to easily pay their Direct Taxes through IDFC FIRST Bank's online and branch channels".

Steps to Pay Direct Taxes Using IDFC FIRST Bank Internet Banking:

1. Log in to the CBDT portal: <https://eportal.incometax.gov.in/iec/foservices/#/login>
2. Create a Challan and select E-Payment via Net Banking
3. Choose IDFC FIRST Bank as the payment option
4. Complete the payment and download the tax paid challan

Additionally, IDFC FIRST Bank is working with CBDT officials to introduce more payment options, including UPI and card payments.

For more information, please visit www.idfcfirstbank.com.



Media Release:



IDFC FIRST Bank unveils Ashva, a premiere metal credit card that marries tradition with a modern lifestyle

Mumbai, 19th September 2024: IDFC FIRST Bank, a leader in innovative financial solutions, has announced the launch of the Ashva Credit Card, its newest offering for the modern, discerning customer. The Ashva Credit Card, powered by Visa, is a celebration of the spirit and aspiration of the new India. Deeply rooted in its rich cultural heritage the Card represents a perfect amalgamation of the beauty of Indian heritage and the sophistication of contemporary lifestyles, soldered together for those who hold India close to their hearts and carry its essence wherever they go.

Crafted with the finest metal, the Ashva Credit Card offers cardholders a blend of the beauty of Indian heritage and the sophistication of the metal form factor. Packed with luxury travel benefits like low forex charges and complimentary access to airport lounges, it becomes an indispensable companion for affluent young explorers.

Key Features of the Ashva Credit Card:

- **Exceptionally low forex charges** - 1% fees on foreign currency transactions
- **Higher tier of rewards** - 10x Rewards Points on spends above Rs.20,000 in a statement cycle and on your birthday
- **Enhanced Airport lounge perk** - 4 domestic lounge/spa and 2 international lounge visits every calendar quarter
- **Trip cancellation cover** - Get reimbursed for a non-refundable portion of flight and hotel cancellations for up to Rs. 25,000 in a calendar year
- **Movie delights** - Buy one get one free offer on movie tickets with up to Rs.400 off on the second ticket twice a month via BookMyShow
- **Round-the-year golf privileges** - Up to 24 rounds/ lessons in a year

The Appeal of Metal Credit Cards

A recent independent survey has found that customers overwhelmingly prefer metal variant credit cards over traditional plastic cards. The survey reveals that 70% of customers claim they would use a metal card more often than other cards in their wallets, while 80% of affluent customers prefer a metal card over a plastic card with the same benefits.

Moreover, a staggering 55% of customers stated they would switch banks to obtain a metal card, highlighting the significant demand for premium and exclusive payment products. The survey's findings suggest that customers are drawn to metal cards due to their unique design and feel, which sets them apart from traditional plastic cards. In the affluent segment, metal cards are seen as a symbol of exclusivity, affluence, and achievement, with customers seeking differentiated products that reflect their status.

"Our vision with the Ashva Credit Card was to create a product that not only meets the financial needs of our customers but also elevates their lifestyle to a new level of luxury and exclusivity," said **Mr. Shirish Bhandari, Head – Credit Card**. "We are confident that these cards, rooted in the rich cultural heritage of India, will become the preferred choice for those who demand the best."

Sujai Raina, Country Manager, Visa India commented on the launch saying "We are delighted to partner with IDFC First Bank to launch the Ashva Credit Card on the Visa Infinite platform.

**Media Release:****IDFC FIRST Bank Launches all new FIRST EA₹N RuPay Credit Card**

Enables Credit on UPI through Fixed Deposit-backed, virtual credit card offering 1% cashback on UPI transactions, and democratizes access to credit.

20th January, 2025, Mumbai: IDFC FIRST Bank, in partnership with RuPay, a global card payment network from India, proudly announces the launch of the UPI enabled **RuPay Credit Card** called – **FIRST EA₹N**. This credit card is backed by Fixed Deposit and hence everyone is eligible to instantly avail this unique credit card, online. It also offers cashback on UPI payments thus making the product rewarding for users.

What sets it apart is that the Fixed Deposit creation is seamlessly integrated within the credit card application for all customers. Thus customers get an unmatched opportunity to avail credit on UPI, earn rewards, and simultaneously earn attractive interest rates on Fixed Deposits.

In addition to its inclusive approach, the card's seamless integration with UPI opens a world of possibilities, offering universal access to over 60 million UPI-enabled merchants across India. With every UPI spend, customers earn **upto 1% cashback**, making every transaction rewarding.

*"We are thrilled to announce the launch of the FIRST EA₹N RuPay Credit Card, specifically designed for first time Credit Card users as a gateway product to the financial services world said **Mr. Shirish Bhandari, Head- Credit Cards, FASTag and Loyalty, at IDFC FIRST Bank**".*

He further added, *"this fixed deposit backed credit card is available online and instantly, makes every day UPI payments super rewarding with a simple 1% cashback credited automatically to the card account. It inherently offers efficient money savings and growth with the linked interest-earning Fixed deposit-building credit, investment, and financial health together. It continues our philosophy of customer centricity in product conception and design - #getmorefromyourbank."*

Speaking on the development, **Mr. Rajeeth Pillai, Chief of Relationship Management, NPCI** said, *"We are happy to launch FIRST EA₹N RuPay Credit Card in partnership with IDFC FIRST Bank. This UPI-enabled virtual credit card is designed to make transactions both convenient and highly rewarding for cardholders. Through this offering, we are further enhancing credit accessibility while delivering greater value to users."*

Features and Benefits:

- **Seamless UPI Integration:** The FIRST EA₹N Credit Card is ready for UPI transactions at more than 60 million UPI QR codes
- **Instant Card Issuance:** Virtual credit card issued instantly with seamless UPI integration for immediate use.

Media Release:



IDFC FIRST Bank Launches FIRST Wings Start-up Lounge to

Empower Indian Start-ups

IDFC FIRST Bank is first bank in India to launch such an initiative

12th November, 2024: IDFC FIRST Bank, today announced the launch of startup lounge an exclusive space designed to support entrepreneurs and empower early-stage startups in India. Located in Koramangala, Bangalore, this unique space aims to provide essential resources, mentorship, and networking opportunities for entrepreneurs looking to scale their businesses.

On the occasion Mr. Bhavesh Jatania, Head Start-up Banking, IDFC FIRST Bank said "We are excited to announce the IDFC FIRST Bank Start-up Lounge, a first of its kind initiative by a bank in India. The Start-up Lounge will serve as meeting and collaboration point, providing entrepreneurs a conducive environment to innovate and grow. IDFC FIRST Bank will also partner with leading incubators, accelerators, venture capitalists and angel investors, creating synergies that will help startups gain competitive edge in a fast-evolving business environment."

The FIRST Wings Start-up Lounge is equipped with state-of-the-art facilities, including meeting rooms and advanced video conferencing solutions, creating an ideal environment for entrepreneurs, and investors to connect, collaborate and grow.

To provide additional support to the entrepreneurs the Start-up Lounge will also host events:

Knowledge Sessions: Access to a curated knowledge resources and mentorship sessions conducted by industry experts.

Networking Events: Events that connect startups with investors and industry experts.

Pitch Presentations: Present business ideas to potential investors and receive valuable feedback.

Key features of the **First Wings** Startup Banking Program by IDFC FIRST Bank:

- **FIRST Start-up Current Account:** Zero fee current account with free banking services with no minimum balance requirement for initial three years for early-stage startups.
- **FIRST Bravo Feature:** A smart sweep facility that allows startups to earn returns up to 7.25% on idle funds by automatically transferring excess amounts over Rs 2 lakhs into fixed deposits.
- **FIRST Business Corporate Credit Card:** Designed to help start-ups manage their business expenses with a flexible step-up credit feature.
- **Founder Success Program:** "LeapToUnicorn" one of its kind initiatives that provides access to mentorship, networking and fundraising opportunities through a meticulously planned journey.

Conclusion

With the support of various ecosystem partners, including investors, government bodies, and accelerators, the FIRST Wings Start-up Lounge aims to act as a catalyst for start-up growth. By bringing together key players in one space, IDFC FIRST Bank is helping startups navigate the complexities of growth and innovation.

**Media Release:****IDFC FIRST Bank introduces UPI services for NRI Customers Across 12 Countries**

Mumbai, Date 2025: IDFC FIRST Bank today announced that Non-Resident Indian (NRI) customers of the bank can now make UPI payments using their international mobile numbers. NRIs can now make real-time UPI payments from their NRE or NRO accounts with IDFC FIRST Bank through the Bank's mobile application, without incurring any charges. Additionally, they have the flexibility to link their IDFC FIRST Bank accounts to other UPI-enabled applications. This facility is available to all IDFC FIRST Bank NRI customers from 12 countries **Australia, Canada, France, Hong Kong, Malaysia, Oman, Qatar, Saudi Arabia, Singapore, the UAE, the UK, and the USA** - for INR-denominated transactions within India.

With this new feature, IDFC FIRST Bank has seamlessly integrated UPI payments into its digital banking platform for NRIs, enhancing convenience and accessibility. The NRI customers can now send and receive money instantly using QR codes, UPI IDs, or mobile numbers. This allows the Bank to empower its NRI customers to manage their finances with the same ease and security as domestic customers.

Key Benefits:

- **No Indian SIM Required:** Use your international mobile number linked with NRE/NRO account
- **Instant Transactions:** Send & receive money or pay bills using QR codes/ UPI IDs/ mobile number
- **Zero Transaction Fees:** Enjoy UPI payments without incurring any charges.
- **Secure and Reliable:** Enjoy the same level of security standards as domestic UPI

Ashish Singh, Head Retail Liabilities, "Our vision has always been to simplify and enhance banking, making it accessible no matter where our customers are located. The launch of UPI services on international mobile numbers is a testament to our commitment to innovation, and catering to the unique needs of the NRI diaspora"

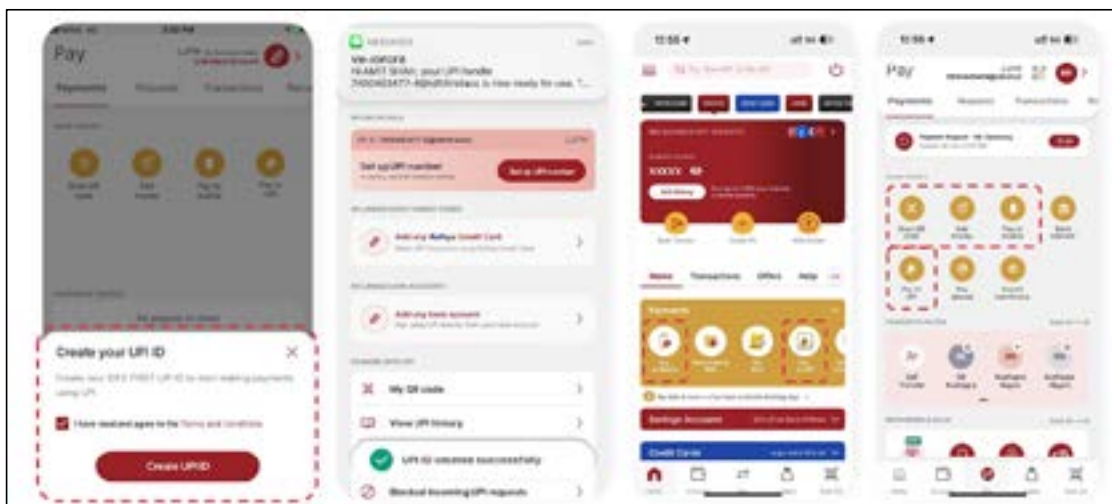
NRIs can use the UPI facility even while being abroad, provided the payments are for transactions within India. Such transactions do not attract any foreign exchange charges.

3 Simple Steps to enable UPI Transactions and make payments:

Step 1: Login to IDFC FIRST Bank app and click 'PAY'

Step 2: Link Bank Account

Step 3: Create UPI ID to start making payment.



Our
Brand

Running Strong: A Year of Strategic Impact

The journey of building a strong brand can be akin to running a marathon. Progress must be strictly monitored, and energy rationed. The growth of the IDFC FIRST Bank brand, with our TOMA (Top of Mind Awareness) reaching an all-time high of 30 this year, was a result of focusing on leveraging our brand associations, optimizing performance and seizing opportunities to give our brand a boost. It gives us great joy to present an overview of the marketing initiatives of FY 2024-25, resulting in this growth.

Push FOR MORE

Midway through a marathon, every step must be intentional, conserving energy while maintaining momentum. Over the past year, the growth of IDFC FIRST Bank's brand followed a similar path, shaped by careful and well-timed decisions. In an increasingly fragmented media landscape, we remained focused on building cohesive strategies that reach our audiences through thoughtful, end-to-end touchpoints, delivering both reach and relevance.



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presents

THE ECONOMIC TIMES
**START-UP
AWARDS** 2024



tcs
**WORLD 10K
BENGALURU**
28 April 2024





The Peaks - Sprints in Creating Awareness

We proudly present the initiatives that gave us a tremendous boost when it came to awareness and recall.

Omnichannel Marketing Campaign: Get More From Your Bank

The launch of our brand campaign was key to our brand's growth in FY 2024-25. Our Brand Ambassador talked creatively and compellingly about our customer-centric products. This integrated media campaign, themed Get #MoreFromYourBank, ran from June to August, demonstrating how our products reinforce the customer-centric philosophy of the Bank.

On the digital front, we had the young and friendly lifestyle, fashion and knowledge influencers amplifying get #MoreFromYourBank, presenting our savings accounts as a solid alternative to trendy schemes, winning recognition along the way.



Immersive Brand Building through Podcasts



Century of Stories – India and Cricket

Our 'A Century of Stories – India' Podcast was the first branded podcast launched by a bank in India. We complemented this IP with the launch of a cricket podcast to build on our BCCI association, creating a strong property to utilize the consumption of non-live cricket content. This was launched with a series of cricket-centric films promoting podcasts and IDFC FIRST Bank products.

Our clout as Official Banking Partner to the Mumbai Indians was leveraged to feature the team's talismanic players in a candid interaction with host Cyrus Broacha. The result was two episodes and multiple byte-sized videos, which set a high mark for viewership.

As the Title Sponsor of India Home Cricket, we took the podcast where no BCCI commercial partner had ventured before for branded content, live into the stadium during an India game. In a FIRST ever for any brand, we shot an episode at the Wankhede stadium, live during the 3rd India vs New Zealand Test in November 2024. This episode was released in January 2025 to commemorate the BCCI and MCA-led 50th year celebrations of the Wankhede Stadium.

The introduction of guests for a conversational format gave it strong momentum, making it a critical and fan favorite.

The Century of Stories and India and Cricket podcasts have struck a chord with listeners, consistently earning spots in curated lists on top platforms like Spotify. They also won accolades at the India Audio Summit & Awards 2025, including Best Show,



Best Produced, and Best Sponsored Podcast. This strong reception from both audiences and industry experts has further strengthened the brand's reputation. **Experiential Brand Marketing: Cricket Premier League, FIRST Pitch and a FIRST-of-its-Kind AI Experience.**

The second season of the Cricket Premier League grew to include tournaments for Corporates, Gymkhanas, and Clubs in addition to the original tournament for housing societies.

Winners of the Cricket Premier League were presented their trophies by Mumbai Indians players at FIRST Pitch, our meet and greet event featuring key regional account holders and prospective





Striding Ahead with Participative Sports: Marathons

In the third year of our association, our venture into participative events continued to hold strong. It drove significant hyperlocal growth in brand awareness across Bengaluru, Hyderabad, New Delhi, Kolkata, and Mumbai.

By celebrating the 'Journey to the Start', we spotlight the effort it takes just to reach the starting line of a run. This narrative sets us apart from other marathon-associated brands that

focus solely on the finish line. For us, the experience of our customers is as important as the end goal of better financial health.

We created deep associations with the runners at the events, talking about not just our products but also financial literacy and safe banking to encourage their overall financial well-being.

We also forged a new association to kick off 2025, becoming the sponsors

of the inaugural New Delhi edition of the **Indian Navy Half Marathon**. With over 10,000 participants, the event celebrated the spirit of fitness, discipline, and national pride.



Building Brand Saliency through Segment-led Marketing

We returned to properties such as Kaun Banega Crorepati, ET Startup Awards and India Economic Conclave to effectively balance broad outreach with targeted efforts.

We executed campaigns designed to engage mass audiences, building widespread brand awareness, while also tailoring specialized initiatives to connect with niche and expert segments across different categories. This approach enabled us to drive deeper engagement, ensure message relevance and support business growth across diverse market segments.

Kaun Banega Crorepati – The Nation's Most Popular Entertainment Show

The latest season of Kaun Banega Crorepati saw strong brand and product alignments through its special run featuring 51 extra episodes to celebrate the show's Silver Jubilee.

Image Courtesy: Sony Liv App

Beginning with the Get #MoreFromYourBank campaign with our Savings Account ads being run from August to March, at the launch of the IDFC FIRST Academy for Financial Literacy by Mr. Bachchan on the show during Financial Literacy week, we gained exceptional exposure that drove recall.

As part of the KBC Play Along integration, our Bank shared a total of 105 questions highlighting our products and features, while also promoting safe banking with the help of the IDFC FIRST Bank Daily Quiz.

The FIRST Private film was featured during the 100th episode of the season and was promoted as a roadblock as well across Sony LIV Connected TV & Mobile App, where OTT viewers prefer to catch the show.



Making Our Mark in Startup Banking, Financial Inclusion, Wealth Management and Thought Leadership

Our campaigns have been instrumental in reinforcing our credentials across key areas such as financial inclusion, wealth management, startup banking, and thought leadership in finance and banking. Through impactful storytelling, expert-led content, and purpose-driven initiatives, we've showcased our commitment to expanding access to financial services, empowering individuals and entrepreneurs with tailored solutions, and fostering innovation in the financial ecosystem. These efforts not only strengthen our brand positioning but also highlight our role as a responsible and forward-thinking leader in the industry.

Sa-dhan Conference – October

The Sa-dhan Conference was hosted in Delhi, with the 2024 theme being 'Driving Sustainable Development through Inclusive Finance'.

The conference drew key voices from the Financial Inclusion sector, including representatives from the Government, banks, institutions, and other stakeholders. It gave us a strong platform to showcase IDFC FIRST Bank's contributions to advancing India's Financial Inclusion program.





The FIRSTALK Podcast

We launched the FIRSTALK Podcast by IDFC FIRST Private, where host Vikas Sharma, Head of Wealth Management & Private Banking, took viewers and listeners on a journey through India's remarkable economic transformation. From post-independence challenges to its emergence as a global powerhouse, the podcast dives deep into how shifts in domestic policies and global dynamics shape investment strategies and portfolio planning. It features industry leaders who share their insights on India's rise, opening new avenues for growth, investment, and opportunity.

In Service of Customer – Safe Banking Initiatives

IDFC FIRST Bank crafted targeted communication to raise fraud awareness and promote safe banking practices across every brand touchpoint. From marathons and podcasts to integrations on Kaun Banega Crorepati, social media, and digital films, we shared clear Dos and Don'ts to help people protect their finances. These messages were anchored by the motif of **Khatre Ki Ghanti**, a visual cue for danger, designed to help people spot warning signs of fraud wherever they appear.



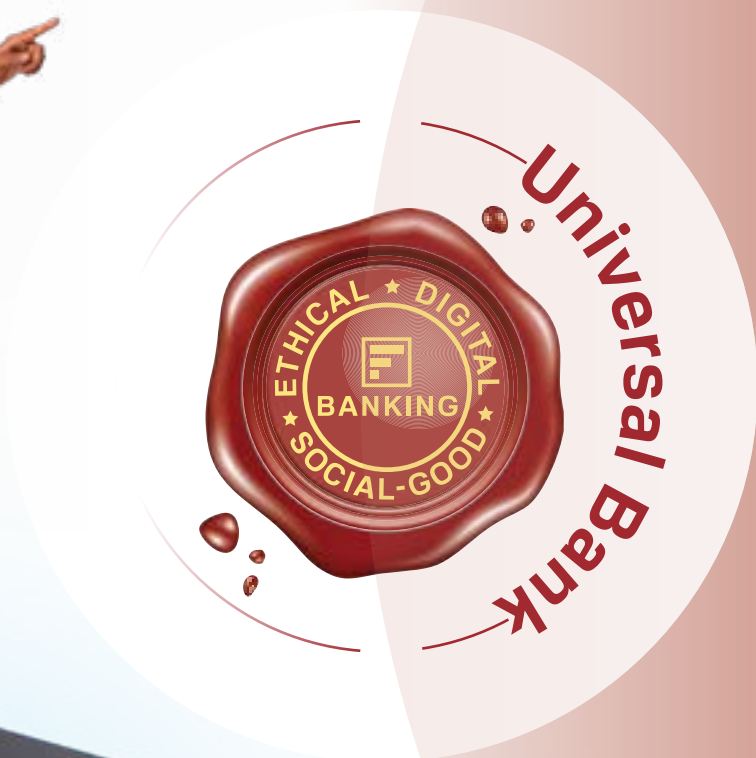
Staying On Course

As we close this year, our collaborations have made a significant impact, resonating deeply within the financial world. Our journey has been more than strategic; it's been heartfelt and transformative. We have carved a distinct identity, embedding our brand into the collective mindset across diverse audience segments of existing customers, prospective customers and stakeholders.

The echoes of our achievements are loud, yet our ambition to be the world's most customer-friendly bank, both in terms of products and service, drives us forward. We have built trust through our customer-focused initiatives, and our products are designed to improve lives. We don't just promise change; we deliver it, starting with our core principle – the 'Near & Dear' test.

Our
Products
and
Services

Building a Universal Bank





During the first five years, IDFC FIRST Bank developed a wide product suite across all segments. All the products are built on the same promise of modern technology and customer first philosophy.



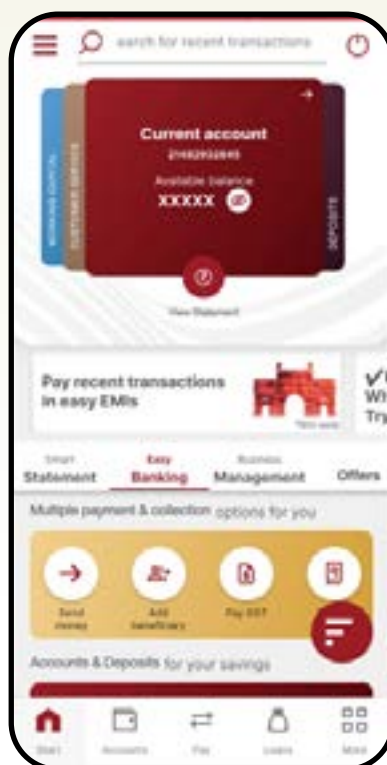
Current Account

At IDFC FIRST Bank, our Current Account offerings are designed to meet the evolving needs of businesses across all segments—startups, MSMEs, large corporates, institutions, and government bodies. We provide a comprehensive suite of solutions that go beyond basic banking to support our customers in managing their day-to-day operations with speed, flexibility, and control.

Our current accounts come with customizable features, including free cash deposit limits, digital collections and payments, bulk transaction capabilities, and integrated CMS solutions. Clients benefit from instant account opening, multi-user access, and powerful dashboards for real-time tracking

of inflows and outflows. We also offer smart integrations with ERPs and accounting platforms, enabling seamless reconciliation and improved working capital efficiency.

Backed by a modern tech stack and a nationwide service network, IDFC FIRST Bank's Current Account platform helps businesses of all sizes simplify financial management, reduce costs, and scale confidently. With curated offerings such as Startup Accounts, Premium Business Accounts, and Custom Pricing Structures, we are redefining business banking with a digital-first, customer-centric approach.





Savings Account

At IDFC FIRST Bank, we work every day to make banking **simple, honest, and rewarding**. When it comes to our Savings Account, **putting customers first** is our top priority.

We offer all major services like IMPS, NEFT, RTGS, ATM withdrawals, debit cards, SMS alerts, and 30+ others. As a result of our fair pricing and customer-first approach our Saving Account offering has been recognised as a “Class Apart” among commercial banks in India by IIT Bombay and Moneylife Foundation.

Traditionally, customers have always paid their **EMIs monthly**, but banks credited **interest on savings only once every quarter**. So, we became the **first bank in India to offer monthly interest credit**, helping customers earn faster, benefit from quicker compounding, and get easier access to their money.

To better serve our customers, we conducted an in-depth qualitative and quantitative reach to study their behaviour and preferences. Based on this, we improved our **Senior Citizen and Corporate Salary** accounts. For example, one of the insights was that the Young Salaried consumers are increasingly using eCommerce platforms, OTT Platforms and Food Delivery platforms in their everyday life. We used this insight and partnered with various companies in this space to offer a unique Corporate Salary Account proposition for our Salaried customers. Similarly, for Senior Citizens our

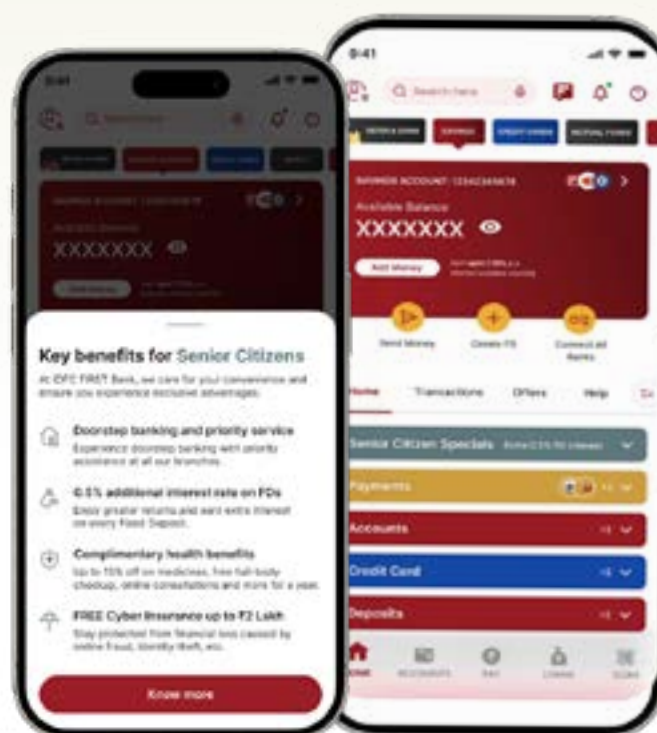
research showed they were hesitant to bank digitally due to fear of online scams and OTP related fraud. Thus, we have now bundled a ₹2 lakh Cyber Insurance as part of our Savings Account Offering to Senior Citizens.

We also made our **Privilege Program for HNI customers even better** with smoother onboarding, more reward tiers, and exclusive benefits. While most banks wait for a minimum six months vintage and high balances to offer such privileges, we have developed advanced analytics-based model to identify HNI customers from day one. **12% of new customers** were directly onboarded to privilege program in FY 25.

The Bank has invested in a very seamless Savings Account opening experience across multiple digital channels (DIY - Web, DIY- Mobile Banking App, and Assisted). Today, **95% of our accounts are opened using digital tools**. Our mobile app, rated the **#1 bank app in India by Forrester**, is simple to use. Over 80% of our newly onboarded customers download our app and use it regularly for various banking needs. We continue to add new features so our customers can manage everything from the app itself reducing need to visit branches.

With IDFC FIRST Bank, **your bank is always just a tap away**.

Senior citizens special section in Optimus



Wealth Management

Business Numbers

Wealth Management AUM	
March 2024	33,656
March 2025	42,665
FY 2024-25 Growth	26.8%



Private Banking by IDFC FIRST Bank

- › BESPOKE WEALTH MANAGEMENT SOLUTIONS
- › EXCLUSIVE BANKING BENEFITS
- › DEDICATED RELATIONSHIP TEAM
- › FIRST REWARDS LOYALTY PROGRAM
- › LIFESTYLE & HEALTH BENEFITS
- › PORTFOLIO PERSONALIZATION

Exclusive Banking Solutions

- › BEST-IN-CLASS SAVINGS ACCOUNT
- › BEST-IN-CLASS BUSINESS BANKING SOLUTIONS
- › EXCLUSIVE HOME LOANS PRIVILEGES
- › HOLISTIC DIGITAL CUSTOMER EXPERIENCE



University of Wealth – Shaping Young Minds for a Financially Secure Tomorrow

At IDFC FIRST Bank, we believe true wealth lies in knowledge. The University of Wealth for Kids is our flagship financial literacy initiative designed exclusively for the children of our customers. Through expert-led sessions, real-world insights, and interactive learning, we aim to equip the next generation with the skills to make smart, confident financial decisions. Because building wealth starts with understanding it.

FIRST Experiences: Crafted for the Privileged Few

FIRST Experiences is our ultra-exclusive event series designed to offer First Private clients rare, invitation-only moments. From curated previews to bespoke experiences, these events are tailored to indulge, engage, and elevate—bringing our customers closer to the exceptional, before anyone else.

FIRSTalk: Insightful Evenings with Industry Icons

FIRSTalk is our exclusive guest talk series curated for First Private clients, featuring candid conversations with industry leaders and market gurus. Each session offers valuable insights, engaging Q&As, and the opportunity to connect over a thoughtfully curated dinner.

It's more than just a talk—it's a private evening of ideas, inspiration, and meaningful dialogue.

FIRSTalk Podcast: Conversations that Matter

The FIRSTalk Podcast is our exclusive digital series for our customers, bringing thought-provoking conversations with industry leaders. From market insights to leadership lessons, each episode delivers rich perspectives and practical takeaways—anytime, anywhere.

Tune in for inspiring dialogues that go beyond the headlines, curated for the curious and the informed.



FIRST FORTUNE

First Fortune is our curated quarterly newsletter for First Private clients, offering a blend of market intelligence and lifestyle insights. Each edition features investment strategies for the upcoming quarter, expert views from market veterans, and simplified takes on financial concepts.

Also covered, beyond markets sections like Luxe Spotlight, Did You Know?, Jargon Busters, and a glimpse into our CSR initiatives.

Exploring Smart Strategies for Achieving Financial Independence

At the Outlook Money 40After40 Retirement Expo in Mumbai, Nikhil Varma, head of bancassurance and wealth management at IDFC FIRST Bank, delivered an insightful talk on how to build a second income stream to achieve financial independence. In his talk, Varma shared important strategies for securing long-term financial security, particularly as people prepare for retirement.

Easy Access to Health Insurance

IDFC FIRST Bank has launched a Health DIY (Do it yourself) journey on its mobile banking application, where customer can explore health insurance plans for self & family from top insurance players.

Credit Card

At IDFC FIRST Bank, credit cards are more than a payment instrument — they're a powerful brand ambassador.

As a product that sits in the wallet and touches customers' lives daily, our credit cards deliver more than just transactions — it builds lasting relationships. Every tap, scan and reward as an opportunity to engage, delight, and reinforce the customer's trust in our brand.

Credit cards uniquely combine payments, lending, and lifestyle — making them a strategic gateway to deeper banking relationships. Whether it's a cashback earned on groceries, lounge access on a business trip, or a flexible EMI plan — the card becomes a daily companion, seamlessly blending utility with aspiration.

This constant, high-frequency engagement gives us unmatched visibility into our customers' financial lives, helping us personalize experiences, cross-sell meaningfully, and build loyalty that goes beyond points.

For IDFC FIRST Bank, credit cards aren't just a product category — they are a high-impact platform for revenue, relevance, and customer connection.

FY25 was a pivotal year for our credit cards business, marked by significant milestones that underscore our growth trajectory.

We issued 1.5 million cards in FY25, crossing the 3.5 million CIF milestone

Our product suite expanded its scope to not only cater to a broader spectrum of customers, but also deepen our product offerings to each sub-segment. We introduced our range of premium metal cards, (Ashva & Mayura), tailored to the affluent segments; broadened our FD-backed secured product suite with our FIRST Eaṛṇ proposition, featuring 1% cash back on UPI spends, targeted at the mass segments, whilst repositioning our FIRST Wow secured card as an international travel card. We also launched an industry first Balance Transfer product; redesigned our lifetime products to give them a facelift.



We have attained a Net Promoter Score (NPS) of 50; up from 38 in April'24, creating continuous enhancement of customer experience throughout all engagement channels. key initiatives taken:

- > Implementing full native (in-app) capabilities, to ensure seamless onboarding experience, upgrades, Customer Lifecycle Management (CLCM) activities and Services
- > Interactive voice response (IVR) Credit Cards menu revamped with the following features, enabling self-service usage from 13% to 48% since roll-out in Aug '24
- Now we have a total of 18 options for self-service options
- Proactive callouts at multiple menus & Enhanced Hindi verbiages

We created some of the unique Customer Experiences/ Journeys last year:

- > Multi-offer journey – We are now providing a plethora of options to the customers to choose from by presenting various card offerings along with the initial offer in the journey
- > UPI attachment journey – Journey created for customers to choose the ease of using UPI along with the credit card of their choice
- > Digital Address change and Re-KYC journey on app – To enhance the customer convenience, we have developed capability to complete the Re-KYC/ Address update on the app itself
- > Upfront fee payment journey – Journey to reduce mis-selling; as well as have complete cognizance and buy-in of customers. This would save wastage of welcome kits and other service issues as well



Toll & Transit

IDFC FIRST Bank cemented its leadership in the Toll & Transit ecosystem in FY 2024-25, with significant achievements in market share, community initiatives, and government engagement.

Key Achievements

- > Largest FASTag issuer in India
- > **22.53** million FASTags issued
- > **37%** of all NETC issuing transaction (value) processed through IDFC FIRST Bank FASTags
- > **40%** of all NETC acquiring transactions (value) occurred at Bank-powered toll plaza

Beyond performance metrics, the Toll & Transit team also made notable strides in community engagement and employee involvement:

- > **Mansik Swasthya' – Mental Wellness for Truck Drivers:** Launched in Jaipur, this program offered short, practical sessions on stress, mindfulness, and road rage using easy-to-understand content and engaging visuals. Plans are underway to scale this program nationwide using multi-lingual animated films, showcasing the Bank's commitment to driver well-being.
- > **FIRST FORWARD Cricket League:** Held in Mumbai in February 2025, this 3rd edition brought together **18** teams from Toll & Transit and support functions to promote camaraderie, teamwork, and cross-functional collaboration through sport.

Overall, FY 2024-25 was marked by **community outreach**, and improvement in processes reinforcing IDFC FIRST Bank's pivotal role in India's toll and transit ecosystem.



In terms of **government engagement**, the Bank made meaningful progress in shaping national policy:

- > Participated in the '**Safe Highway Challenge**' by sourcing ideas from leading B-Schools and presenting them to the Honourable Minister of Road Transport and Highways (MoRTH).
- > Earned **ministerial recognition** for contributions to the NETC program.
- > Secured a **consultative seat** at the GNSS/MLFF Conference, presenting key findings directly to the Ministry.

Home Loans

A Home Loan is a credit facility extended by the Bank to help customers purchase, construct, or renovate residential property. The loan is repaid over a defined tenure in equated monthly instalments (EMIs), with the residential unit serving as collateral.

IDFC FIRST Bank offers a broad Home Loan product suite, serving a wide range of customer needs and property types. The portfolio spans five key segments:

1. Resale of residential units
2. Purchase of ready or under-construction property directly from builders
3. Self-construction of homes
4. Plot purchase combined with construction finance
5. Balance transfer and top-up loans for customers seeking better terms or additional funding

Key Features and Benefits

Our Home Loan offerings stand out for their flexibility, affordability, and customer-first approach. Customers benefit from enhanced eligibility criteria, with loan amounts ranging from ₹1 lakh to ₹10 crore and longer repayment tenures that ease monthly outflows.

We offer customised assessment programs like the GST Turnover Program, Banking Program, Assessed Income Program, and Balance Transfer Program, enabling borrowers to qualify based on alternate documentation, beyond traditional income proofs.

For existing customers, we offer pre-qualified Home Loan programs—both for asset and liability customers—enhancing ease of access. The end-to-end digital journey, from application to disbursement, ensures a seamless, paperless, and efficient customer experience.

Focused Offerings for Rural and Semi-Urban India

IDFC FIRST Bank's Rural Home Loan product is specifically designed to empower aspirations in rural and semi-urban areas. These regions often lack formal income documentation and conventional property records, making credit access difficult through traditional channels.

We address this challenge through deep understanding of rural economics, leveraging advanced analytics, technology, and algorithmic scorecards to assess creditworthiness beyond standard tax returns. This enables us to offer accurate loan eligibility assessments, flexible tenures, and customised solutions for new home purchases, self-construction, and balance transfers.

Our digital application journey further simplifies the experience, allowing customers to apply and complete formalities with minimal paperwork. This approach helps make home ownership accessible and affordable to segments often underserved by traditional lenders.

By combining customer-centric design, digital innovation, and a strong focus on responsible growth, IDFC FIRST Bank is enabling millions of individuals and families—across urban and rural India—to fulfil their dream of owning a home





Loan against Property & Educational Institution Loans

IDFC FIRST Bank is a prominent lender in loans against property, serving the needs of India's ever growing MSMEs and Individual borrowers. Loans upto 20 crore is offered across a range of collaterals like residential, commercial, industrial, plots etc.

Our expertise in assessing income basis cashflows gives us a unique edge in underwriting, allowing structuring the loans without impacting delinquencies.

Dropline OD offering provides customer the flexibility to utilize and pay interest only on the amount they require, while retaining the ability to drawdown at the click of a button on our mobile app.

We also keep social good as the cornerstone of our lending products, such as lending to trust/societies with schools/educational institutes as collaterals that go a long way in bettering infra conditions of these institutions as well as improving quality in education right at the grassroots.

Since we're a digital bank, our application process is seamlessly digital taking advantage of features like e-stamp and e-sign, allowing customer to apply and complete the process from any location across the country.



Vehicle Loans

Car Loans

Over the past year, IDFC FIRST Bank has evolved as a prominent player in the Car Loans space, with tech led journeys, increased touch points & covering deeper geographies.

The business continues to scale across a diverse footprint of **200+** locations, tapping into India's **₹66,000 crore** pre-owned finance market annually with precision and purpose.

- › Our model thrives on a powerful sourcing engine
- › **1,500+** dealer partners across urban and rural markets
- › Leveraging on inhouse channels like liability branches & existing customer base through data mining
- › Co-lending arrangement with partners in car loans space

We've created a balanced sourcing mix where physical network, direct digital, and partnerships work in synergy to drive scale.



Two-Wheeler Loans

At IDFC FIRST Bank, our Two-Wheeler Loan offering is designed to deliver more than just financing—it delivers speed, simplicity, and purpose.

With a deep focus on customer experience, we offer rapid, fully digital onboarding and disbursal, attractive and transparent pricing, and innovative products like the Super Saver Loan. Customers benefit from flexible tenures tailored to a wide range of profiles, as well as smart digital tools such as Digital NOC and Repayment Tracker, which ensure transparency and give customers full control over their loans.

Our growth is powered by deep customer insights, strategic dealer partnerships, and digital-first capabilities—helping us create value beyond credit, and enabling millions of customers to ride with pride.

Used Two-Wheeler Financing:

- › We are unlocking affordability and accessibility, especially across Tier 3 to Tier 6 towns, by financing used two-wheelers. This empowers individuals upgrading from public to personal transport and supports financial inclusion at scale.

Electric Vehicle Momentum:

- › With EV adoption on the rise, IDFC FIRST Bank is proactively enabling the transition to sustainable mobility. We are leveraging our Green Fixed Deposits (FDs) to fund EV purchases—reinforcing our commitment to ESG-led lending and a greener tomorrow.





Consumer Durable Loans

At IDFC FIRST Bank, we empower customers to easily finance their digital, lifestyle, and consumer durable purchases. Through a strong network of partnerships and a digital-first approach, we've made affordable ownership more accessible than ever.

We have established strategic alliances with over 100 top-tier brands, including Apple, Samsung, LG, Sony, Haier, Vivo, Oppo, and others, with flexible tenures ranging from 6 to 36 months. These options are tailored to suit a wide range of customer needs and enable responsible financing across urban and semi-urban markets.

Our reach spans a network of nearly 1 lakh dealers nationwide, including collaborations with large-format retailers. These partnerships have significantly enhanced our distribution footprint and ensured deep market penetration across geographies.

Beyond distribution, our brand and dealer partnerships provide us with year-round Above-The-Line (ATL) visibility at no additional cost to the Bank, amplifying our presence and brand equity without incremental marketing spend.

We've redefined convenience in this space with personalised customer journeys enabled by advanced internal analytics

and propensity models, which allow for precise targeting, higher activation, and long-term customer engagement.

Over the years, we have built a robust Easy Buy Card EMI ecosystem, now serving over 27 million customers. Many of these customers are repeat users, reflecting the strength of our value proposition and relationship model. In fact, 45% of our monthly disbursements come from these loyal customers, underscoring the effectiveness of our customer-centric approach.

The Consumer Durables vertical has become a standout business unit, delivering the highest product-per-customer ratios and serving as the largest acquisition engine for the Bank on the retail asset side.

FY 2024–25 was a landmark year for the business, marked by strong profitability, a pristine portfolio, and continued innovation. We expanded our digital journeys, deepened our brand and dealer partnerships, and built a resilient ecosystem that benefits all stakeholders, customers, partners, and the Bank.

Looking ahead, we are committed to accelerating innovation, strengthening partnerships, and enhancing affordability, while maintaining our sharp focus on portfolio quality, digitisation, and sustainable growth



Business Banking

Product Features and Overview

MSMEs are the backbone of the Indian economy, driving employment, innovation, and entrepreneurship. In alignment with national priorities such as Make in India, the Bank's Business Banking vertical provides a robust suite of financing solutions tailored to the evolving needs of Micro, Small, and Medium Enterprises. The offerings include working capital loans, term loans, equipment finance, and export-related credit, enabling businesses to scale operations, invest in assets, and manage liquidity effectively.

The Bank continues to deliver on its Customer First philosophy by creating a simplified, tech-enabled lending experience for MSMEs. Customers benefit from faster access to credit by leveraging GST returns, a broad range of acceptable collateral, and with best-in-class loan-to-value.

The Bank has developed digital, paperless processing systems designed to accelerate disbursements, reduce friction, and provide transparency at every step. Relationship Managers further ensure a smooth and personalised experience across customer journeys.

This year, the Bank introduced sector-specific offerings such as Industrial Equipment Loans and Medical Equipment Loans to meet specialized business requirements. The Bank has also rolled out customer-friendly policy changes including higher loan-to-value for manufacturers, relaxation in collateral requirement for import-export limit hedging etc., reinforcing the Bank's commitment to responsive and inclusive banking for MSMEs.





Gold Loans



IDFC FIRST Bank's Gold Loan product continues to serve as a dependable and efficient credit solution for customers seeking instant liquidity against their Gold Jewellery. With fully digital onboarding through e-KYC, e-Mandate, and e-Sign, the process is quick, paperless, and friction-free.

A key differentiator is the instant, over-the-counter disbursal backed with very strong & efficient valuation norms.

Tailored for both agricultural and non-agricultural needs, the product requires limited income proof, making it highly accessible for under-served and informal segment customers.

Customer-centricity is embedded in our offerings, — from flexible repayment schemes (including Bullet, Monthly

Interest Servicing, and EMI options) making credit available for longer tenure to Nil Foreclosure Charges Schemes, all under a fixed interest rate structure with complete transparency as per their needs.

To improve convenience, we've integrated journeys with other internal banking products (e.g., Saving Account, Insurance, etc) and external partners (e.g., channel partners) to enable assisted journeys.

Our branch-execution-led model, robust valuation process, and focused customer engagement continues to drive growth across various market segments.

Commercial Vehicle and Construction Equipment Loans

Commercial Vehicle (Trucks/Buses) loans are availed for goods transportation and passenger movement activities. The customers are independent drivers and business owners who buy commercial vehicles to carry their own goods, transport goods produced by other producers, government contracts, and sometimes lend their vehicles to other operators. These vehicles carry goods like cement, steel, petroleum products, vehicles, agricultural produce, chemicals, wind turbines, FMCG goods, etc.

Construction Equipment (earth work, road and building construction, material handling related) loans are given for construction and allied activities. The customers include retail hirer, contractors and captive users doing construction of roads, bridges, buildings and mining related work.

The product is called a bellwether product (Barometer of economy). Sale of commercial vehicle and construction equipment indicates how the economy is performing. Commercial vehicle and construction equipment loan has direct dependence on all other industries and hence sees both positive and negative impacts of their cycles.

We fund the entire range of commercial vehicles i.e., a small three-seater auto-rickshaw to a high-end passenger bus and a 65-tonne goods carrier. We are the first bank in the industry to bring in digital journey from sourcing to disbursement with the help of e-KYC, e-Sign, e-Stamp & digital mandate. We have presence in ~800 locations catering in locations ranging from tier-4 locations to metro cities.





Micro Business Loans & Micro Enterprise Loans

Indian financial landscape has witnessed the growth of two major segments during the last one and half decades. One has been the country's Joint Liability Group Loans sector which grew to ₹3.75 lakh crore by leveraging the concept of joint liability & social collateral whereas the rural mortgages sector on the other hand is slated to grow to ₹41 lakh crore in 2025 on the back of collateralized property. However, in between these two lies the unsecured individual segment which remains largely unaddressed given the higher loan amount appetite compared to the JLG segment while lacking access to collateral to facilitate borrowing.

IDFC FIRST Bank's offerings are designed to offer credit to such borrowers by uniquely identifying their cashflows and developing surrogates to assess their income flows. This has been brought about by keeping the customer at the very center of both its operational models with neighbourhood

lending as a key principle to originate, underwrite and service the customers.

Catering to the self-employed professional & non-professional segments, these products are offered through a strong network of 1000+ branches spread across the breadth of the India and reaches out to borrowers engaged in a plethora of livelihood activities across urban, semi-urban & rural India.

This in turn is supported by a seamless digital platform which is powered by upcoming technologies such as Account Aggregator, GST based Assessment, Banking based Assessments, Persona based Underwriting and a fully digitized stack for collections leading to one of the most impressive unsecured lending businesses with a commitment to quality portfolio growth in the country.



NRI Business

The Non-Resident Indian (NRI) segment continues to offer significant strategic value for banks, driven by the expanding global Indian diaspora and rising demand for specialized banking services. In FY 2024-25, we delivered strong performance with sharp growth in our customer base, enhanced digital onboarding, and multiple initiatives to improve ease and efficiency of transactions.

We addressed key customer friction points through digital-first solutions spanning onboarding to service and engagement.

Service & Engagement:

- Introduced innovative features like one-click PIS account opening (industry-first via mobile app), UPI for international numbers, and simplified journeys for Re-KYC and demographic updates.
- Enabled real-time, omnichannel communication with clients and RMs.
- Strengthened brand engagement through curated events and webinars tailored to NR customers.



FY 2024-25 marked a major milestone with the successful launch of GIFT City banking services for NRI customers.

As India's first International Financial Services Centre (IFSC), GIFT City offers a globally competitive regulatory framework. Within a few months of launch, we opened over **300 accounts**, attracted strong inflows, and saw high engagement levels from our NRI clientele.

Join us for a special webinar on
**Navigating global volatility,
currency implications &
GIFT City's Strategic
Advantage for NRIs**

Speaker
Gaura Sen Gupta
Chief Economist- IDFC FIRST Bank

Register Now

**Saturday
5th April 2025**

**Microsoft
Teams**

+ 10 PM - 11 PM IST
 + 9:30 AM - 10:30 AM PST
 + 12:30 PM - 1:30 PM EST
 + 5:30 PM - 6:30 PM CDT
 + 8:30 PM - 9:30 PM GMT+4



Retail Forex

IDFC FIRST Bank is transforming the retail forex and personal remittance landscape with fast, transparent, and customer-centric solutions. Through a strong digital-first approach, the Bank offers seamless inward and outward remittance services marked by superior value, zero processing fees, and competitive exchange rates. These offerings cater to both resident and non-resident customers, enabling smooth cross-border financial transactions.

Outward Remittance – ‘Pay Abroad’ Feature

RBI permits resident individuals to send money abroad under the Liberalized Remittance Scheme (LRS) for various purposes like Maintenance of Close Relatives, gift, Education, Medical, and Investment in property/equity overseas, among others. Non-residents can also remit funds from their NRE/NRO accounts. Customers can initiate these transactions digitally via NetBanking and the Mobile App. Key benefits include:

- > Zero processing fees for all outward remittance transactions.
- > Swift GPI real-time tracking, providing full visibility of fund status through Mobile and Internet Banking.

Inward Remittance – Receive International Funds with Ease

IDFC FIRST Bank supports remittances in major currencies like USD, EUR, GBP, AUD, and CAD, with:

- > No inbound fees (except GST on currency conversion),
- > Favorable exchange rates with low spreads,
- > Fast and secure credit to beneficiary accounts in India.

Industry First – Real-Time Tracking via Swift GPI

IDFC FIRST Bank became the first Indian bank to offer real-time tracking of overseas transfers using SWIFT GPI through its digital platforms. This innovation mirrors customer expectations in today's tracking-driven world—bringing the transparency of parcel delivery systems to international money transfers.

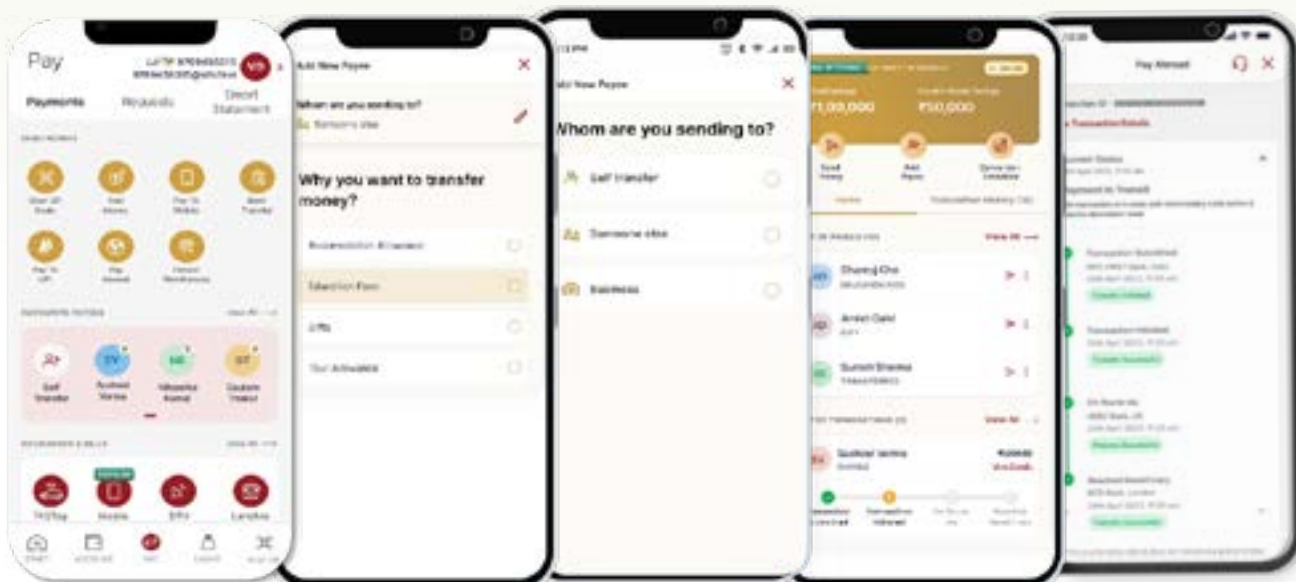
The SWIFT GPI tracker:

- > Provides exact fund status—in transit, credited, or flagged for errors.
- > Helps customers take corrective action in case of incorrect beneficiary information.
- > Is available 24/7, free of charge, and integrated within the Pay Abroad journey.

This feature has driven strong digital adoption, with 80% of transactions initiated through digital channels and processed within a 2-hour turnaround time during market hours.

By pioneering such innovations, IDFC FIRST Bank reinforces its ‘Customer First’ promise and establishes itself as a leader in next-generation retail forex services.

End-to-End Remittance Status Tracking





IDFC FIRST Bank has achieved a significant milestone in its journey as a universal bank by completing its integration with CBDT & GST (CBIC) for TAX Payments for its own customers. The Phase 2 currently under integration will allow even non IDFC FIRST Bank customers to pay Direct Tax (other bank net banking, UPI, Debit-Credit Cards) & GST (UPI, Debit-Credit Cards)

The Bank, as of 31st March, 2025, has already collected and remitted TAX's to the Government for an ~ value **3,500 crore** across **1.20 lakh** transactions.

The Banks customer can now benefit from an intuitive, hassle-free payment experience for paying their Direct Tax & GST from their IDFC First Bank account vide the Retail & Corporate Internet Banking platform and thru the vast branch network vide a physical mode.

Further, the Bank is now integrated with the Central Pension Accounting office for disbursement of pension for Central Government officials.

The Bank has also been awarded accreditation for collection of PF dues on behalf of EPFO (Employees Provident Fund Organization).

The Government Banking Business has built a robust Liability Business model by creating partnerships with Central & State Governments apart from Public Sector Undertakings and multiple government entities by offering new banking solutions, backed by technological capabilities and agile services.

The Bank offers multiple product suites to government clients including Account Management Services, Corporate Salary Solutions, Transaction Banking, e-Auction and other CMS and digital solutions, benefiting the citizens.



Startup Banking

At IDFC FIRST Bank, we are committed to supporting India's vibrant startup ecosystem with innovative financial products and tailored solutions. Our semi-secured Corporate Credit Card offers startup founders and early-stage businesses a credit limit of up to ₹20 lakh to manage operational expenses such as travel, utilities, and entertainment. Complementing this is our newly launched corporate card management portal, designed specifically for startups to seamlessly monitor spending, manage team accounts, and maintain control over business expenses.

We have curated a Solution Bouquet for Venture Capital (VC) partners, offering tailored services to their portfolio companies. This initiative strengthens our engagement with VC firms while extending our reach across their startup cohorts. By addressing evolving needs at various stages of growth, we position ourselves as a value-added financial partner in their journey.

Beyond financial products, we actively foster collaboration and community-building through curated knowledge sessions, networking events, and pitch presentations. Our

flagship platform, FIRSTWINGS Connect, unites startups, investors, and industry leaders through webinars and expert-led interactions. These initiatives aim to promote innovation, deepen engagement, and help startups scale sustainably—while reinforcing our role as a forward-thinking, startup-friendly bank.



Mobile Banking App

The IDFC First App redefines digital banking in India, earning its place as the most loved and trusted platform for everyday financial needs. Purpose-built on a modern, scalable technology stack, it seamlessly blends the trust of a bank with the agility of a fintech platform. With 250+ smart, intuitive features, it delivers a blazing-fast, frictionless experience that redefines convenience. Designed with a deep focus on customer-centricity, the app combines personal and business banking into a single, unified, and easy-to-use interface, providing a truly all-in-one solution for today's digital-first customers.



Feature-Rich. Blazing Fast. Seamlessly Intelligent.

Core Functions

- > Blazing-fast app (opens in <1 second)
- > View account balances and transaction history
- > Bank transfers (IMPS/NEFT/RTGS), UPI, and credit card payments
- > Pay bills, recharge, shop, book travel
- > Open deposits, apply for loans, manage insurance

Elevated Intelligence

- > Auto-categorization of transactions
- > Smart cashflow and spend insights
- > Guided budgeting
- > Goal-based investing with curated 'Ace Top Funds'
- > Risk profiling + investment recommendations
- > Deep-dive data on each mutual fund

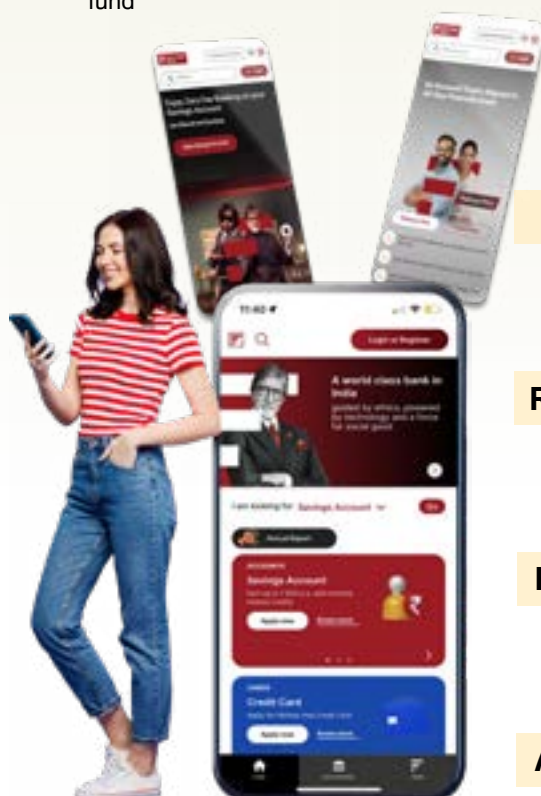
Integrated Solutions

- > Mutual fund aggregator
- > Personal finance manager
- > Google-like search across banking functions
- > One app for personal and business banking
- > UPI on credit card

Inclusive.

INTUITIVE. IMPACTFUL.

In a country where 80% of banking is mobile-first, the IDFC FIRST App lowers digital barriers with guided journeys, zero paywalls, and features designed for financial inclusion, making premium banking accessible to all.



800,000 +

Reviews

4.9

Rating on the Play Store

4.8

Rating on the App Store

#1 Bank App

App in India by Forrester



Payment Solutions & Fintech

Built for Everyone

Beyond personal finance, the IDFC FIRST App empowers businesses and entrepreneurs with robust, secure, and scalable payment solutions. From white-label gateways to integrated billing platforms, our offerings combine speed, reliability, and intelligence, enabling merchants to grow with confidence in a digital-first economy.

White-Label Gateway

A seamlessly branded payment experience offered to current account merchants.

- > Earnings via float balances, creating steady, low-risk revenue
- > Integrated with Optimus dashboard for real-time analytics
- > Growing transaction volumes and AMB
- > 2,356 merchants onboarded 650+ active users
- > ₹1.8 lakh crore transaction value

Plutos ONE – BBPS Powerhouse

Enabling nationwide bill payments under both COU and BOU models.

- > ₹343 crore collected via 10+ lakh transactions since Jan 2025
- > Onboarding time reduced from 2 months to 15 days
- > 17 billers and 7 aggregators/institutions onboarded
- > Revenue-sharing model with no direct bank cost; earnings from biller float
- > Growth driven by lead generation and co-branded events



Project Velocity

Under Project Velocity, IDFC FIRST Bank significantly strengthened its payments infrastructure in FY 2024–25 by digitizing, onboarding, enhancing partner capabilities, and improving merchant experience.

- > Strengthened partner ecosystem by onboarding Worldline alongside Fiserv.
- > Launched fully digital, integrated onboarding for CA and POS with faster TAT.
- > Transitioned to a white-labelled payment gateway under the Bank's brand.
- > Enabled sandbox for real-time transaction alerts.
- > Integrated Optimus for unified POS and UPI transaction view.
- > Enabled UPI on POS from Day 1, eliminating manual delays.
- > Digitized VAS activation through merchant-initiated workflows.
- > Introduced merchant portal and mobile app for transaction insights.
- > Automated dashboards for POS and UPI, replacing manual reports.

The IDFC First App Is...

a bank in your pocket. A finance coach. A mutual fund advisor. A budgeting planner. A tax payments portal. All rolled into one secure, intelligent, blazing-fast app, designed to put customers first always.

CMS Solutions for Corporate

Introduction:

In today's digitally transforming world, cash management is a key enabler of business success. Technologies like real-time payments, observability, AI analytics, and blockchain reconciliation are redefining the landscape—enhancing visibility, speeding up transactions, and boosting agility and security.

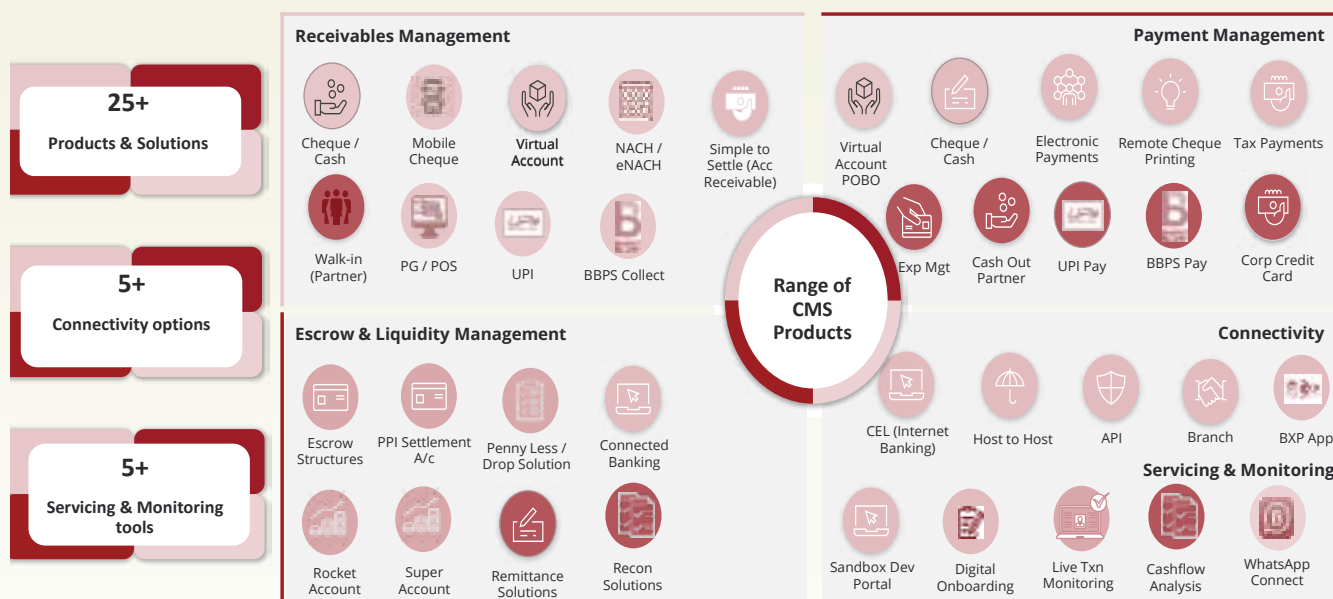
IDFC FIRST Bank's CMS Journey

Rooted in the Bank's Vision and Mission, our CMS offering has evolved from traditional services to digital-first solutions focused on delivering superior customer experience and addressing the full ecosystem needs of corporate clients.



Cash Management Solutions – Product Suite

IDFC FIRST Bank offers a full suite of CMS solutions that help businesses streamline operations, optimize cash flow, and boost financial efficiency.



IDFC FIRST Bank's CMS platform offers 25+ products across Collections, Payments, Liquidity, and Escrow, built on advanced tech, APIs, and a custom experience layer. Key solutions like Mobile Cheque Scanning and Simple2Settle enable fast processing, real-time visibility, and seamless integration. Digital onboarding through First Onboard, single sign-on, and smart dashboards make the journey efficient and intuitive.

Our sector-specific solutions, API portal, and 24x7 Platinum Desk ensure agility, transparency, and proactive support. With real-time transaction monitoring, strong security controls, and tools like TechBot and WhatsApp Banking, our CMS suite delivers a robust, customer-centric experience for modern businesses.



I. Awards & Recognition

Our CMS excellence has been recognized through multiple prestigious global and domestic awards.



IDFC FIRST Bank wins multiple awards **'Editors Triple Star Award for Corporate Engagement Platform', 'Best Payment and Collections Solutions' and other awards** at the Triple A Asset Awards 2025



IDFC FIRST Bank wins 6 awards: 2 for **'Best CMS Solutions for NBFC/FI'** and 4 for **'Best Sales Manager & Best Relationship Manager'** award at the Triple A Asset Awards 2024



IDFC FIRST Bank wins award for the **'Best Financial Institution with Digital Innovation'** at the Bharat Fintech Summit 2023



IDFC FIRST Bank launched **'IMPS Simplified Journey'** along with NPCI at Global Finest Event 2023

Every Citizen. Financially Aware.

IDFC FIRST Academy is a **financial literacy initiative** by IDFC FIRST Bank. The academy aims to empower every Indian with financial knowledge. Thus, enabling them to make informed financial decisions for a bright financial future.



To achieve this goal
and reach masses,
we launched
the IDFC FIRST
Academy on
1st January, 2025.

We have
established
a Financial
Literacy
Desk at IDFC
FIRST Bank
branches
to promote
financial
education
among the
Indian public.





IDFC FIRST Academy platform is designed for everyone who wants to know more about financial concepts. So, whether you are an MSME owner, a working professional, a retiree, a student, a homemaker or an evolved financial expert, you can benefit from a wide range of financial subjects and modules on IDFC FIRST Academy. We want to ensure that financial literacy is accessible to all, regardless of age, geography or socio-economic background.

Participants can easily access the courses of IDFC FIRST Academy at <https://www.idfcfirstacademy.com> on a desktop browser or a mobile device. For IDFC FIRST Bank customers, it is also available on the mobile Banking App.

IDFC FIRST Academy has **simplified complex financial subjects** in easy-to-understand **bite-sized modules** with easy, expert-designed content for quick and effective learning. It offers

blogs, videos, and interactive quizzes to cater to diverse learning styles. It also includes real-world scenario-based activities to enhance practical understanding. The program has three levels: **Foundation, Intermediate and Advanced**, with **35 courses covering 255 topics**. Finally, it has Certification programs to recognize learning of the participant.

Course Curriculum



Foundation

11

Courses

38

Topics

Video-16, Blogs-22

Courses

- > Money Basics
- > Savings
- > Borrowing
- > Banking
- > Investment
- > Insurance
- > Payments
- > Cards
- > Budget
- > Frauds
- > Taxes



Intermediate

12

Courses

78

Topics

Video-24, Blogs-54

- > Savings
- > Borrowing
- > Banking
- > Investment
- > Insurance
- > Payments
- > Cards
- > Budget
- > Financial Planning
- > Retirement Planning
- > Frauds
- > Taxes



Advanced

12

Courses

139

Topics

Video-2, Blogs-137

- > Savings
- > Borrowing
- > Banking
- > Investment
- > Insurance
- > Payments
- > Cards
- > Budget
- > Financial Planning
- > Retirement Planning
- > Frauds
- > Taxes



255 +

Bite sized topics



36 Hrs

Content



Web & mobile
Compatible

Interactive Quizzes & Certificates

After the completion of each course, users will be prompted to take an interactive quiz to test their understanding of the topic. Based on the test results, they will be awarded certificates.

Customer Testimonials – FIRST Academy

We received positive feedback from the users of IDFC FIRST Academy platform



IDFC FIRST Academy makes learning fun and finance easy. I really enjoy the quizzes at the end of each lesson; they are a great way to test what I have learned. I also appreciate the flexibility to choose courses and topics that align with my interests. The best part? I can learn anytime, right from the IDFC FIRST Bank app or website. Each lesson takes just a few minutes, making it extremely convenient.

– Thomas Teesha



IDFC FIRST Academy has been a truly valuable learning experience. The bite-sized, engaging content makes even complex financial topics easy to understand. I especially enjoyed the Money Personality Quiz; it was fun discovering I am a Visionary Eagle! The platform is easy to access, completely ad-free, and the content is highly relatable. Even with a background in banking, I found fresh insights and perspectives. I'd highly recommend it to anyone looking to build their financial knowledge.

– Prathamesh Kothawade



IDFC FIRST Academy is a well-structured learning platform that makes financial concepts easy to understand and apply in real-world scenarios. I rated the content highly because it's thoughtfully designed, even beginners can grasp complex topics with ease. It's an excellent resource for anyone looking to build practical financial knowledge.

– Ansari Mohd Adil

Awards and Accolades

Our Bank has been honored with the prestigious **SKOCH Award for IDFC FIRST Academy** in the area of **financial inclusion and financial literacy**. This recognition is a testament to our unwavering commitment to empowering individuals through financial education and inclusive banking practices.

The award highlights the significant impact of our initiatives in **promoting financial literacy** and ensuring that financial services are accessible to all segments of society.





Trusted by the People Who Matter



I have won reward points through one of their programs. I really like it. Each month, the Bank runs a reward points scheme. I recommend the IDFC credit card to everyone.

– Jayesh Panchal



I am thrilled with the whole process. In my life, I have not experienced such a fast and easy process from any financial institution.

– Mamillapalli Viswanadham



IDFC FIRST Bank Ltd. helped me avail an education loan from them in a simple, smooth, and seamless way.

The team explained the procedure patiently, answered all my queries and were very flexible in accommodating my requests, which normally does not happen with other financial institutions. The team is proactive and courteous, all the documentation was hassle free and services were provided right at the doorstep.

– Neha Dadhich QUEENS UNIVERSITY, Belfast (2022-23)



I would like to appreciate the IDFC FIRST Bank Education Loan team, for immensely supporting me. I applied for a loan in month of March and I don't think I have to mention what March means for bank employees but still they supported me and answered each of my queries.

– Ashish Bhanushali GEORGIAN COLLEGE, Canada (2022-26)





I am extremely happy and satisfied with IDFC banking services. Previously, I had a loan with a leading NBFC. However, due to high ROI, I decided to close that loan and switch to IDFC bank. Loan process much smoother and more convenient compared to the previous financial institution, especially being a women entrepreneur. After receiving the loan, I utilized the funds to order new stock, which will significantly benefit my business during the seasonal period.

– Mrs. Bhingare, Nagpur, MH



Mr. Anuragi is having a retail shop of car accessories since last 7 years. He recently purchased a new shop next to his existing shop and required funds for his new Auto-Form dealership. It was during that time he came across IDFC First Bank Micro Business Loan proposition.

IDFC First Bank has really supported me in my tough time. At that point of time, I could only take the new dealership of Auto- Form after receiving timely funds from them. Initially, I had taken an unsecured loan of ₹5.5 lakh but soon I realized I required more funds to scale up my business. I again approached IDFC First Bank MBL team for their advice. Soon I was proposed a property loan of ₹12.5 lakh with huge interest rate benefit! It was an easy decision for me to mortgage my shop and take a bigger loan to increase my business. Top of it, I was delighted to get the funds within 5 days of my application, as it allowed me to avail early credit discount with the dealer.

- Mr. Anuragi, UP

Through Mr. Anuragi's good feedback and word of mouth, we could further build the Micro Business Loan book in that market.



Our
People

Where People Shape Possibility

“ At IDFC FIRST Bank, our people are at the heart of everything we do. Guided by our ‘Always You First’ approach, we foster a culture that champions growth, innovation, and excellence. With strong leadership and a shared sense of purpose, we strive to deliver meaningful impact for our people, our customers, and the communities we serve.

Adrian Andrade
Chief Human Resources Officer





Talent Acquisition

At IDFC FIRST Bank, our approach to talent acquisition remains focused on attracting exceptional talent efficiently, with a strong emphasis on internal capabilities. We have strengthened in-house sourcing, introduced structured talent mapping, and deployed AI-based hiring tools to streamline recruitment. These efforts help us build a robust and future-ready talent pipeline while promoting self-sufficiency across the hiring ecosystem.

To improve ease of applications, simplified processes and digital tools were used to enhance the candidate experience. Internal teams benefitted from automated workflows and improved screening. Certification programs for interviewers and recruiters have further enhanced the quality of hiring decisions.



Campus Engagement

Our partnerships with premier institutions across India continued to thrive. We onboarded students from undergraduate and postgraduate programs and deepened relationships through internships, leadership interactions, and campus sponsorships. Signature contests and hackathons created opportunities for students to solve real-world challenges, with mentorship and engagement from Bank leaders.



Our branding efforts were amplified through digital campaigns, videos, and scholarship initiatives. These showcased our commitment to rapid growth, learning, and mentorship for early-career professionals entering the workforce.

Employer Branding and Employee Communications

We continue to build a workplace where innovation meets purpose. Our digital careers portal offers a seamless application experience with rich content and AI-enabled navigation. Recognition on external job platforms reflects the strength of our culture and engagement. Social media remains an active channel for highlighting employee stories, leadership voices, and open roles.



To maintain alignment across the Bank, we launched internal platforms such as a monthly newsletter and interactive leadership sessions. These foster transparency, promote engagement, and provide clarity on our strategic direction.

To reinforce our identity as a modern, tech-first Bank, we launched monthly tech meetups that connect fintech experts, internal innovators, and the broader digital ecosystem. These meetups fuel knowledge-sharing and cultivate an innovation-oriented culture.

Talent Management

We also expanded the reach of our internal talent marketplace, which allows employees to build profiles, access mentorship, apply for open internal roles, and take on cross-functional gigs. Managers, in turn, benefit from a broader talent pool across the Bank, supporting mobility and collaboration.



Recognition and Governance

Our efforts to enhance employee experience earned recognition through industry awards for onboarding, hiring, and HR technology integration. These reflect our commitment to creating seamless, human-centered journeys for both candidates and employees.



Governance and compliance remain strong pillars of our HR practices. With regular reviews, rigorous audits, and strict adherence to regulations, our HR function continues to deliver with discipline and operational excellence.

Culture and Values

Our culture is built on the principles of Ethical, Digital, and Social Good Banking. We actively embed these values into everyday behaviors through leadership communication, storytelling, and structured training. Values-led programs such as video series from senior leaders promote alignment and inspire teams to live the Bank's purpose.

Employee appreciation events such as Foundation Day celebrations, recognition awards, and Bank-wide sports competitions contribute to an engaging and inclusive culture. These moments of celebration reinforce our belief in collective success and emotional connection.



Customer Experience and Innovation

Frontline teams are empowered to innovate through initiatives like idea challenges and themed engagement weeks. These foster creativity, build ownership, and generate solutions that improve customer experience. Internal events like Office Olympics bring a sense of community and joy to the workplace.



Onboarding and Engagement

New joiners are welcomed through structured HR connects that provide clarity, support, and alignment with Bank culture. These interactions help set expectations, resolve queries, and build rapport. Regional initiatives such as Family Day add warmth and belonging to the employee experience.



Learning and Capability Building

A wide range of training programs were introduced this year, spanning domains such as risk, compliance, customer service, and relationship management. These included leadership curricula, technical certifications, and hands-on workshops, often designed in collaboration with internal leaders and industry experts.

Employees can also opt into skill-based training through our digital self-service portal. These flexible modules cover topics such as communication, sales effectiveness, and productivity tools. Trainers are recognized through a structured rewards program that promotes a culture of knowledge-sharing.





Our Management Trainee program continues to groom future leaders through structured learning, business rotations, and leadership interactions. Engineering and analytics trainees go through focused bootcamps to ensure they are productive from the start. These programs provide a blend of technical knowledge, industry context, and real-time exposure to business challenges.



Health and Wellness

Well-being continues to be at the core of our people strategy. Programs are anchored in the holistic framework of 'Tann, Mann, Dhan' — focusing on physical health, mental resilience, and financial wellness. From wellness champions and virtual health resources to sports leagues and marathons, we offer employees a wide range of ways to stay active and connected.

Our efforts in wellness have been recognized through external awards, reinforcing our belief that healthy and happy employees are key to a thriving organization.



Diversity, Equity & Inclusion

Our Diversity, Equity & Inclusion charter focuses on building a workplace where everyone feels seen, heard, and empowered. Dedicated programs support women's development, mentoring, and re-entry after maternity leave. Leadership sensitization, bias training, and data-led tracking ensure meaningful progress.

Through these collective efforts, we continue to build an inclusive, purpose-driven workplace where every employee can thrive.



Enabling Sustainability Responsibly



31% of the Bank's total infrastructure (carpet area) is now green certified by the Indian Green Building Council (IGBC).

Radhika Shenoy
Head – CRES & ESG



Dear Stakeholders,

It is my pleasure to report to you on the progress we have made on IDFC FIRST Bank's ESG journey. From its very inception, IDFC FIRST Bank has operated with a view to creating, nurturing and preserving value for all its stakeholders, including society and the environment. The Environmental, Social and Governance (ESG) function was formalized in the Bank in 2022, to give effect to the rising stakeholder asks on ESG and to integrate sustainability in everything the Bank does.

Navigating an Evolving Sustainability Landscape

We are living in a world where humanity is using resources at a pace much faster than the speed with which earth can regenerate them. While there are tangible and critical environmental and social costs to this, there is a clear economic impact as well – estimates indicate a negative impact of USD 2.7 trillion annually by 2030 on the global GDP arising from the collapse of natural ecosystem. To bridge this, sustainable finance has to take centre stage. At a minimum, USD 500 billion is needed annually in affordable, long-term finance to meet the UN Sustainable Development Goals (UNSDGs).

India stands at a pivotal juncture in its sustainability journey. As the world's third-largest emitter, yet one of the fastest-growing economies, the country has committed to achieving Net Zero by 2070 and meeting 50% of its energy requirements from renewable sources by 2030. With a banking system

exceeding ₹250 trillion in assets, financial institutions are uniquely positioned to drive this transition. The Government of India and key regulators—such as SEBI and RBI—have introduced progressive ESG mandates, including the BRSR framework and guidelines on climate-related risk disclosures. These developments signal a decisive shift toward embedding sustainability at the core of economic and financial policy, encouraging businesses to not just comply but lead with purpose. The draft green taxonomy for India is also a welcome move.

IDFC FIRST Bank's ESG approach is informed by this larger operating context and primarily straddles three key priorities. These include integrating ESG into the Bank's products and services; building a culture of sustainability within the organization; and driving initiatives that can create large-scale impact. The Bank is also focused on ensuring that its sustainability and reporting practices are aligned with national and global standards.



Reporting and Rating

One of the key requirements of ESG has been to ensure statutory compliance with asks from SEBI and RBI, through reports such as the Business Responsibility and Sustainability Report (BRSR). In FY 2022-23, the Bank prepared its first BRSR, aligned with SEBI requirements. In fact, the Bank took a step further and voluntarily aligned itself with global reporting frameworks, such as Integrated Reporting, GRI, and SASB.

The Bank continued its BRSR and Integrated Reporting practices in FY 2023-24 and FY 2024-25, further obtaining reasonable assurance on its core ESG KPIs from a competent third-party. As an official supporter of the Task Force on Climate-Related Financial Disclosures (TCFD), the Bank also published its TCFD report and updates on its website.

The Bank continues to be scored by external ESG rating agencies, with its performance showing an uptick across the board. **As a result of its initiatives, the Bank has been able to significantly improve its ESG ratings, finding a place among the top-rated peers in the Indian banking industry. In S&P CSA (DJSI), the Bank improved its ESG score from 19/100 in 2021 to 57/100 in 2024; in Sustainalytics, it has registered a ESG risk rating of 20.1/100 vs 38.8/100 in 2022 (lower is better); and in CRISIL ESG, the Bank has been rated 'Strong' with a score of 68/100. The Bank has been rated A (range of CCC to AAA) by MSCI ESG, and it's also a constituent of the FTSE4Good Emerging Index.**

It is worth noting that the Bank has achieved these ratings within a relatively short span of time. This is a result of strong benchmarking, dedicated initiatives, alignment to global and national standards of reporting, and public ESG commitments.

Climate Action and Roadmap

One of the biggest challenges facing the world today is climate change, which is rapidly becoming a global crisis. Governments, economies, and public and private institutions are implementing large-scale changes to mitigate the effects of climate change.

IDFC FIRST Bank's decarbonization efforts are guided by its Board-approved GHG Emissions Management Policy. The Bank has proactively undertaken a dedicated climate action project spanning three pillars – Baselineing of GHG

emissions, Computation of the Bank's financed emissions, and Charting a glide path for the Bank's 2050 Net Zero journey with decarbonization targets. This has particularly helped in estimating the Bank's overall carbon footprint and giving a view on the possible strategy the Bank can adopt in decarbonizing its portfolio and operations. This will also help the Bank align with emerging regulations from the RBI, which seek disclosure from banks on their climate action. The Bank is also among the first financial institutions in India to become a signatory to the Partnership for Carbon Accounting Financials (PCAF), the global body that guides the estimation of financed emissions.

Employee Engagement on ESG

With an objective to spread awareness, the Bank's ESG team hosts events, quizzes, campaigns, and panel discussions, accelerating awareness among employees regarding aspects of ESG. The Bank also has a mandatory ESG training module for all employees.

In FY 2024-25, 12 ESG themes were adopted across 12 months, with topics ranging from environmental awareness to data security to financial inclusion. The employees also participated in carbon footprint workshops, upcycling activities, and attended expert sessions on sustainable living. These initiatives aim to foster a culture of sustainability within the Bank and among its employees.

To accelerate the adoption of sustainable mobility, the Bank offers EV charging to its employees in four locations and reduced interest for employees on EVs and Hybrid vehicles (under the Company-Owned Car Policy).



In FY 2024-25, 12 ESG themes were adopted across 12 months, with topics ranging from environmental awareness to data security to financial inclusion.



Responsible Lending and Customer Awareness

On the customer side, the Bank continues to uphold its 'Always You First' philosophy, offering transparency and ethical banking as standard. **Several of its business lines are naturally ESG-aligned, such as EV financing (a live portfolio of 2.3 lakh 2-wheeler EVs and 6,400+ 3-wheeler EVs), rural lending, agri-lending, and others.** Additionally, during FY 2024-25, the Bank also launched solar financing through its business lending division. On the liabilities front, the Bank has launched 'Green Deposits', aligned with the RBI Framework, which is seeing increasing traction. All proceeds from Green Deposits are directed towards green activities such as EV financing.

To ensure that customers can also participate in its green initiatives, the Bank has planted a tree for every new home loan and green deposit. In FY 2024-25, the Bank planted over 25,000 native saplings through this initiative, contributing to the creation of a mini-forest in Madurai, Tamil Nadu.

Collaboration for Initiatives

A key tenet of successful ESG implementation is collaboration. The ESG team of the Bank benchmarks industry best practices and internally works with different departments to ensure that the Bank is aligned with its peers. This includes creation of policies, systems, processes and governance across all initiatives.

For example, from an operational perspective, the Bank is concentrating on making its infrastructure greener and sustainable. In fact, 31% of the Bank's total infrastructure (carpet area) is now green certified by the Indian Green Building Council (IGBC). This includes the Bank's Corporate Head Office in Mumbai, which is rated as IGBC Platinum. Aligned with its decarbonization plan, the Bank has also adopted green power in three* of its offices in Mumbai. The Bank is further evaluating other locations where

the ecosystem has developed to enable green power procurement. These initiatives are aimed at reducing the Bank's overall environmental footprint.

As a result of the Bank's initiatives and commitment to ESG best practices, it has won several awards, including the Outstanding Private Bank in Green Finance by AFAI and the Product Innovation Award at the Climate Innovation Awards by Times Now in FY 2024-25. In FY 2023-24 the Bank had won the coveted 'Golden Peacock Award for ESG (National)'.

Looking Forward

ESG is a long-term journey that starts with a vision to do the right thing and finding opportunities at every juncture to leave a positive footprint behind. To achieve this, the Bank is working towards several key goals.

The Bank will continue to align with all regulatory and compliance requirements, together with benchmarked ESG reporting. Further, in FY 2025-26, the Bank expects to accelerate its initiatives towards building a culture of sustainability through targeted sessions for employees. The Bank would also continue to focus on environmental resource efficiency and decarbonization efforts.

On a regular basis, the Bank will evaluate opportunities and risks emerging from the ESG landscape, and work on feasible areas. It expects to delve deeper into sustainable finance as a domain, where it can find adjacencies with existing business lines. A base for this is already being built, with products such as green deposits and solar financing already rolled out to the market. This would enable the Bank to offer more purpose-led products to its customers, create consistent win-win situations and social impact, and reduce the environmental footprint of its lending activities at large.

With the support of all stakeholders, and the guidance of our esteemed Board and Management, we remain firmly committed to maximize positive impact and drive long-term value.

Best regards,

Radhika Shenoy

Head – CRES & ESG



In FY 2024-25, the Bank planted over 25,000 native saplings through this initiative, contributing to the creation of a mini-forest in Madurai, Tamil Nadu.



* As of March 2025, two large offices were connected to the green grid. In May 2025, one more office was added.



ESG Highlights FY 2024-25



31%

Carpet area green certified by IGBC and LEED



Three*

Offices in BKC, Mumbai, powered by green energy



2.38 lakh+

EV two-wheelers financed



Green Deposits

Launched across all channels



25,000+

Trees planted in Madurai, Tamil Nadu



6,650+

Employee participation (cumulative) in ESG initiatives



80%

Independent Directors on the Board

ESG Ratings

MSCI

ESG Rating

A

Scale:

CCC B BBB BB A AA AAA

CRISIL

ESG Score

68 ↑ Y-o-Y

Scale:

0-40 41-50 51-60 61-70 71-100

Morningstar
Sustainalytics

ESG Risk Rating

20.1 ↑ Y-o-Y

Scale:

0-10 10-20 20-30 30-40 40+

Inverse rating scale (lower is better)

S&P Global

ESG Score (DJSI)

57 ↑ Y-o-Y

0-20 21-40 41-60 61-80 81-100

CDP

Score

C

Scale:

F E D C B A

Climate Risk
Horizons

Score

12 ↑ Y-o-Y

Scale:

0-4 5-8 9-12 13-16

FTSE4Good

Index

IDFC FIRST Bank is a constituent of the FTSE4Good Index Series.

* As of March 2025, two large offices were connected to the green grid. In May 2025, one more office was added.

ESG at IDFC FIRST BANK

At IDFC FIRST Bank, we are committed to promoting sustainability and responsible practices through our ESG (Environmental, Social and Governance) framework. To achieve our ESG priorities, we have implemented both long- and short-term initiatives, ensuring that we adhere to best practices in both letter and spirit. All our ESG efforts are unified under our 'FIRST ENSURE' identity, which embodies our core ethos of enabling sustainability with a sense of responsibility.

ESG Governance

The Bank's ESG agenda is guided by specific Board and Management committees that steer its strategy and implementation. The Committees are further supported by a cross-functional working group, together with a dedicated ESG team.

Board-Level Committee

- > CSR & ESG Committee that meets quarterly to guide on ESG strategy
- > Chaired by MD & CEO

Management-Level Committee

- > The Committee meets quarterly for all ESG management decisions
- > Drives the strategic integration of sustainability into business functions
- > Executive members include heads of functions and CXOs

Steering Committee and Working Group

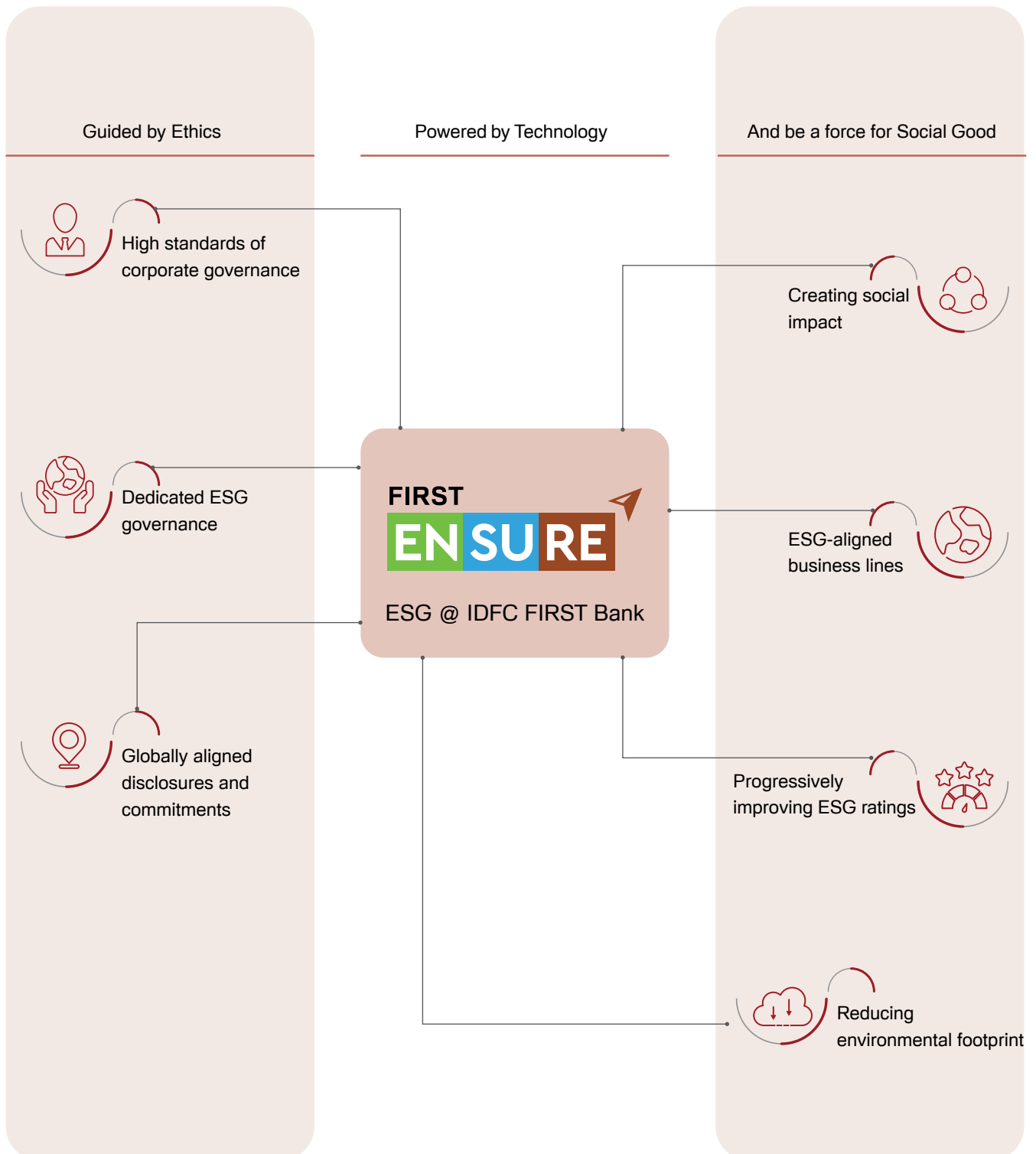
- > Specific working groups with cross-functional composition and expertise responsible for delivering on the ESG agenda
- > Facilitated by a dedicated ESG team



ESG Framework

At IDFC FIRST Bank, our approach to ESG is well aligned to our Bank-level vision.

Our Vision To Build A World-Class Bank in India



ESG Journey

IDFC FIRST Bank has always been inherently committed to ESG, accelerating credit access, serving deep geographies, and adhering to stringent governance standards. Over the past three years, we have implemented targeted actions to accelerate our ESG impact and progress.

H1 FY 2022-23

- › ESG adopted into a Board-level Committee
- › ESG Management and Steering Committees set up
- › ESG formed as a business unit

H2 FY 2022-23

- › Improvement in S&P CSA ESG Score (DJSI) rating (from 19 to 44 out of 100)
- › Official participant of the United Nations Global Compact (UNGC)
- › Official supporter of the Task Force on Climate-related Financial Disclosures (TCFD)

H1 FY 2023-24

- › First Integrated Report published, aligned with IR framework, GRI & SASB
- › First BRSR of the Bank published, aligned with SEBI mandate
- › Formal ESG targets announced
- › EV charging facilities live for employees across three* large offices
- › Customer awareness campaigns towards energy efficiency
- › Multiple external awards and recognition for ESG initiatives

H2 FY 2023-24

- › Won Golden Peacock Award for ESG (National)
- › Improvement in S&P CSA ESG Score (DJSI) rating (from 44 to 48)
- › Board-approved GHG Emissions Management Policy
- › Identified glide path for Net Zero
- › Tree plantation project launched
- › Commenced and completed baselining of financed emissions
- › Corporate Head Office in BKC recertified as IGBC Platinum green building

* As of March 2025, two large offices were connected to the green grid. In May 2025, one more office was added.



H1 FY 2024-25

- > Published the second Integrated Report
- > Obtained BRSR Core reasonable assurance, aligned with SEBI mandate
- > Became constituent of FTSE4Good Emerging Index
- > Improved Sustainalytics ESG Risk Ratings to 20.1 from 26.6 in 2023 (where lower score is better)
- > Became among the first banks in India to become a PCAF signatory
- > Launched Green Fixed Deposits
- > Mandatory ESG training launched for employees
- > Obtained external assurance on sustainable finance categories
- > Pan-India monthly engagement with employees on ESG themes

H2 FY 2024-25

- > Improvement in S&P CSA ESG Score (DJSI) rating (from 48 to 57 out of 100)
- > Won the AFAI India Climate Leader Awards 2025 for Outstanding Private Bank in Green Finance
- > Engaged 6,650+ employees (cumulatively) on ESG initiatives
- > Launched Solar Finance

Key ESG-aligned Policies

E



- > Policy on Green Deposits
- > Environmental & Social Policy Framework
- > Green Deposits Policy and Financing Framework
- > GHG Emissions Management Policy

All ESG-related policies, including the GHG Emissions Management Policy, can be found here:

<https://www.idfcfirstbank.com/scaling-up-sustainability-effort/policies-publications>

S



- > CSR Policy
- > Equal Opportunity and Diversity Guidelines Policy
- > Privacy Policy
- > OHS Policy Framework
- > Human Rights Policy
- > Grievance Redressal Policy
- > Whistleblower Policy
- > Maternity Policy, Adoption Leave Policy, Paternity Leave Policy

G












- > Board Diversity Policy
- > Code of Conduct for Employees
- > Policy on Related Party Transactions
- > Remuneration Policy
- > Code of Conduct for Prohibition of Insider Trading
- > Code of Conduct for Directors and SMPs
- > Tax Policy
- > Investor Grievance Redressal Policy

ESG Targets and Progress

We had set environmental and social targets and published them in our FY 2022-23 Integrated Report. We have already achieved a significant portion of these targets and are on track to achieve the remaining targets well within the timeline.

Completed Targets







 Completed

Targets	Environment 	Status	Targets	Social 	Status
	Third-party assurance for Scope 1 & Scope 2 emissions by 2025			Maintain employee engagement at healthy levels and aim for 100% coverage	
	Formal targets for emissions reduction by 2025*				
	Covering minimum three Scope 3 categories by FY 2023-24, apart from financed emissions				
	10% of finance towards wholesale responsible lending by 2027			Increase learning hours by 10% year-on-year	
	20% reduction of waste intensity from FY 2022-23 baseline by 2030				

* The Bank has identified a glide path to Net Zero by 2050.

Current Targets being Taken Forward

 WIP, On track

Targets	Environment 	Status	Targets	Social 	Status
	20% renewable energy in the energy mix by 2025 for large offices			Assessment of value chain partners on human rights: Cover 25% of value chain partners under Human Rights Assessment by 2025	
	Estimate % of offices located in water-stress areas by 2025				
	Implement water conservation initiatives for all large offices by 2025				



Building a Culture of Sustainability

Under FIRST ENSURE, our formal ESG identity, we have integrated all ESG communications, awareness and training sessions for our employees. We truly believe that we can make a real impact through the 'power of many', by inspiring our large and strong workforce to come together and do the right thing.

Eco-friendly Debit Cards

At IDFC FIRST Bank, we believe in making choices today that build a better tomorrow. Our new eco-friendly Debit Cards, made with 99% recycled plastic, are a testament to this commitment. These cards are currently being piloted among IDFC FIRST Bank employees.

Through this initiative, we are reducing plastic waste, conserving resources, and helping shape a world where sustainability and growth go hand in hand.

By reusing existing plastic materials, the production of first-use plastic is reduced, resulting in a lower carbon footprint and less harm to the environment. In addition, R-PVC (recycled polyvinyl chloride) Debit Cards help divert plastic waste from landfills, contributing to a more sustainable future.



Eco-friendly Debit Card for employees



EV charging station at IDFC FIRST Bank Tower, Mumbai

Sustainable Mobility

We encourage our employees to opt for electric vehicles for their commute and provide EV charging facilities in multiple large offices. We also incentivize employees with lower interest rates on EVs under Company Owned Car (COC) Policy.

ESG Intranet Portal for Employee Awareness

Our ESG Intranet Portal is designed to keep employees informed and engaged with our Bank's sustainability initiatives. This platform provides easy access to resources, updates, and training materials related to our ESG goals, including energy efficiency, diversity and inclusion, ethical governance, and community involvement. By fostering awareness and encouraging participation, the portal empowers employees to contribute to our responsible business practices, supporting a culture of transparency, accountability, and continuous improvement. Employees can understand more about ESG, participate in events and contests, and become ESG Ambassadors by visiting this portal.

ESG Tree Plantation

With the aim of building a green cover to restore balance in our ecosystems, purify the air and support biodiversity, IDFC FIRST Bank planted a tree on behalf of its Home Loans and Green Deposit customers in FY 2024-25. Through this initiative, we have planted 25,000 saplings at Madurai, Tamil Nadu, with each sapling geotagged for customers to trace and watch their tree grow.

Additionally, the tree plantation and maintenance efforts gave livelihood to local communities. This initiative is part of IDFC FIRST Bank's FIRST ENSURE ESG program, contributing to a better and greener world.



IDFC FIRST Bank tree plantation in Madurai

Employee Engagement & Initiatives

To build awareness and create engagement, we conducted monthly awareness initiatives across themes through quizzes, speaker sessions, workshops and panel discussions to accelerate engagement.

Over 6,650 employees

participated cumulatively in FY 2024-25 across various ESG initiatives

Monthly ESG Engagement Themes

April 2024
Water Conservation



May 2024
Human Rights



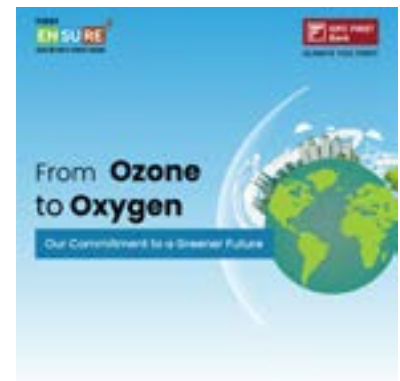
June 2024
Waste Management



July 2024
Reduce Plastic Use



August 2024
Diversity, Equity & Inclusion



September 2024
Ozone to Oxygen

8

Online Sessions

8

Seminars

3

Events



Various *Engagement Modes*

both in-person and online such as workshops, seminars, events, quizzes & contests

Monthly ESG Engagement Themes

October 2024
Mental Health



November 2024
Sustainable Mobility



December 2024
Governance, Ethics & Integrity



January 2025
Data Security & Privacy



February 2025
Financial Inclusion



March 2025
Health & Safety

3

Quizzes

2

Contests

2

Workshops

Key Highlights from our Pan-India in-person Employee Engagement & Initiatives

Tree Plantation and Community Engagement Event in Madurai



Together with our NGO partner and Branch Banking team in Madurai, we organized a tree plantation and community engagement activity in Madurai. Students from various schools and colleges joined hands with our employees to plant a variety of local saplings, fostering environmental sustainability.

EV Exhibition for Employees at IDFC FIRST Bank Tower in Mumbai



In collaboration with the Vehicle Loans division team, we organized an EV exhibition in November 2024 to promote sustainable mobility and EV adoption among employees. The exhibition showcased the latest EV two-wheelers and four-wheelers from nine Original Equipment Manufacturers (OEMs) in our Corporate Head Office, Mumbai and across 41 branches in 13 states pan-India.



Carbon Footprint Workshop in Hyderabad



A workshop was organized in our Hyderabad office in September 2024 where over 145 employees participated to assess their individual carbon footprint and pledged to reduce the same.

T-shirt-to-Tote-Bag Workshop in Hyderabad



Employees from our Hyderabad office participated in an upcycling activity in July 2024 where they transformed old t-shirts into reusable bags. The workshop was a part of our larger ESG initiative for the month to reduce, reuse and recycle plastic.

ESG Awards

We continue to be recognized by leading platforms for our efforts in the ESG and Sustainability space. A list of the recent recognitions we have received is given below.



AFAI Indian Climate Leader Awards 2025

Outstanding Private Bank
in Green Finance



Times Now Climate Action Awards 2024

Product Innovation Award
(WASH) - Silver



ABF Retail Banking Awards 2024

Financial Inclusion Initiative
of the Year (India)



The European Global Business Awards 2023

Most ESG Responsible Banking
Service (India)



CFI.co Banking Awards 2023

Outstanding Commitment to ESG
Performance in India



Golden Peacock Awards 2023

ESG (National)



UBS Sustainability Summit & Awards 2023

ESG Rising Star &
Sustainability Impact Award



Transformance ESG Summit & Awards 2023

Best Bank Leading the Way
in ESG



World Finance Awards 2022

Best Corporate Governance



Navabharat BFSI Awards 2022

Best Sustainable Bank Strategy

Value Creation Model

The below representation illustrates the Bank's integrated business model that manages its various capitals and the value it creates for its stakeholders.

Inputs



Our Business Activities



Financial Capital

- > **Shareholders' funds:** ₹38,078 crore
- > **Balance sheet size:** ₹3,43,819 crore
- > **External borrowings:** ₹38,975 crore



Manufactured Capital

- > **Branches and offices:** 1,002
- > **ATMs:** 1,190
- > EV charging stations for employees in four offices



Intellectual Capital

- > Mobile app with high-end search capabilities
- > Advanced AI, ML and data analytics capabilities
- > Robust risk management processes and systems
- > 10 step underwriting process
- > Among the first Banks to pilot Digital Rupee, UPI for foreigners, offline retail payments
- > Sustained high asset quality
- > Ability to underwrite micro loans at scale and reach deep interiors of India through robust technology



Human Capital

- > A strong and diverse base of skilled and competent workforce
- > **Learning hours:** 25 lakh+
- > A Customer First culture, built on Ethics and Integrity
- > **Employees in STEM roles:** 41%



Social & Relationship Capital

- > **CSR expenditure in FY 2024-25:** ₹31.9 crore
- > **Employee volunteering hours:** 23,848
- > **Business correspondents:** 705
- > Dedicated startup banking vertical
- > Signatory of Partnerships for Carbon Accounting Financials
- > Official participant of United Nations Global Compact

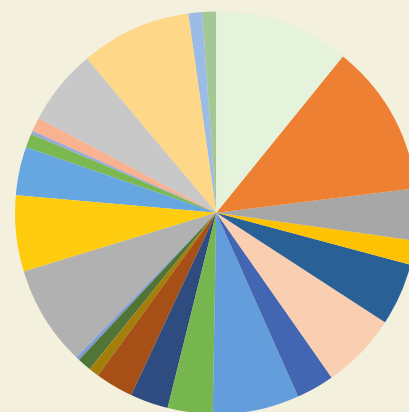


Natural Capital

- > Board-approved GHG Emissions Management Policy
- > Tree plantation tied to home loans and select Green Fixed Deposits
- > ESMS Framework for evaluating large ticket business and wholesale loans



Our composition of funded assets
Overall: ₹2,41,926 crore





Outputs



Outcomes

Our Vision

To build a world class bank in India, guided by ethics, powered by technology, and be a force for social good.



Retail Lending Solutions



SME Lending Solutions



CASA and Fixed Deposits



NRI Banking



Wealth Management & Distribution



Credit Cards



FASTag



Trade Finance



Supply Chain Financing



Corporate Lending



Transaction Banking & CMS



Treasury & Forex Solutions

Home Loan	11%
Loan Against Property	12%
Business Banking	4%
KCC	2%
Salaried Personal Loan	5%
Digital Personal Loan	6%
Credit Card	3%
Two Wheeler Loan	7%
Car Loan	3.41%
CV/CE Financing	3%
Consumer Durable Loans	3%
Gold Loan	1%
Education Loan	1%
Digital Consumer Durable loan	0.3%
Rural Finance	8%
Micro Credit & MSME Loans	6%
Small Business and Professional Loan	4%
Other Retail	1%
Other Commercial Loans	0.3%
Large Corporates	1%
Emerging Corporates	6%
Financial Institutions	9%
Other Corporates incl SE/SR	1%
Infrastructure Financing	1%

Customer Deposits

₹2,42,543 crore

Retail Deposits

₹1,91,268 crore

Gross Funded Assets

₹2,41,926 crore

Financial Capital

- > **Profit after tax:** ₹1,525 crore
- > **Return on equity:** 4.27%
- > **Capital adequacy ratio:** 15.48%
- > **GNPA:** 1.87% (For Retail and Commercial loans: 1.70%)
- > **NNPA:** 0.53% (For Retail and Commercial loans: 0.62%)

Manufactured Capital

- > **Coverage:** 25 States, 5 UTs
- > 8 large offices and 2 branches green building certified, including Corporate Head Office rated as IGBC Platinum
- > ISO 14001 & 45001 for 11 offices

Intellectual Capital

- > **No. of CMS relationships:** 3,545
- > **Users on the Bank's app:** 19.9 mn
- > TOMA (Top-of-Mind Awareness) score increased from 2 in FY 2020-21 to 28 in FY 2024-25
- > **Growth in UPI transactions:** 51% (y-o-y)

Human Capital

- > **Employee engagement score:** 86/100
- > **Company mood score:** 4.2/5

Social & Relationship Capital

- > **CASA deposits growth:** 24.8% (5-year CAGR)
- > **Individuals impacted positively through employee volunteering (FY 2024-25):** 1,39,059
- > 17.8 million FASTAGs issued
- > **Credit cards value growth (y-o-y):** 42%

Natural Capital

- > **Energy consumption from renewable sources:** 6,856.68 GJ
- > **E-Waste recycled:** 4.70 MT
- > 25,000+ trees planted in Madurai, Tamil Nadu

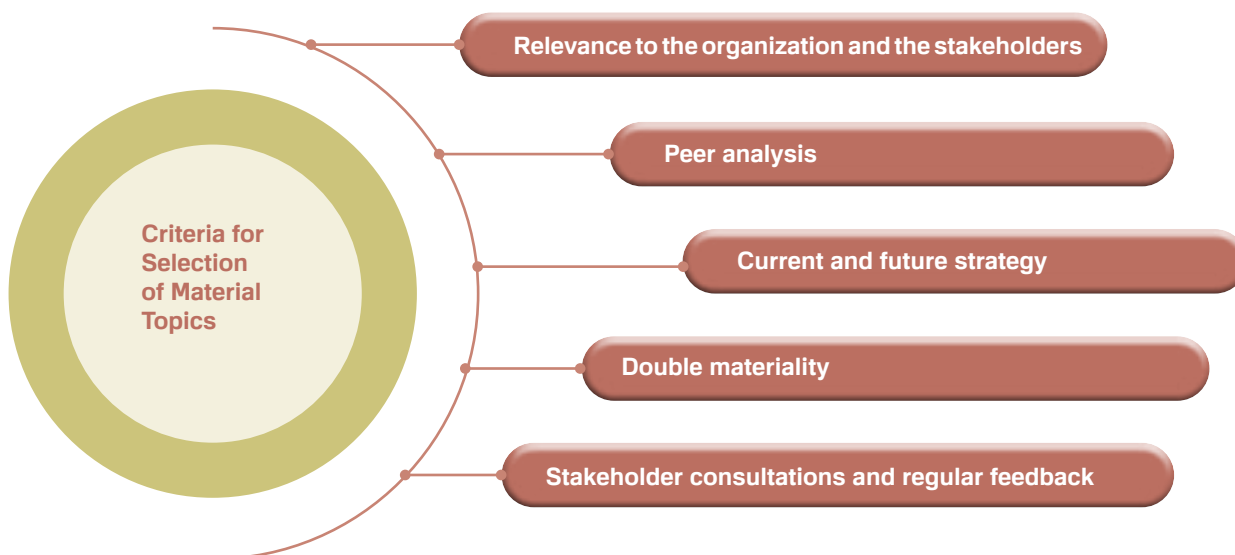
Stakeholder Engagement

The Bank has identified key stakeholders and has a detailed engagement plan with each stakeholder group in its Business Responsibility and Sustainability Report (BRSR) 2024-25 under Principle 4.

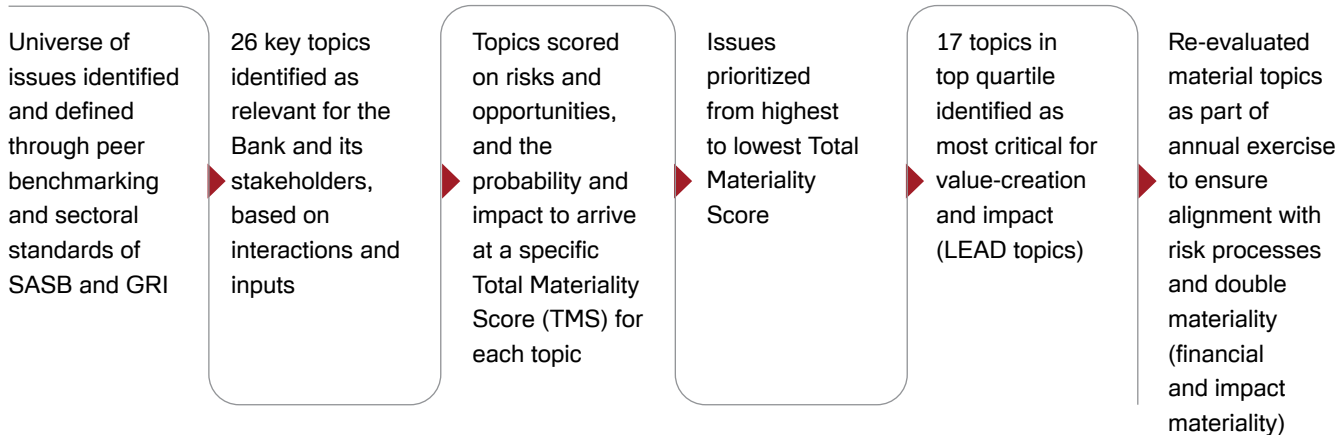
Materiality

We have conducted a detailed materiality assessment to ascertain our most important value-creating and impact-inducing topics. In FY 2024-25, we revisited our material topics from a lens of double materiality, ensuring that the topics are relevant from both business and impact standpoints.

Process and Selection of Topics



Materiality Assessment Process





Materiality Matrix

LEAD Topics

The Bank aspires to be a frontrunner in the segment by attributing significant efforts and investments to these topics. Performance on LEAD topics will also be monitored and disclosed by the Bank periodically.

MANAGE Topics

The Bank will proactively engage with stakeholders and actively manage these topics through policies and processes. These topics are important for organizational and stakeholder value creation.

COMPLY Topics

The Bank will ensure that all compliance with regulations and norms are met on these topics, with regular monitoring of any deviation and emerging guidelines.



LEAD

- > Corporate governance, ethics and integrity
- > Regulatory compliance
- > Data security
- > Customer privacy
- > Product innovation
- > Customer centricity and experience
- > Financial performance, strength and stability
- > Community well-being
- > Responsible sales and marketing
- > Responsible finance
- > Financial inclusion and credit access
- > Systemic risk management
- > Learning and development
- > Employee wellness
- > Climate action, climate risk and decarbonization
- > Emissions and environmental footprint
- > Transparency, disclosures and stakeholder communications



MANAGE

- > Operational footprint
- > Diversity, equity, inclusion and meritocracy
- > E&S compliance for project finance
- > Employee career progression and compensation
- > Financed emissions
- > Responsible procurement and supply chain management
















COMPLY

- > Human rights and equal opportunity
- > Public policy engagement
- > Fair competitive practices









An overview of IDFC FIRST Bank's material (LEAD) responsible business conduct issues in terms of risks or opportunities is given in the subsequent sections.

LEAD Material Topics, Risks and Opportunities

Material Issue Identified	Approach of the Bank for identifying the Risk/Opportunity	In Case of Risk, Approach to Adapt or Mitigate
Corporate governance, ethics and integrity 	We prioritise ethical conduct and proactive governance, striving to maintain the highest standard of corporate governance in India's banking industry through aligned policies and processes.	Not Applicable
Regulatory compliance 	We fully comply with regulatory requirements from bodies such as the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI) through proactive monitoring and strict adherence to the law.	We maintain stringent compliance with the incumbent laws and regulations, and regular monitoring for any change in regulations for proactive adoption.
Data security 	We safeguard financial and customer data through comprehensive measures and prioritise customer privacy by ensuring awareness and compliance with relevant guidelines and regulations.	We have adopted a robust information security framework in place with a dedicated team that governs security practices. We have put in place state-of-the-art security technologies, including several industry-first technology solutions and adopted a 'defence in depth' approach and industry best practices as part of our security framework and architecture.
Customer privacy 	Customer privacy is a highly important area which is critical in the banking ecosystem. IDFC FIRST Bank fully respects the privacy of its customers.	We have strong policies that guide our customers' privacy, ensuring that the customer is clearly aware of the information they share with the Bank. We comply with the relevant guidelines and regulations on customer privacy protection.
Product innovation 	We believe that innovation plays a crucial role in distinguishing the Bank and delivering substantial value to customers, whether through introducing new products and services or launching new channels for sourcing and servicing customers.	Not Applicable
Customer centricity and experience 	Our motto of 'Always YOU First' denotes the paramount importance we accord to customer centricity. We constantly work towards redefining and improving our customer journeys and the IDFC FIRST Bank experience.	Not Applicable
Financial performance, strength and stability 	We have always believed in building a clean institution and in carefully curating a granular portfolio that minimizes concentration risks and NPAs. We continue to attract high-quality assets, through customer-first offerings, stringent underwriting, and efficient debt management, which contribute to our long-term performance.	Not Applicable
Community Well-being 	Giving back to the society is core to our ethos. From our inception, we have been actively running a CSR program that has contributed to community development through flagship and annual initiatives.	Not Applicable
Responsible sales and marketing 	We have always held that transparency is key to our customer strategy. We truly believe that customers are our patrons and have resolved to stay away from publishing misleading information and charging any hidden fees and charges.	Not Applicable

 Risk
  Opportunity
  Positive Implications
  Negative Implications



Material Issue Identified	Approach of the Bank for identifying the Risk/Opportunity	In Case of Risk, Approach to Adapt or Mitigate
Responsible finance 	We continue to explore opportunities for financing socially responsible and environmentally friendly initiatives in both retail and wholesale lending.	Not Applicable
Financial inclusion and credit access 	We believe that India is full of opportunities and credit access significantly accelerates socioeconomic development. Aligned with the national vision, we have built a resilient rural banking portfolio.	Not Applicable
Systemic risk management 	As a Bank, we operate in a dynamic business landscape, with continuously evolving regulatory updates, customer choices, and market preferences, among others.	To counter risks arising from the external environment, we have a robust risk management process, which plans for and mitigates existing and emerging externalities.
Learning and development 	We lay significant emphasis on employee development through targeted training and initiatives to ensure that they are ready for changing market requirements.	Not Applicable
Employee wellness 	The holistic well-being of our people is our top priority. Towards this end, we continue to explore and instate policies and programs that safeguard their physical and mental well-being.	Not Applicable
Climate action, climate risk, and decarbonization 	We believe climate change presents significant risks for banks, both physical and transitional. Physical risks include extreme weather events that can damage assets, disrupt operations, and impact loan repayments. Transition risks arise from regulatory changes, evolving market expectations, and shifts toward a low-carbon economy.	We conduct stress tests for physical risks and maintain internal controls for transition risks.
Emissions and environmental footprint 	We recognize the critical role financial institutions play in enabling a green transition; and are fully aware of the threats that environmental damage poses to the world at large. The Bank has activated several initiatives that can help reduce and set off any negative impacts across emissions, water and waste.	We are baselining, assessing and disclosing our impact on key environmental indicators. We are also continuously seeking avenues to decarbonize our lending portfolio.
Transparency, disclosures and stakeholder communications 	We maintain regular engagement with each stakeholder group and are aligned to following voluntary and mandatory disclosure requirements in letter and spirit.	Not Applicable



ENVIRONMENT



As part of our sustainability strategy, we are moving towards greener operations and lending practices. It is our commitment to minimize our environmental impact and manage our footprint across our operational and lending activities.



Environment Highlights

31%

carpet area green
certified by IGBC & LEED

Net Zero

glide path identified for
scope 1 & 2 emissions
by 2050

**GHG
Emissions**

Management Policy is
Board-approved

3 offices

in BKC, Mumbai,
powered by green energy

25,000+

trees planted in Madurai

Climate Action, Decarbonization and Climate Risk

IDFC FIRST Bank recognizes the critical role financial institutions play in addressing climate change. With the Indian economy increasingly vulnerable to climate-related risks, the Bank acknowledges its responsibility to support a low-carbon transition and promote sustainable development. The Bank's climate strategy aims to integrate environmental considerations into its core business operations, risk management, and stakeholder engagement, while also exploring opportunities to finance climate-resilient infrastructure and renewable energy. By doing so, we can contribute to India's Nationally Determined Contributions (NDCs) under the Paris Agreement, support the country's transition to a climate-resilient economy, and ultimately enhance the well-being of our customers, employees, and the communities we serve.

Given its importance, the Bank has established a long-term Climate Strategy which incorporates the following key elements:

Sustainable Operations

The Bank actively measures and reports on its Scopes 1, 2 and 3 emissions. An overview of the Bank's emission profile can be found in the Business Responsibility & Sustainability Report for FY 2024-25 under Principle 6. In addition to measuring its emissions, the Bank has identified a glide path to achieve Net Zero (Scope 1 & 2) by 2050 (aligned to Science-based Targets), twenty years ahead of the national target of 2070. Within this timeframe, we expect the green electricity grid to be progressively made available across states and deep geographies, which is essential to enable this transition.

As a Bank, we rely on purchased electricity as our primary source of energy and utilize diesel generators on a need basis. We have internally charted a roadmap to progressively increase the share of renewable energy to power our infrastructure, and in turn reduce our operational emissions. As of now, 3* of our large offices in BKC, Mumbai are powered by green energy.

*As of March 2025, two large offices were connected to the green grid. In May 2025, one more office was added.

Financed Emissions

IDFC FIRST Bank has become one of the early adopters of the global Partnership for Carbon Accounting Financials (PCAF) framework in India. By becoming a signatory to PCAF in FY 2024-25, the Bank has committed to assessing greenhouse gas emissions linked to its lending portfolio, in line with internationally accepted standards. This includes establishing a baseline for financed emissions across key segments—such as corporate lending and vehicle finance—under Scope 3, Category 15 of the GHG Protocol. This move not only enhances the transparency of the Bank's climate impact, but also reinforces its commitment to advancing best practices in climate-aligned finance.

*Official signatory to
PCAF*

Financing Low Carbon Sectors/Clients

The Bank continues to lend to climate-aligned sectors such as renewable energy, electric mobility, and green buildings. The Bank has established strong partnerships with dealer and vendor networks to facilitate channel financing in these areas. As a frontrunner in sustainable mobility financing, it is also actively exploring opportunities to support industries and activities that enable a transition to a low-carbon economy. In parallel, the Bank is evaluating models to finance circular economy initiatives and green supply chains, helping businesses reduce their environmental footprint. Through these efforts, IDFC FIRST Bank is strengthening its role as a financial catalyst for sustainable, climate-resilient growth across a broad range of sectors.

2.38 lakh+

**EV two-wheelers
financed
(live portfolio)**

6,400+

**EV three-wheelers
financed
(live portfolio)**



Climate Risk Resilience

IDFC FIRST Bank acknowledges the growing importance of managing climate-related risks in our operations and lending activities. Climate change poses significant physical risks, such as increased frequency of extreme weather events, and transition risks, including policy and regulatory changes, technological shifts, and changing market preferences. To proactively address these risks, we have established a climate risk management framework that involves identifying, assessing, and mitigating climate-related risks across our portfolio. Our process includes conducting climate risk assessments, integrating climate risk indicators into our risk management systems, and developing strategies to mitigate potential impacts. By integrating climate risk management into our business operations, we aim to safeguard our assets, maintain business continuity, and support the resilience of our customers and the broader economy in the face of a changing climate.

Climate-related Risks Identification

IDFC FIRST Bank considers climate risk (physical risk and transition risk) as a critical risk housed along-side other Pillar II risks.

Physical Risk

Physical risk refers to the direct impacts of climate change on physical assets and infrastructure, like damage from extreme weather events or sea level rise. We are aware of the risks climate change poses to our operations and assets and have a dedicated process to consider climate risk as part of our annual ICAAP process. To estimate and guard against climate risk, we have conducted stress tests on our portfolio for physical risks (for retail assets) and transition risks (for our wholesale portfolio). For the retail, rural and SME portfolio, we have conducted the stress test based on:

- Region-wise exposure concentration
- Vulnerability of the region to various extreme weather events and the type of exposure to such events (secured/unsecured, insured/uninsured, rural/urban)
- Correlation between the severity of the event and the potential credit loss for the Bank
- Post the analysis, we have arrived at a state-wise estimate of the stress impact of our retail, rural and SME portfolio.

For our wholesale portfolio, environmental and social risks are evaluated before loan disbursement as part of the standard process and in alignment with the Equator Principles.



Transition Risk

The Bank has identified sectors which are expected to be prone to transition risk. The Bank regularly monitors these sectors and has in place internal controls, exposure caps and mitigation measures to guard against such risks.

- **Climate-resilient infrastructure:** As a Bank, we are incorporating green building and green interior practices into our infrastructure. This is being done with a view to reducing our environmental footprint while including design elements that mitigate climate change impacts, such as reducing energy consumption and water use. These also help our spaces be more resistant to extreme weather events.
- **Policy advocacy, climate literacy, and robust disclosures:** The Bank continuously engages with its stakeholders, including industry experts, think tanks, regulators, and climate scenario providers, to participate in the movement towards a low-carbon transition. The Bank is an official supporter of the United Nations Global Compact (UNGC), which has Climate Action as a key agenda item, as part of UN SDGs.
- **Climate Risk Governance:** The Bank has established a structured climate risk governance framework to ensure climate-related risks and opportunities are integrated into its decision-making processes. Climate-related topics are discussed at the highest levels of the organization, including the CSR & ESG Board Committee and the ESG Management Committee. These discussions take place on a quarterly basis, allowing for ongoing evaluation of climate risks, progress on sustainability initiatives, and alignment with regulatory and stakeholder expectations.

Alignment with TCFD

As an official supporter of the Task Force on Climate-Related Financial Disclosures (TCFD), we have aligned with the principles of TCFD and published our TCFD document on our website, which outlines our approach across the four pillars of the TCFD. A summary has been provided below.



Governance

- > Board-level CSR & ESG Committee overseeing ESG practices and performances
- > ESG Management Committee's role in driving the Board-level agenda on ESG
- > Shared responsibility across departments on ESG and climate-related matters



Strategy

- > Focus on managing and reducing operational emissions through green grid adoption and green buildings
- > Decarbonization goals and roadmap for own operations
- > Green deposits and sustainable finance framework in line with the RBI guidance
- > Sustainable lending initiatives with products being evaluated by the Bank, with a few rolled out
- > Efforts around capacity building on sustainability across the Bank



Risk Management

- > Climate risk assessment conducted together with stress testing
- > Framework around screening of loan proposals based on Environmental & Social Policy in line with Equator Principles
- > Collaborative efforts of Credit Risk and Market Risk to address the Bank's climate risk management
- > Efforts to account for physical and transition risks and to make the overall portfolio greener and climate-resilient
- > Reducing exposure to large-scale infra loans, which includes financing of power generation through coal, oil, and gas



Metrics & Targets

- > Own emissions: Path identified to achieve Net Zero by 2050 (Scope 1 & 2)
- > Decarbonization levers identified for reducing emissions from own operations
- > Efforts taken towards estimation of financed emissions for material loan portfolios



Green Infrastructure

From an operational perspective, we are concentrating on making our infrastructure greener and more sustainable. In fact, several of our large offices are LEED and IGBC-certified, both well-recognized bodies that rate structures and interiors which minimize environmental footprints. In order to reduce our carbon footprint, we have also adopted green power in three large offices, including our Corporate Head Office in BKC, Mumbai, and are evaluating other locations where the ecosystem has developed to facilitate green power procurement.

Accelerating Impact through Green Buildings

As much as **31%** of our office and branch infrastructure is certified under green building norms by the Indian Green Building Council (IGBC) and Leadership in Energy and Environmental Design (LEED). Over **1.2 million sq. ft. carpet area space** – equivalent to more than 20 football fields – across eight offices and two branches are now green building certified. Two of our offices in Mumbai are **Platinum-certified**, six others are **Gold-certified**, and two branches are **Silver-certified**.

This was a direct result of our unwavering focus on key areas such as energy efficiency, water management and resource management. To minimize our energy footprint, we installed motion sensors for lighting, deployed energy-efficient bulbs and replaced older fixtures with LEDs. Further, we integrated **EV charging** stations in four of our offices and connected two of our offices to the **green power grid**. To save every drop of water, we installed energy-efficient RO units, motion-sensor water taps, and sewage treatment plants. To maximize resource efficiency, we took **waste segregation** and **recycling measures**, sourced materials locally and utilized materials with high recycled content. To provide clean air for our employees, we also installed **advanced ventilation systems**.

Working from these green spaces has been a game-changer for our employees, too, and the benefits include:

- > Improved health and well-being
- > Enhanced productivity
- > Lower stress and higher job satisfaction
- > Better collaboration and creativity

Beyond being environmentally friendly, our spaces are built for everyone. Designed with inclusivity and accessibility at their core, they resonate with the different needs of diverse people.

At IDFC FIRST Bank, every initiative is designed to nurture the well-being of our employees and partners while staying deeply committed to reducing our environmental footprint. With greener operations and a strong ESG vision, we are not just chasing change; we are building it, one sustainable step at a time.



Watch our Green Spaces Highlights Video



5 offices and 2 branches of IDFC FIRST Bank are IGBC-certified, including Corporate Head Office in Mumbai re-certified as IGBC Platinum



3 offices of IDFC FIRST Bank are LEED-certified

* As of March 2025, two large offices were connected to the green grid. In May 2025, one more office was added.

Working from Green Spaces

Indian Green Building Council (IGBC)

Platinum-Certified Offices:



IDFC FIRST Bank Tower, BKC, Mumbai

25%

reduction in energy
consumption*

50%

water savings*

Silver-Certified Branches:



Navi Peth Branch, Pune



Barshi Branch, Solapur

Gold-Certified Offices:



Quantum, Hiranandani Estate, Thane



Rajendra Place, New Delhi



Aurobindo Galaxy, Hyderabad



Fortius Origin, Bengaluru

*Figures represented are averages across all green premises.



Leadership in Energy and Environmental Design (LEED)

Platinum-Certified Offices:



Oberoi Commerz III, Goregaon, Mumbai

Over 90%

construction waste
diverted from landfill*

40-70%

materials (by cost)
locally manufactured*

20-40%

materials (by cost)
with recycled content*

40-90%

of material is eco
wood-based*

Gold-Certified Offices:



Mindspace, Juinagar, Navi Mumbai



Gigaplex, Airoli, Navi Mumbai

Our green buildings featured in IGBC Bi-Annual Coffee Table Book Vol. VI

IDFC FIRST Bank is committed to the highest health and safety standards across its offices. We are proud that four of our office locations are also among the select few featured in the IGBC Bi-Annual Coffee Table Book Vol. VI. This recognition reinforces our leadership in sustainable operations, ensuring healthier, safer and greener workplaces.

The 4 premises featured in the book:

IDFC FIRST Bank Tower, BKC, Mumbai

Quantum, Hiranandani Estate, Thane

Rajendra Place, New Delhi

Navi Peth Branch, Pune

* Figures represented are averages across all green premises.

Sustainable Finance and Responsible Lending

Sustainable Finance

IDFC FIRST Bank recognizes the critical role it plays in supporting the country's transition to a more sustainable and resilient economy. With the Indian government setting ambitious targets to reduce greenhouse gas emissions and promote sustainable development, IDFC FIRST Bank is committed to integrating environmental, social, and governance (ESG) considerations into its business operations and lending practices. Through its sustainable finance initiatives, the Bank aims to support projects and businesses that promote renewable energy, energy efficiency, sustainable infrastructure, clean transportation and other environmentally friendly activities.

Integrating ESG Considerations into Credit Decisions

The Bank has systematically integrated Environmental, Social, and Governance (ESG) considerations into its lending practices through the adoption of its Environment and Social Policy (ESP). This Policy serves as a guiding document to ensure that the Bank's lending decisions align with sustainable and responsible financing principles.

Under the ESP Framework, the Bank conducts environmental and social risk assessments as part of its credit appraisal process for large-scale loans. The Policy, along with its associated processes, outlines exclusion lists, screening criteria, and due diligence procedures to identify, assess, and manage potential ESG risks associated with clients and projects. By embedding ESG considerations into its lending operations, IDFC FIRST Bank not only safeguards against material risks but also actively supports projects and businesses that contribute positively to environmental and social outcomes, thereby reinforcing its commitment to sustainable development and responsible banking.

Mobilizing Finance toward Climate-aligned Sectors

In FY 2024-25, IDFC FIRST Bank focused on expanding its sustainable finance portfolio as part of its commitment to supporting the transition to a low-carbon economy.

The Bank accelerated financing for climate-aligned sectors such as renewable energy and green buildings. It introduced tailored financial products to promote the adoption of clean energy solutions, particularly among MSMEs and retail customers. By mobilizing capital towards climate-positive sectors and embedding climate considerations into its lending strategy, IDFC FIRST Bank continues to contribute meaningfully to national and global climate goals.





Responsible Lending

IDFC FIRST Bank continues to play an enabling role in financial inclusion, lending to micro, small, and medium enterprises, and powering environmentally positive segments such as electric vehicles. The selection

of environmentally and socially relevant segments has been externally assured by a competent third-party, aligned with the United Nations Sustainable Development Goals (UN SDGs).

47%

**lending portfolio
aligned with responsible
lending segments
(March 2025)**

Overall Responsible Lending Portfolio

Environmental



Sustainable Mobility

- › EV financing



Renewable Energy

- › Solar
- › Energy efficiency



Circular Economy

- › Waste management



Sustainable Agriculture

- › Organic farming
- › Green value-chain



Water Conservation

- › Rainwater harvesting
- › Water sector



Sustainable Infra

- › Green buildings
- › Home improvement



Social



Affordable Housing

- › Affordable LAP
- › Priority sector lending



Basic Infra & WASH

- › Toilets and sanitation



Financial Inclusion

- › Rural lending
- › Microfinance



Small Businesses

- › Small entrepreneur loans



Education

- › Education loans
- › Lending to the education sector



Health

- › Lending to the healthcare sector



SOCIAL

At IDFC FIRST Bank, we are committed to contributing to a thriving society, an empowered workforce and sustainable communities. Our efforts in this direction are underlined by our people initiatives, strong policies and processes, and a dedicated CSR program. In everything we do, we maintain a 'customer-first' approach and a steadfast commitment to accelerating financial inclusion in India.





IDFC FIRST Bank employees at the 'Upcycle it' T-shirt-to-Tote-Bag Workshop in Aurobindo Galaxy Office, Hyderabad

Social Highlights

43%

rural borrowers
are women

25 lakh+

learning hours
in FY 2024-25



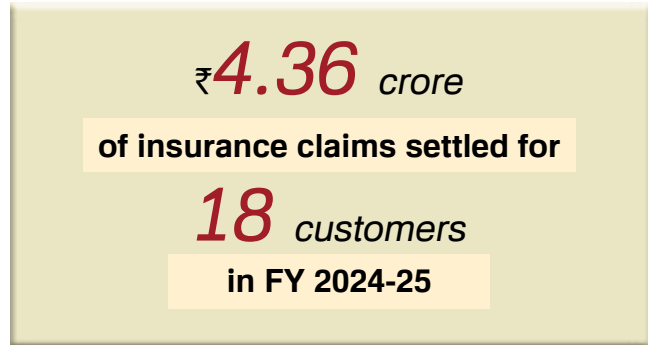
Customers

From its inception, a key strategy of the Bank has been to deliver the highest levels of customer service. The Bank channels all efforts in this direction, from the design stage of products and employee training for customer service, to fostering a culture focused on a customer-friendly approach, ethical banking and a high level of digitization.

Insurance on Debit and Credit Cards

As a Bank, we are socially responsible and deeply committed to taking care of our customers, not only when they visit our branches or offices under Commercial General Liability Insurance but also by providing comprehensive coverage for personal accidental death, permanent total disability, and online fraud through various insurances. These coverages safeguard most of our customers, from young adults to senior citizens, under various tailored programs such as Future First, Nation First, and Honour First, alongside our regular customers. We provide substantial financial assistance to families, ranging from ₹2 lakh to ₹1.50 crore, ensuring their security during challenging times.

Our initiatives reflect our unwavering dedication to fostering trust and financial well-being across all communities we serve. By continuously innovating and adapting to the evolving needs of our customers, we aim to set new benchmarks in customer-centric banking, empowering every individual to achieve a secure and prosperous future.



Types of Card/Account	Coverages	Sum Insured (in ₹)
Honour First (Defence Banking)	PADC + PTD + PPD	₹70 lakh
Nation First	PADC + PTD	₹100 lakh
Future First	PADC + PTD	₹55 lakh
Debit Card	PADC + PTD	Ranging from ₹5 lakh to ₹150 lakh
Account Based	PADC + PTD	Ranging from ₹5 lakh to ₹100 lakh
Credit Card	PADC + PTD	Ranging from ₹2 lakh to ₹10 lakh
Commercial General Liability Policy (CGL)	Medical expenses in case of any mishap during the Bank branch or office visit by the customer	₹8 lakh
Current Account Holders	Shopkeeper's Fire Insurance	₹2 lakh

PADC - Personal Accident Death Coverage | PTD - Permanent Total Disability | PPD - Permanent Partial Disability



Financial Inclusion

Over the years, we have demonstrated our commitment to advancing financial inclusion by being a truly universal bank. We firmly believe that lending to underserved populations creates economic and social value, which can have a positive ripple effect.

Going forward, we will continue to deliver on our commitment to financial inclusion, subject to our strategy and risk models, covering aspects such as:

- > Innovation and expansion of financial services available to underserved groups
- > Tailored delivery methods across digital and physical channels to enable last-mile connectivity
- > Accessible customer grievance mechanism for all customers
- > Policies in place for Bank representatives to ensure fair and respectful treatment of customers across all levels
- > Partnerships to ensure larger reach and coverage

Highlights (Portfolio as of March 2025)

3.6 million

**Women entrepreneurs (JLG)
availed loans**

16 million

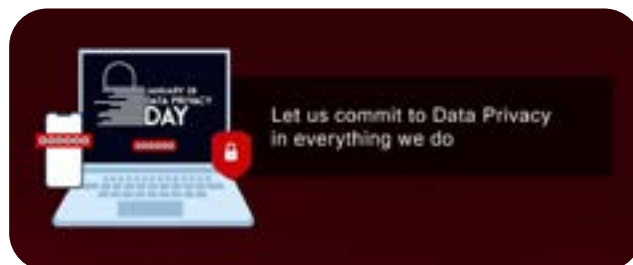
**Customers (live on the Bank's
books) to whom inclusive financing
has been provided**

Privacy Protection

IDFC FIRST Limited and its subsidiaries are committed to protecting their customers' personal information. We have a Privacy Policy in place, which is publicly available to help customers understand how the Bank collects, uses and protects customers' information when they visit the Bank's web and WAP sites, and use their products and services. The policy covers the following aspects, particularly with respect to the personal information collected online:

- > How personal information is used
- > How personal information is shared
- > How 'Other information' is used and collected
- > How is customer information is kept accurately
- > How access to customer information is limited to employees
- > Information security
- > Other information about the IDFC FIRST Bank website
- > IDFC FIRST Bank's commitment to personal privacy
- > Change in Policy

The Bank also has a Data Privacy Notice, which is publicly available on its website. The Bank is committed to processing data collected from its customers in compliance with the General Data Protection Regulation (GDPR) 2016, UK Data Protection Act 2018 and the provisions of this Notice.



Communities

Our dedicated Corporate Social Responsibility (CSR) team focuses on thematic areas that can have the greatest positive impact across communities. The programs span areas such as entrepreneurship, sports, health, education, and disaster management.



Employees in Lend-A-Shoulder volunteering program

23,848 Hours

**volunteered by employees
in FY 2024-25**

1.39 lakh+

**people impacted through employee
volunteering in FY 2024-25**

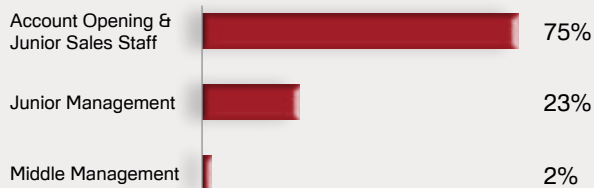
Further highlights are provided in the CSR section of this Report.

Employees

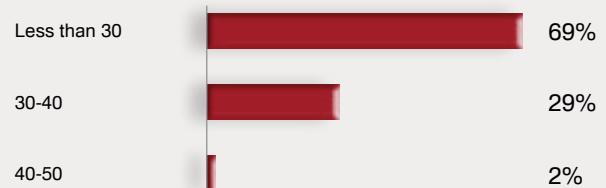
At IDFC FIRST Bank, we are building a strong, stable and sustainable institution with a skilled and empowered workforce. Our employee proposition enables us to attract the right talent, thereby building a skills-first people culture. We empower our people through meritocratic practices, opportunities to learn and perform, and help them build meaningful careers with us. In FY 2024-25, we hired and onboarded 14,394 employees.

NEW HIRES BREAK-UP

Grade-wise



Age-group-wise



Retail Liabilities new hire session

Case study

Building a Skills-based Workforce

At IDFC FIRST Bank, we believe in giving every employee an opportunity to succeed, with a commitment to objectivity, trust, and transparency in everything we do. We began our journey of building a skills-based organization reshaping, and reimagining our HR practices in every way possible. To democratize careers and growth opportunities for our employees, we first designed a successful talent marketplace, providing opportunities for every employee in the Bank to learn, engage, and grow. A well-structured and comprehensive skills framework was the first step in this direction.

We identified the skills needed for each role in the Bank, which gave us the head start required for designing and launching our AI-driven talent marketplace, iTalent, with modules such as Talent Profile, Skills, Velocity (IJP), Mentoring, and Gigs, which collectively act as a compass to guide our employees in planning their development and owning their careers. This platform offers value from both employees' and managers' perspectives.



Employee Training and Development

We maintain a strong focus on employee learning and development. In a fast-evolving world, we believe that consistent learning and skilling of all our people is critical for their growth and the Bank's long-term success.

During FY 2024-25, we achieved over 25% growth in learning hours y-o-y, reaching a total of over 25 lakh learning hours. 100% of our employees undergo mandatory training on key modules, including vigilance, Code of Conduct, ESG, POSH, and others. Furthermore, 100% of employees are nominated for various training sessions tailored to their job role and level.

Over 25%

growth in learning hours y-o-y

60 average hours

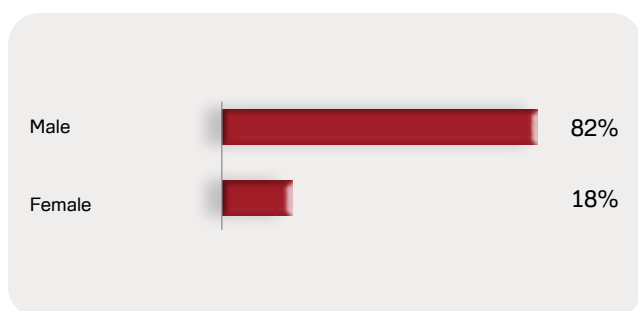
of training and development per FTE



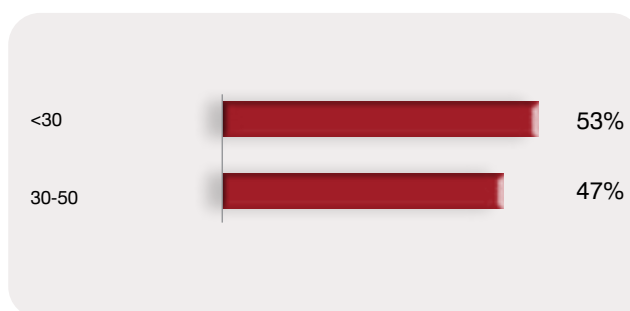
Employees during a training session in our Learning Hub in BKC, Mumbai

TRAINING DETAILS

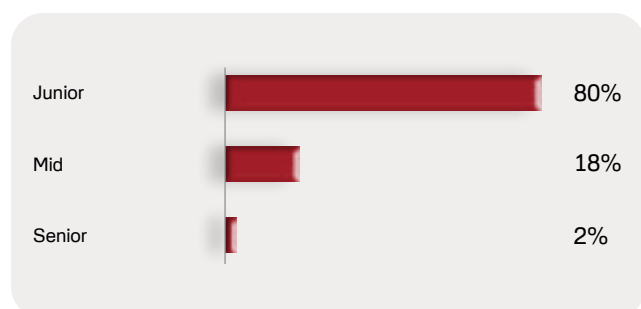
Gender-wise



Age-group-wise



Grade-wise



₹5,000 average amount

spent on training and development
per FTE in FY 2024-25

Key Employee Development Programs

The Bank conducts various training and development programs for its employees. Two of our key learning programs are listed below. Additional details of such programs are given in the 'Our People' section of this Report.

	Retail One	Lead to Succeed Track A
Description of the Program	This program aims to foster a 360-degree understanding of the Bank's ecosystem and its core philosophy towards a broader financial landscape. It is designed to deepen participants' knowledge of the Bank's products and processes, enabling them to navigate the organization with greater insight. Additionally, the initiative focuses on enhancing personal effectiveness, as well as sharpening selling and negotiation skills to drive better outcomes.	This program supports the transition from management to leadership by equipping participants with the skills needed to drive effective performance conversations and provide constructive feedback. It also focuses on aligning teams and clearly communicating goals to foster a shared sense of direction and accountability.
Business Benefits of the Program	This program is structured to provide participants with a detailed understanding of their roles and the impact they create within the organization. It focuses on building a strong foundation in Retail Liabilities while offering a deeper insight into the Bank's operations, including regional nuances that influence business dynamics.	This program aims to enhance the people management, strategic planning, and execution capabilities and help managers deliver
Impact of Business Benefits	This program provided participants with first-hand knowledge and fostered a stronger bond with the Bank. By facilitating collaboration between internal and external experts, the program helped bridge knowledge gaps.	This program has helped sharpen the leadership and team management skills.
% of FTE Participating in the Program	88%	89%

Case study

Future-Ready Learning through Learning Hubs

The Learning Hubs at IDFC FIRST Bank in BKC and Goregaon, Mumbai, are modern facilities featuring four state-of-the-art training rooms, a lively breakaway area for networking, and cutting-edge features, including the Beyond Reality wall, which integrates virtual reality for an immersive learning experience. The Learning Hub reinforces the Bank's commitment to fostering a culture of progressive learning and development, promoting both individual growth and collective success.





Employee Compensation and Rewards

Our compensation, recognition and rewards initiatives are benchmarked against best practices in the industry.

For performance appraisal, we conduct an annual performance appraisal exercise and a mid-year review. Our appraisal process is based on Management by Objectives (MBO), multidimensional performance appraisal, team-based performance and agile conversations. Based on the appraisal, our employees are offered both short-term and long-term incentives as rewards. Short-term incentives include salary and compensation increases, while long-term incentives encompass Employee Stock Options (ESOPs). The ESOPs are also offered to employees below senior management levels, with a five-year vesting period with 20% vesting annually. Each department within the Bank also has ESG/Sustainability performance as part of its Key Result Areas (KRAs), which contribute to its overall performance rating, rewards, compensation and long- and short-term incentives.

Case study

Enabling Pay Parity with a Role-Based Compensation Structure

At IDFC FIRST Bank, we recruit, onboard, and develop employees based on industry benchmarks, skill sets, and relevance to the roles they execute. While we have an internal grading system for administrative purposes, our focus is on building and rewarding employees based on their merit and alignment with the job role.

We strictly guard against any bias with respect to gender or social background in employee selection, compensation or rewards.

Even as we follow a role- and benchmark-based compensation structure, we have conducted grade-based equal pay and gender pay gap analyses across senior, middle, and junior management levels, covering 100% of our employee base.

Equal Opportunity and Inclusion

A core tenet of our people policy is the equal treatment of our employees, with zero tolerance for discrimination based on gender, religion, or social background. This is also extended to our compensation, rewards and benefits.

Over the past three years, we have progressively increased women's participation in our workforce, with this metric being particularly strong for the younger workforce and among new hires. Some of the key initiatives we have taken to foster and maintain diversity include programs such as Maternity Buddy and Daycare facilities.

We also arranged childcare facilities for returning mothers and provided parental leave for both parents aligned to the regulations.

We also have in place a strong POSH (Prevention of Sexual Harassment) Policy that explicitly prohibits all forms of harassment and ensures zero tolerance for any violation. All employees undergo mandatory POSH training.



Online panel discussion on 'The Business Case for DEI'

Employee Support, Health and Well-being

At IDFC FIRST Bank, we ensure that our employees have access to platforms that enable their well-being. We recognize that physical, mental and financial wellness are critical for the holistic well-being of our employees.

Wellness Program

Our wellness programs encompass various initiatives focused on physical, mental, and financial wellness, aiming to provide a comprehensive solution that helps employees achieve a balanced and healthy lifestyle. Monthly wellness webinars cover a variety of topics, including nutrition, fitness, and mental health, designed to educate employees on different aspects of wellness and provide practical tips for maintaining good health. Monthly fitness sessions, led by certified fitness trainers, provide employees with an opportunity to engage in physical activity. The Bank also sponsors events such as marathons, in which employees are encouraged to participate.

Marathons

At IDFC FIRST Bank, we bring our ESG commitments to life by sponsoring India's biggest running events, including the TCS World 10K, NMDC Hyderabad Marathon, Vedanta Delhi Half Marathon, TATA Steel 25K, and TATA Mumbai Marathon. Our 'Runner's Pledge' donates ₹1,000 per 10K finishers and ₹2,000 for our customers, supporting social causes through our FIRST Impact program. We help minimize environmental impact through 100% waste management, recyclable materials, food redistribution, and green transport. At the NMDC Hyderabad Marathon, we backed a unique initiative engaging rag pickers in waste

collection—promoting inclusion and sustainability. We also support fundraising platforms across events. The TATA Steel 25K has raised ₹4.68 crore for education, health, and women's empowerment. At the TATA Mumbai Marathon, we celebrated participants through our #JourneyToTheStart campaign, as the event raised ₹53.62 crore for 269 NGOs in 2025. Through sports, we drive social, environmental, and governance impact on the ground.



IDFC FIRST Bank sponsoring the Tata Steel World 25K Kolkata!

Absentee Rate

As a Bank committed to operational excellence and employee well-being, monitoring our absentee rate is crucial for understanding workforce engagement and productivity. Continued focus in this area helps us maintain a resilient workforce, enhance service delivery, and foster a healthier and more motivated workplace.

Absentee Rate	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Employees (% of total days scheduled)	1.7	3.3	2	1.4	1.65
Data Coverage (%)	100	100	100	100	100

Our absentee rate disclosures were verified and assured by a qualified third-party in 2024.



Annual Health Checkup Program

This offers employees the opportunity to receive a comprehensive health checkup at a discounted rate, including various medical tests such as blood pressure, cholesterol, and glucose level tests. The Free Doctor on Call facility provides employees access to a doctor over the phone through online booking, allowing them to get medical advice or ask health-related questions.

Our Emergency Assistance Program provides emergency medical assistance to employees facing unexpected health situations, including emergency ambulance bookings and first aid, at very low rates.

Maternity Buddy Program

This program aims to keep expecting mothers aware and healthy, ensuring they are on the correct course throughout their pregnancy and beyond. It follows a holistic approach and, therefore, also offers guidance on both physical and mental health. This program includes frequent newsletters with valuable information and health tips, access to videos covering all trimesters of pregnancy, and exclusive discounts and deals on baby products.



Daycare Assistance Program (MyKids)

Launched in March 2024, the program underscores our commitment to providing an inclusive and supportive work environment by ensuring proximity between parents and children. The benefit is extended to women employees (mothers only) and single parents (fathers) who are primary caregivers, allowing them to register their children from six months to six years and access services provided by the daycare/childcare centre. Well-aligned with regulations, we offer paid parental leave for mothers (182 days) and fathers (7 days), including adoption leave (of 84 days for mothers and 7 days for fathers).

Employee Assistance Program (EAP)

Named 'ReachOut', this program provides access to free and confidential counseling services for employees struggling with personal or work-related issues. The '1to1' help website offers a range of resources, including videos, articles, infographics, mental health assessments, podcasts, and more, designed specifically for employees. Monthly wellness webinars cover a range of topics related to mental health, including stress management and mindfulness techniques, providing a safe and supportive environment for employees to discuss their concerns and receive professional guidance.

The **Wellness Corner** on our intranet, themed '**Tann-Mann-Dhan**', is a one-stop shop for all wellness programs and initiatives, hosting numerous health and wellness resources for employees.



Medical Coverage

We also offer comprehensive insurance coverage through the Group Mediciam Policy (GMC), Group Personal Accident Policy (GPA), and Group Term Life Insurance Policy (GTL). The GMC covers expenses incurred during hospitalization, including room rent, medicines, and surgery, provided 24-hour hospitalization is necessary for a claim to be admissible, except for identified daycare procedures. Employees are covered for a graded base sum insured, with the option to add a top-up at an additional cost.

Annual Surveys

On a yearly basis, we also conduct a survey of our employees to understand their overall satisfaction, engagement, and well-being. Some of the aspects included in this survey are job satisfaction, purpose, happiness, and stress, among others. In FY 2024-25, over 70% of employees responded to the survey. The Bank's employee engagement score stood at 86 out of 100, while mood score was 4.2 out of 5.

These programs and initiatives are designed to support employees' physical, mental, and financial well-being.

Human Capital Return on Investment

At IDFC FIRST Bank, we recognize that investing in our people is not only a commitment to their growth but a strategic imperative that drives sustainable value. Our approach to human capital return on investment reflects our commitment to nurturing talent, fostering innovation, and cultivating a resilient and inclusive workforce that drives our long-term success.

HROI Details

(₹ in lakh)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Revenue	18,17,919	20,39,472	27,19,451	36,32,450	36,50,149
Total Operating Expense	7,09,328	9,64,445	12,17,035	16,21,578	18,89,883
Total Employee-Related Expenses (Salaries + Benefits)	1,97,697	2,69,654	3,74,223	4,89,253	5,70,990
Total HROI	6.61	4.99	5.01	5.11	4.08
Total Number of Employees	24,169	27,804	35,352	41,141	42,190

Occupational Health and Safety

We are committed to creating a safe and healthy work environment that promotes the overall well-being of our employees. We have undertaken various initiatives to promote employee retention and maintain high levels of employee satisfaction. To address this, the Bank has established an Occupational Health and Safety (OHS) Policy, complemented by the Internal Health and Safety Standard Operating Procedure (SOP), initiating the implementation of a management system based on international standards (ILO Standards).

The OHS policy applies to all IDFC FIRST Bank employees, consumers, business partners, visitors, and consultants who visit or work on IDFC FIRST Bank premises for either a limited or extended period.

Through the implementation of its OHS policy and SOP, the Bank commits to continually improving the performance of the OHS management system. On a need-and-review basis, the Bank also sets up necessary prioritization and action plans and establishes goals to improve its OHS performance. The OHS policy and SOP are endorsed by the Bank's relevant Senior Management members.



Demonstration of the hydrant system at IDFC FIRST Bank Tower, BKC, Mumbai



Emergency Preparedness

The Bank has established emergency readiness and response processes, with each location having a designated 'Emergency Handling Team' to guarantee the overall occupational health, safety, and well-being of its employees and contract workers. It has identified several emergency situations, such as first aid, fire, flood, armed robbery, bomb threats, and earthquakes. Employees (including contract workers) and security staff receive regular training and have feedback sessions to prepare them to handle fire-related emergencies.

Individual locations are required to mandatorily conduct a fire evacuation drill once every six months, with the participation of the staff and contractual employees. A dedicated team examines and tracks the progress, as well as all activities carried out by the Bank in accordance with its OHS policy and SOP, identifying any potential health and safety-related issues. To ensure compliance and ongoing improvement, internal and external audits are conducted on a regular basis.

11 large offices

ISO 14001 & 45001 certified



Basic training for employees on the use of fire extinguishers

Human Rights

We have a dedicated Human Rights Policy that represents our commitment to respecting and fostering human rights. We are committed to preventing any and all forms of human trafficking, forced labor, child labor, and discrimination in our operations. IDFC FIRST Bank and all its stakeholders/business partners, including our employees and associates, are bound to abide by this policy.

Human Rights Due Diligence

As part of our human rights policy implementation, we conduct necessary due diligence and assessment. We have identified across our operations and immediate value chain the possible areas where human rights events might occur and have put in place necessary guardrails to ensure compliance with our Human Rights Policy. These also act as mitigants of any human rights risk. Some of the initiatives we have undertaken as part of our due diligence include the following:

- > All employees are covered by an employment contract, well-aligned with legal working age and employment guidelines as per law. This helps in mitigating any potential risk of child labor, human trafficking or forced labor.
- > Equal Opportunity and Diversity Guidelines Policy to prevent any kind of discrimination in the workplace: IDFC FIRST Bank is committed to the principles of equal opportunity in all areas of the employee lifecycle. The Bank strives to create an innovative and integrated work environment where employees can reach their full potential, irrespective of disability, race, gender, marital

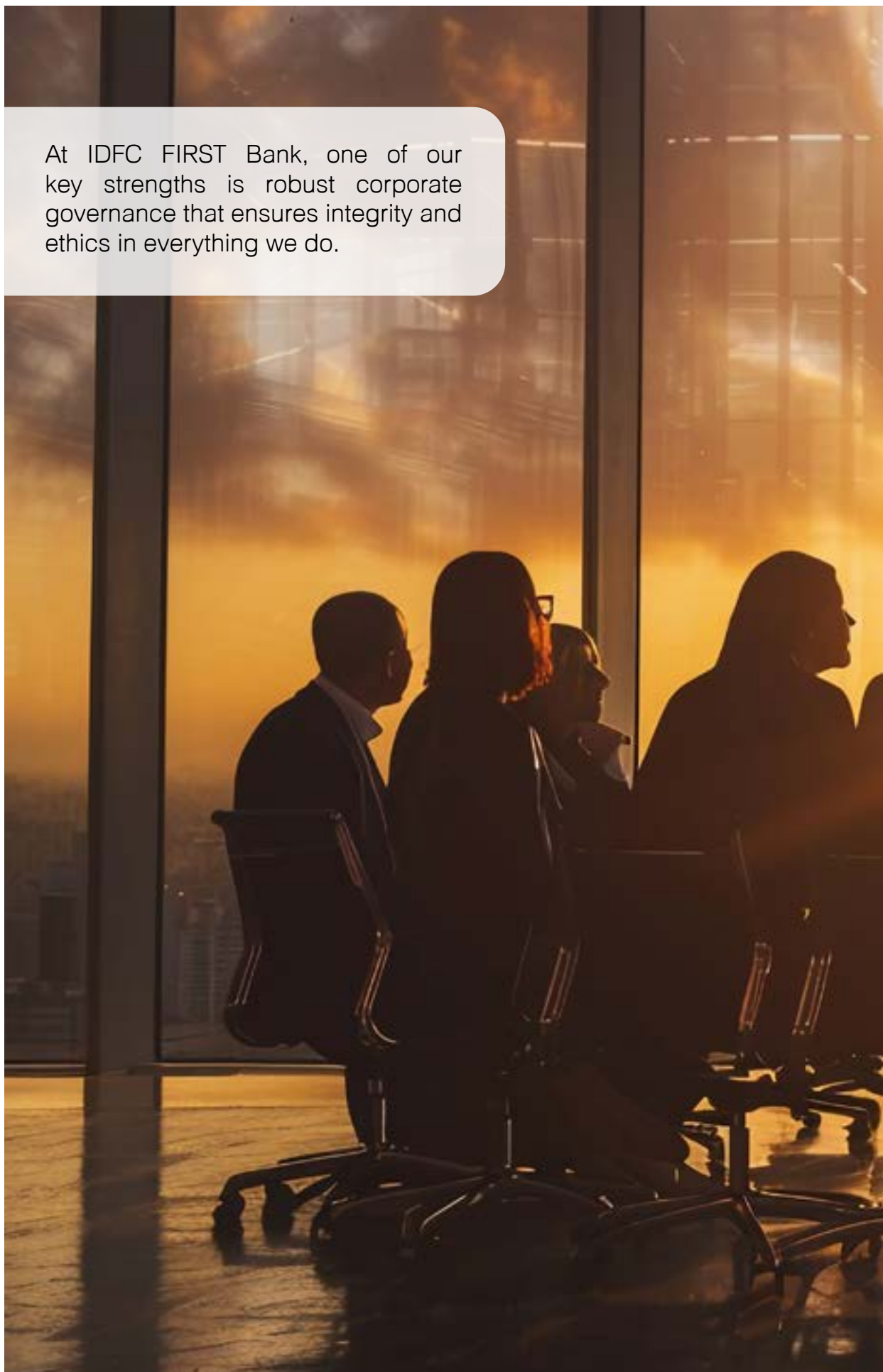
status, sexual orientation, political opinion, religion, belief, ethnic or national origin. This is inclusive of 'Protected Person' as per the HIV Act. All activities of the Bank are administered on a non-discriminatory basis, consistent with maintaining an environment that is based on merit and inclusiveness. This helps in guarding against any form of discrimination and ensures role-based pay parity.

- > An Internal Committee (IC) has been constituted as per 'The Sexual Harassment of Women at Workplace Act 2013' to address any complaints related to harassment against women. The organization also undertakes various initiatives to educate and sensitize employees on this matter.
- > A Disciplinary Policy is in place to take appropriate action against employees who breach the Code of Conduct or carry out any action which is in violation of the prescribed guidelines. Any discrimination or intimidation also falls under the purview of the Disciplinary Guidelines.



GOVERNANCE

At IDFC FIRST Bank, one of our key strengths is robust corporate governance that ensures integrity and ethics in everything we do.





80%

**Independent Directors
on the Board**

2 women

**Directors on Board (all
Independent Directors)**

ISO 27001

**certified Information
Security Management**

Board of Directors

We have a single-tier Board, supported by **11 Board Committees**, mainly chaired and constituted by Independent Directors. A few highlights:

Board Independence

- › Non-Executive and Independent Chairman of the Board
- › Independent Directors constitute **80%** of our Board, against the target of 50% (as per regulation)

Board Diversity

- › **Two women** Directors on the Board (both Independent Directors)
- › Diverse experience of Board members

Competence

- › Highly competent Board with strong industry experience

An Engaged Board

- › Dynamic and engaged Board, with a high frequency of Board meetings

Responsible and ESG-Focused

- › Clear Board-level focus on responsible lending, green finance and financial inclusion (steered by the CSR & ESG Committee)
- › Dedicated Risk Management Committee of the Board with designated and Independent Risk Management Function headed by the Chief Risk Officer

Integrity and Effectiveness

- › The external directorships of our Board of Directors is publicly reported and capped at 20 companies (7 listed companies) as per regulation



Policies, Commitments and Processes

The Bank demonstrates strong commitment to ethics and standards through key policies, commitments and processes. Some of these are:

- Publicly available Board Diversity Policy: As a Bank, we do not discriminate based on gender, race, ethnicity, country of origin, nationality, or cultural background while nominating our Board members
- Stringent Credit and Provisioning Policy
- Strong capital adequacy, LCR, PCR, and credit rating
- Zero political contributions of any kind
- Official Participant of the United Nations Global Compact (UNGC)
- Employee performance appraisal systems integrating compliance and codes of conduct
- Committed to the cause of decarbonization and climate action, aligned to the Paris Agreement, and taking active steps to integrate a Net Zero plan for the Bank
- Board-approved GHG Emissions Management Policy



Executive and Board Evaluation and Compensation

Our Directors on the Board are elected individually, and their performance is evaluated by the Bank's Board-level Nomination and Remuneration Committee on an annual basis. The compensation structure of the MD & CEO and other Material Risk Takers (MRTs) is aligned to the RBI's 'Guidelines on Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function Staff'.

Performance Evaluation and Remuneration

Performance, and its linkage to levels of remuneration of executives, is guided by the objective and principles of the Remuneration and Performance Management Framework defined by the Bank.

The achievement against defined performance thresholds determines cash variable pay in the form of incentives and performance bonuses. The performance thresholds and KPIs cover financial and non-financial metrics defined for the year.

Performance measures are clearly defined at the beginning of the year for all employees; performance measures for the MD & CEO, Senior Management Team, MRTs and Control Function Staff are set in the context of the Bank's strategy.

As directed by the Board, the Bank identifies key parameters that are crucial for the growth, success, stability, and effective risk management of the Bank. It also takes into consideration non-financial criteria such as risk, customer centricity, operational excellence, people management, and maintaining a high level of compliance and governance.

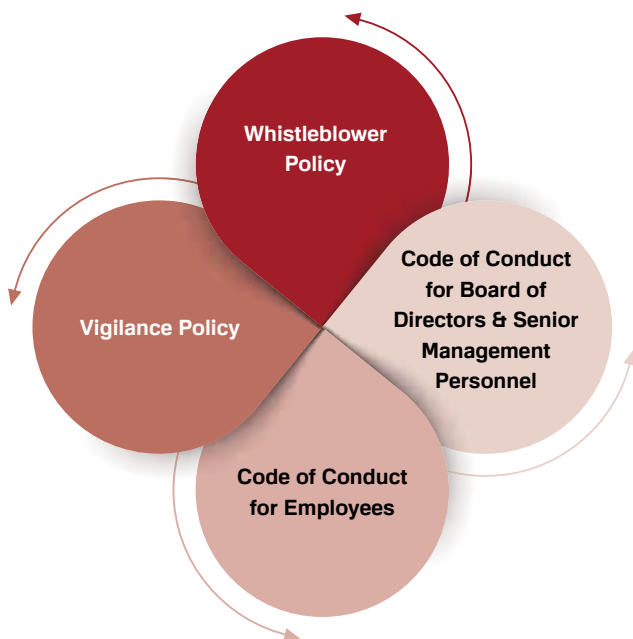
Ethics and Code of Conduct

In line with the principles of the UN Global Compact (UNGC) and the Bank's values, we aim to embody, promote, and implement a set of core values in the areas of human rights, labor standards, the environment, and anti-corruption. The Bank's Code of Conduct reflects the standards of behaviour it expects from all stakeholders in the areas mentioned.

Through the Code of Conduct, we aim to establish guidelines for appropriate business conduct and ethical behaviour to create a fair and respectful work environment at IDFC FIRST Bank. The Policy applies to all permanent employees and covers the framework and practices that guide our business conduct.

The Bank's internal Code of Conduct document addresses key issues, including corruption and bribery; discrimination; confidentiality of information; conflicts of interest; antitrust/anti-competitive practices; money-laundering and/or insider trading/dealing; EHS (Employee Health and Safety) and whistleblowing. Furthermore, the principles of anti-corruption and bribery are also captured in the following policies of the Bank:

Policies



Political Contributions

The Bank does not support political campaigns, political organizations, lobbyists or lobbying organizations and other tax-exempt groups for the purpose of influencing policy. It is not mandated by any policy to make these contributions, apart from the legally mandated CSR contributions. There were zero political contributions made in FY 2024-25





IT and Cybersecurity

Information technology and cybersecurity are crucial components of our overall governance framework. At the Board level, we have an IT Strategy Committee (ITSC) with an Independent Director as its Chairperson. The Chairperson possesses a relevant background in IT and actively participates in implementing the Bank's cybersecurity strategy. In addition to the above, the Bank also has a Chief Information Security Officer (CISO), who reports directly to the Executive Management and is responsible for overseeing cybersecurity within the Bank.

6 meetings

conducted by the
IT Strategy Committee with the
necessary quorum during FY 2024-25



FIRST Ninja: The official mascot of IDFC FIRST Bank Information Security Group (ISG)

Cybersecurity Training and Awareness

The Bank has implemented policies and procedures for all employees to ensure they are aware of the importance of information security and cybersecurity. Employees are provided with training related to the Information Security Management System (ISMS) Policy, guidelines on punitive actions, and periodic awareness sessions on employee responsibility in information security. They can log incidents (suspicious activities) using the internal platform, which supports the incident management process, from classification according to impact and urgency, to assignment to the appropriate groups, escalation, management, resolution, and reporting. To keep the stakeholders informed about the updated threats from phishing scams and their risk and impact on the Bank, our Information Security Group (ISG) periodically conducts awareness exercises and campaigns in the form of emails, posters, and webinars as part of the mandated e-learning. Additionally, a quarterly mock phishing drill is conducted to check the level of knowledge gained through these awareness drives. Every employee, including the partner, contractor or vendor, is expected to be vigilant against such threats from phishing. Any violation is subject to disciplinary action/punitive action.

IT Process & Infrastructure

The Bank has dedicated processes in place to prevent IT system interruptions and cyber attacks. As part of our business continuity and contingency plans, incident response procedures are in place and are tested annually. Our IT infrastructure and information security management systems are certified with ISO 27001. Moreover, we conduct third-party vulnerability analysis and simulated hacker attacks as part of this analysis. Data on information security/cybersecurity breaches is collected periodically.

Zero

instances of information breach
in FY 2024-25

Balancing Growth with Caution

The Bank aims to operate within an effective Risk Management Framework to actively manage all material risks it faces. This approach aligns with the Bank's risk appetite and strengthens its resilience in a rapidly changing environment. The Bank aims to establish itself as an industry leader in risk management. It strives to reach the efficient frontier of risk and return for the Bank and its shareholders, consistent with its risk appetite.

The Bank promotes a strong risk culture throughout the organization, which is designed to help reinforce the Bank's resilience. This is achieved by adopting a holistic approach to managing risk and return, as well as effective management of risk, capital, liquidity, and reputational profile.

Our Bank has established a robust and effective Risk Governance Framework. This is to actively manage all the material risks faced by the Bank, in a manner consistent with the Bank's Risk Appetite Statement. The Board, being the ultimate authority for the Bank's Risk Management Framework, approves the Bank's risk appetite, risk tolerance and related strategies and policies. The Board is assisted by the Risk Management Committee of the Board (RMC) and its various management committees as part of the Risk Governance Framework, ensuring that our Bank has a sound system of risk management and internal controls. The RMC assists the Board in overseeing and reviewing the Bank's risk management principles, policies, strategies, appetite, processes, and controls. The RMC of the Board reviews the Bank's risk management policies pertaining to credit, market, liquidity, and operational risks. The Committee also reviews the Risk Appetite and Enterprise Risk Management Framework, the Internal Capital Adequacy Assessment Process (ICAAP), and Stress Testing.

The Bank manages its capital position to maintain strong capital ratios that are consistently well above the regulatory and Board-approved minimum capital adequacy requirements at all times. The robust Tier-I capital position of the Bank is a source of competitive advantage and provides assurance to regulators, credit rating agencies, depositors, and members. Capital management practices are designed to maintain a risk-reward balance while ensuring that businesses are adequately capitalized to absorb the impact of stress events. Our Bank has also de-risked the portfolio by diversifying the credit portfolio and focusing more on granular exposures. More detailed information on the types of risks and their management frameworks is provided hereunder.





Credit Risk

Credit risk is defined as the possibility of losses associated with a diminution in the credit quality of borrowers or counterparties. In a bank's portfolio, losses stem from outright default due to the inability or unwillingness of a borrower or counterparty to meet commitments in relation to lending, trading, settlement, and other financial transactions.

The Bank has well-defined lending policies, approved by the Board, which are supplemented by other policies and manuals. This helps aid the underwriting of retail and wholesale portfolios in line with the strategy outlined in the Bank's Risk Appetite Statement.

The Credit Risk underwriting units have been established to independently evaluate all proposals, estimating various risks and their associated mitigation strategies.

In the Wholesale Banking Segment

The Bank follows a conservative underwriting approach wherein the primary assessment of debt servicing ability is based on the underlying cash flows of the borrower.

The Bank follows a 'risk-based' approach for credit sanctions wherein higher risk exposures (based on internal rating, quantum, and tenure) require approval from a higher approval authority.

A Salesforce-based FIRST Corp module has been developed to streamline the end-to-end credit sanctioning process, encompassing customer selection, credit appraisal of proposals, and facilitating credit approvals under a single digital platform.

In the Retail Banking Segment

The Bank aims to strike a balance between facilitating credit access for customers and managing potential risks in retail lending. It does so by leveraging robust risk assessment methodologies and state-of-the-art technology. The Bank recognizes that effective credit risk management is crucial to maintain a healthy and sustainable retail credit portfolio.

The Bank has a robust Risk Management Framework, and its effective implementation through technology, followed by strong governance, has enabled us to achieve sustained growth even during a very dynamic macroeconomic environment. The Bank has established a time-tested and robust credit underwriting process where we rigorously subject the applications through a 10-11 step filtration process, namely, Deduplication (against Existing Records), Credit Bureau, Risk Scorecard, Banking Statement Analysis, Cash-Flow Analysis, Financial Ratio Analysis, Personal Discussion with Customer, Contact Point Verification, Collateral Checks, Fraud Checks, and Industry Checks. Loans are disbursed only to customers who clear this stringent filtration process. These processes and checks are modified depending on the ticket size, nature of the product, latest market trends, and portfolio performance of the respective products. Portfolio performance is monitored granularly against the approved risk thresholds by senior management at regular intervals to ensure that portfolio performance aligns with expectations and that timely actions are taken when there are unwarranted deviations from the approved thresholds.

In addition to the above, the Bank has developed strong capabilities for monitoring the portfolio with the latest tools, for collecting from customers, and for recovering payments from customers where we have already taken provisions. In the Retail Portfolio, regular reviews and close monitoring are conducted at a granular level, and specific actions are taken based on the periodic reviews. For e.g., vintage analysis is performed to review the quality of sourcing through early delinquency indicators and specific actions are undertaken based on the outcome of such reviews.

Market Risk

Market risk refers to the risk of financial losses arising from movements in underlying risk factors or market prices of securities. The market risk is measured based upon, but not limited to, an assessment of the sensitivity of the financial institution's earnings or the economic value of its capital to adverse changes in interest rates, credit spreads, foreign exchange rates or equity prices.

The Bank has robust market risk management policies and processes that outline the guidelines for managing market risk. Management of Market

Risk encompasses risk identification, measurement, monitoring, and reporting of market risk positions. It further includes ensuring that these risk positions are within the Market Risk Appetite approved by the Board. The Limit Management Framework (LMF) articulates the limits approved by the Board or Board-nominated Committees.

The Bank has integrated a front-to-back treasury system, including market risk modules, in which all treasury positions are warehoused and measured in line with approved

policies and frameworks. The Bank utilizes various tools and techniques, including sensitivity measures (PV01, Greeks), Value-at-Risk (VaR), Stress Testing, and Market Risk Capital Charge, among others, for both the Trading and Banking Books, as applicable. The prescribed limits are independently monitored by the Market Risk Department on a daily basis and reported in accordance with the approved Risk Management Framework.

Liquidity Risk

Liquidity is a bank's ability to meet the scheduled and unscheduled funding requirements, asset growth, and collateral obligations at reasonable costs without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the bank's financial condition.

Our Bank's framework for assessing, managing, and mitigating Liquidity Risk is governed by the Board and managed by the Asset Liability Committee (ALCO).

The Bank has a robust mechanism in place to manage liquidity risk, comprising various tools ranging from cash flow mismatches to RBI or Basel III-prescribed ratios (LCR, NSFR) and other internally designed additional tools. The Bank conducts liquidity risk stress testing on a regular basis and has a contingency funding plan in place, the efficacy of which is tested frequently. The Bank proactively manages liquidity by drafting a funding plan that incorporates projections for upcoming months, thereby maintaining

a liquidity buffer at adequate levels at all times. The Bank has well-defined limits in place for all tools used to monitor Liquidity Risk. The Bank also recognizes Liquidity Risk as one of the Pillar II risks under the internal capital adequacy assessment and evaluates regularly whether any additional capital needs to be set aside for this risk.

Interest Rate Risk on Banking Book (IRRBB)

While the Interest Rate Risk on the trading portfolio of the Bank is captured under market risk, the Interest Rate Risk on Banking Book (IRRBB) is the risk where changes in market rates might adversely affect the financial condition of the Bank's balance sheet (excluding trading portfolio). The immediate impact of changes in interest rates is on the Bank's Net Interest Income (NII). The long-term impact of changing interest rates is on the Bank's net worth, as the economic value of its assets, liabilities, and off-balance sheet positions is affected due to variations in market interest rates. The repricing

risk arises due to differences in the timing of repricing assets and liabilities. The repricing gaps affect the Bank's earnings as well as economic value. Our Bank's framework for assessing, managing, and mitigating Interest Rate Risk on Banking Book is governed by the Board-approved Asset Liability Management (ALM) Policy.

The Bank evaluates the Interest Rate Risk on its Banking Book through both regulatory-prescribed approaches: the Traditional Gap Approach and the Duration Gap Approach. The Bank computes the Earnings at Risk (EaR) as well as the Impact on Market Value

of Equity (MVE) after applying various interest rate shocks. The Bank also conducts stress testing on an ongoing basis and takes corrective measures in the event of any foreseeable risks. Similar to Liquidity Risk, the Bank has well-defined limits in place for IRRBB, which are monitored on a daily basis. The Bank also recognizes IRRBB as one of the Pillar II risks under the internal capital adequacy assessment and evaluates regularly whether any additional capital needs to be set aside towards this risk.



Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. It also includes risk of loss due to legal risk, but excludes strategic risk and reputation risk. Operational Risk in the Bank is identified, measured, mitigated, monitored, and reported by the Operational Risk Management Department (ORMD). The Unit is responsible for developing Operational Risk methodologies and

implementing them across the Bank. It is also responsible for maintaining the internal loss database, evaluating control weaknesses in various operational areas and suggesting appropriate remedial or corrective actions, among others.

The Operational Risk Framework is governed by the Board-approved Operational Risk Management Policy, which monitors and guides all Operational Risk Management

activities for each business and support function. The Operational Risk Framework is overseen by the Operational Risk Management Committee (ORMC), which reports to the Risk Management Committee (RMC) of the Board. The primary objective of this framework is to establish a risk culture and governance that guides employees at all levels in managing and reporting Operational Risk.

The Operational Risk Management Department (ORMD) provides independent challenge and guides the Business and Support functions on risk management methodologies and tools to be used, as well as actions to be taken, in managing Operational Risk. In order to achieve this objective, OMRD has devised tools and mechanisms such as:

Conducting Risk Control & Self-Assessment (RCSA) for effective management of Operational Risk

Reporting of Operational Risk incidents and self-identified issues to strengthen internal controls

Tracking of Key Risk Indicators (KRI) breaches, which enables monitoring of risk exposure trend

Reporting overall Operational Risk environment and key trends to the Board and/or Senior Management

The Bank's Operational Risk Framework fosters a culture that proactively identifies, assesses, mitigates, and monitors risks. It ensures the resilience and stability of Operational Risk as we continue to navigate the ever-evolving business landscape.



Fraud Risk

Risk arising from fraudulent instances may impact the Bank's reputation, assets, information, and the interests of its stakeholders.

Recognizing the fact that fraud is a significant Operational Risk, the Bank has put in place a Board-approved Fraud Risk Management Policy. This is in accordance with the RBI's Master Direction on Fraud Risk Management, apart from various Standard Operating Procedures to provide guidance on aspects of fraud, such as prevention, early detection, monitoring, investigation, reporting of frauds, and fraud awareness in the Bank.

The Bank has constituted a Committee of the Board known as 'Special

Committee of the Board for Monitoring and Follow-up of Cases of Frauds' (SCBMF) to oversee the effectiveness of the fraud risk management in the Bank. The Committee reviews and monitors cases of fraud. This includes root cause analysis, suggesting mitigation measures for strengthening internal controls, risk management framework, and minimizing the incidence of fraud. A review of incidents of fraud is also presented to the Audit Committee of the Board (ACB), Risk Management Committee (RMC) and the Operational Risk Management Committee (ORMC) on a quarterly basis.

Fraud prevention is a prerequisite for proactive fraud risk management. There are robust systems and

procedures in place to facilitate the timely prevention and detection of fraud. This includes Screening, Sampling, AI and ML-based Scorecards, Identification and Monitoring of Red-Flagged Accounts and Early Warning Signals, 24x7 Enterprise-Level Fraud Transaction Monitoring Set Up, and Central Fraud Registry Checks, among others. The Bank also undertakes fraud awareness training for employees through an E-learning module, Emailers, and SMS, in addition to providing focused awareness to customers through various channels, including the Bank's website, Emails, SMS, mobile app, WhatsApp, and social media.

Business Continuity Program

IDFC FIRST Bank has a comprehensive Business Continuity Program (BCM) committed to:

1

Protecting staff lives

2

Maintaining the continuity of critical operations

3

Protecting IDFC FIRST Bank's assets and brand value

A Board-approved BCM Policy provides the vision for implementing the BCM program across the Bank. A senior management team, viz. the Crisis Management Team (CMT) and a designated BCM Head, runs the BCM Program for the Bank. The BCM program helps the Bank identify potential risks and build strategies to ensure the continuity of critical businesses and safeguard staff lives.

Another key component of the BCM Program is the Crisis Management Program (CMP). It helps the Bank proactively manage crisis events and make timely decisions.

A comprehensive DR program (IT Infrastructure Recovery) exists under the BCM Framework. This program addresses technological risk as regards 'availability'. The Bank has identified critical systems and implemented disaster recovery (DR) infrastructure to help recover in the event of technology outages.

Further, the Bank's pandemic plan guides the Bank in addressing the threat of a pandemic. The plan was well-tested during the COVID-19 pandemic, which the Bank was able to navigate without much impact. The BCM program also addresses risks

related to the outsourcing of critical functions.

The Bank's BCM Program is compliant with the latest RBI and other regulatory guidelines and follows industry-best practices. It is constantly reviewed to ensure it remains consistent with the changing business and risk environment. The BCM Program instills confidence in the internal and external customers of the Bank.



Reputational Risk

Reputational Risk is the risk arising from a negative perception on the part of customers, shareholders, investors, and debt holders. It also encompasses media reports that can adversely affect a bank's ability to maintain existing or establish new business relationships and continued access to sources of funding.

The Board of Directors of the Bank, through the Risk Management Committee (RMC), provides a policy

and framework for managing the Reputational Risk in the Bank. RMC ensures implementation of policy guidelines, manages, and monitors Reputational Risk in the Bank and approves changes in the Reputational Risk Management Policy.

The Bank has implemented various risk management, compliance, and business policies and frameworks, as well as a code of conduct and standard operating procedures. Compliance

with these measures helps meet stakeholders' expectations and, in turn, controls Reputational Risk within the Bank. While Reputational Risk can be challenging to quantify, the Bank has adopted a scorecard approach through the Internal Capital Adequacy Assessment Process (ICAAP) to assess various reputation risk drivers identified by the Bank and the overall level of Reputation risk.

Information Technology and Information Security Risk

The Bank's expansion strategy has progressively adopted digital transformation, rendering cyber and information security risks a material concern. The Information Security Group (ISG), in collaboration with the IT team, works jointly to address cyber and information security challenges, striving to adopt cutting-edge security protocols. Aligned with the Information Security Management System (ISMS) Framework, which complies with ISO 27001 and RBI Cyber Security Framework, the Bank operates within a robust Regulatory Framework. Holding ISO 27001:2013 and PCI DSS certifications, the Bank implements a systematic approach encompassing people, processes, and technological controls to proactively mitigate, detect, respond to, and recover from cyber threats. Thus, the Bank ensures the secure management of sensitive company data.

The Bank maintains close collaboration with regulatory authorities to ensure adherence to evolving compliance standards and directives. Additionally, it is actively engaged in an augmentation plan aimed at enhancing its security posture, with a renewed emphasis on

risk-based remediation initiatives. This reflects the Bank's commitment to evolving into a more resilient and secure digital banking institution.



Information/Cybersecurity Framework

IDFC FIRST Bank, since its inception, has established a robust Information and Cybersecurity Framework. The Bank, being a greenfield setup, has Information Security woven into its banking platform. It seamlessly integrates both culturally and technologically.

The Bank has strategically invested in a diverse team comprising security partners, subject matter experts (SMEs), specialist teams, and robust processes. This enables the Bank to orchestrate, construct, manage, and oversee the Bank's Information Security operations.

The Bank has implemented state-of-the-art security technologies. These include several industry-first technology solutions. The Bank has also adopted a 'defense in depth' approach and industry-best practices as part of its security framework and architecture.

The Bank continues to work closely with the Regulator to develop an augmentation plan to enhance its cybersecurity posture maturity.

This year, as it continues on its journey to continually mature its posture, the Bank's focus will include new-age threat mitigations. It will continue

improving its deployment posture of the technologies invested in over the previous years.

The Bank continued to maintain and uphold its compliance posture to standards such as ISO 27001 ISMS (Information Security Management System) and PCI DSS (Payment Card Industry Data Security Standard), as well as regulatory requirements. Given the changing threat landscape, the attempt is to progressively move towards maturity of proactive and adaptive platforms for automated detection, response, recovery, and resilience.

Environment and Social Policy (E&S) and Appraisal Process

The Bank has a comprehensive Environmental and Social Policy, as well as a robust Environmental and Social Risk Management Framework, for its lending businesses. The Environmental Risk Function (ERF) of IDFC FIRST Bank works proactively with clients and internal teams to identify, mitigate, and manage E&S risks associated with projects and transactions.

The Bank obtains environmental and social-related regulatory compliance information to ensure that the projects or transactions it finances are in compliance with the applicable national environmental and social legislation. IDFC FIRST Bank has developed and adopted an exclusion list comprising sectors in which it will not engage in any financing activity.

For the purpose of financing activities, IDFC FIRST Bank has also identified sensitive sectors. These are the ones that have a potentially high impact on the environment and communities, and where the Bank may need to address critical E&S issues.





Stress Testing

The Bank has a robust Stress Testing Framework in place, which is an integral tool for the Bank. It contains a range of qualitative and quantitative measurements that enable the Bank to identify current and potential vulnerabilities in the Bank's exposures,

which can result in material losses for the Bank during stressed conditions. Stress Testing complements other approaches in assessing risk. It is the primary indicator of the Bank's ability to withstand tail events and maintain sufficient levels of capital. It is used to

evaluate the Bank's financial position under a severe but plausible scenario, assisting in informed decision-making.

As a risk management tool, Stress Testing serves the following purposes for the Bank:

To estimate the Bank's risk exposures under stressed conditions

To improve understanding of its Bank's risk profile and material risks

To evaluate its Bank's capacity to withstand stressful situations and serve as an integral part of capital management

To enable the development of appropriate strategies for mitigating significant risks

The Bank has a Board-approved Stress Testing Policy in place. The Stress Testing Policy is aligned with the requirements prescribed by the RBI. The risks covered under the Stress Testing Policy are Credit Risk, Market Risk, Operational Risk, Credit Concentration Risk, Liquidity Risk, and Interest Rate Risk in the Banking Book (IRRBB). Stress testing forms an essential part of the Bank's Internal Capital Adequacy Assessment Process (ICAAP).

Capital Adequacy

The Bank maintains a strong capital position, which is more than the regulatory and Board-approved minimum capital adequacy at all times. The robust Tier I capital position of the Bank serves as a source of competitive advantage, providing assurance to regulators, credit rating agencies, depositors, and shareholders. In accordance with the RBI guidelines on Basel III, the Bank adopts the standardized approach for credit risk, the basic indicator approach for operational risk and standardized duration approach for market risk.

Capital management practices are designed to maintain a risk-reward balance while ensuring that

businesses are adequately capitalized to absorb the impact of plausible stress events. The Internal Capital Adequacy Assessment Process (ICAAP) forms an integral part of the Supervisory Review Process (SRP) under Pillar 2 of the Basel III Framework. SRP under the Basel III Framework (Pillar 2) entails the establishment of appropriate risk and capital management processes within banks and their subsequent review by the supervisory authority. ICAAP is a structured approach to assessing the risk profile of the Bank and determining the level of capital commensurate with the scale and complexity of operations. As part of the Basel III implementation, the Bank

has developed a comprehensive ICAAP Policy and document in line with the regulations prescribed by the RBI. The document contains projections of the Bank's financials and its capital adequacy projections for the next three years under normal and plausible stress conditions. It also contains relevant details of plans and strategies for meeting capital requirements.

Our Commitment to Communities



We are not here to prescribe. We are here to partner. To listen, to learn, and to build together. We believe that real change happens when we move from transactional funding to transformational collaboration.

Rachana Iyer
Head – Corporate Social Responsibility



Dear Stakeholders,

FIRST IMPACT is the arm of IDFC FIRST Bank that delivers on the Social Good Promise embedded in our Company seal. It is our commitment to serve communities with empathy, equity, transparency and excellence. Through FIRST IMPACT, we strive to build a more inclusive and resilient India, where we believe that opportunity belongs to all.

FY 2024–25 was a year of deepening our commitment and expanding our impact. We reached over **98.5 lakh** individuals through 57 programs across education, livelihoods, entrepreneurship, environment, and employee volunteering. These numbers reflect not just scale, but the strength of our partnerships and the depth of our engagement.

This year, we surpassed last year's volunteering numbers, with 16,417 volunteers contributing 23,848 hours across 982 events in 437 cities. At IDFC FIRST Bank, leadership leads social good from the front. To celebrate this milestone and to keenly understand the experiences of our volunteers, our MD and CEO, Mr V Vaidyanathan, routinely spends time and actively shapes our CSR programs. We also get excellent guidance from the CSR committee

He also spent a full day with our FY 2023–26 batch of MBA scholars. He listened to their stories, appreciated their journeys, and encouraged them to follow their dreams. His message was clear. Resilience must be celebrated, and

every scholar deserves the opportunity to thrive.

Our CHRO, Mr Adrian Andrade, continues to mentor the CSR division and regularly engages with our NGO partners and scholars. Several of our NGO partners had the opportunity to meet and interact with Bank leaders, gaining valuable insights and encouragement.

At FIRST IMPACT, we are reimagining the role of CSR. Our teams have been immersed in the field, co-creating solutions with our NGO partners. We are intentionally breaking the traditional Donor-NGO dynamic. We are not here to prescribe. We are here to partner. To listen, to learn, and to build together. We believe that real change happens when we move from transactional funding to transformational collaboration.

This is the essence of our FIRST IMPACT promise. At FIRST IMPACT we offer more than financial support. We offer skills, networks, thought leadership, and the ability to leverage ecosystems. Our employees bring their expertise in HR, finance, technology, and operations to mentor and strengthen grassroots organizations. Our platforms enable



Rachana Iyer, Head CSR, interacting with the women dairy farmers of Shwetdhara program to understand how their livelihoods have improved under the Bank's CSR support.

scale, our culture fosters empathy, and our partnerships drive innovation.

This year, we enabled 41 peer learning sessions, allowing NGOs to learn from one another, share best practices, and co-create solutions. These sessions have helped build a sense of community among our partners and strengthened their capacity to deliver impact at scale.

We also saw the power of technology in scaling our impact. Our digital scholarship platform enabled students to apply, connect, and grow. This platform is helping us build a strong community of young leaders and future changemakers.

Our Catalyst for IMPACT initiative supported promising social enterprises working in climate change and agriculture. These enterprises are solving real-world problems using sustainable business models, reducing their dependence on grants and increasing their long-term viability.

Our employee volunteering program, Lend-A-Shoulder, continues to be a cornerstone of our culture. From mentoring youth and restoring lakes to building science models and supporting health initiatives, our employees have shown

that compassion and commitment can drive real change. With nearly 30 percent of our workforce participating, this is becoming a movement of collective action and shared purpose.

As we reflect on this year, we are filled with gratitude and pride. FIRST IMPACT has shown that when we combine purpose with partnership, and strategy with empathy, we can create lasting change.

Looking ahead, our commitment remains strong. We will continue to nurture aspirations, strengthen ecosystems, and drive sustainable development. We will stay rooted in our values and aligned with the Sustainable Development Goals, ensuring that no one is left behind.

To our partners, volunteers, and communities – we sincerely thank you for walking this journey with us. Together, we are building a future that is inclusive, resilient, and full of promise.

IDFC FIRST Bank MBA Scholarship Program



IDFC FIRST Bank MBA Scholars 2024-26 Batch



MD & CEO, Mr. Vaidyanathan interacting with IDFC FIRST Bank scholars during MBA Scholars meet



Welcome Letter to Scholars of IDFC FIRST Bank MBA Scholarship Program 2024-26

Dear IDFC FIRST Bank Scholars of FY 2024-25,

It is with great joy that I welcome you to the IDFC FIRST Bank MBA Scholarship family. At IDFC FIRST Bank, we are working with a vision to build a world-class bank in India, guided by ethics, powered by technology, and to be a force for social good.

It was a great pleasure meeting all of you during the recently held MBA Scholar Meet at our Head Office. I understood your backgrounds, and how you overcame your difficult beginnings and got to the B School of your choice. Congratulations on getting this far.

We believe education enables a person to earn a better livelihood and improve living conditions. It helps you get better jobs, higher income, support your families and pay taxes, all of which impact the growth of the nation.

The IDFC FIRST Bank MBA Scholarship are for meritorious students from economically weaker sections who have secured B-school admission purely on their own merit.

As you've seen, our selection process is fully transparent, based on document verification and residence checks, with no consideration for caste, religion, or other such factors. You have no interviews to clear, only economic and living conditions assessment, indexed.

This year our scholars come from diverse low-income backgrounds such as small farmers (97), no income (80), Self employed (67), retired (31), laborers (11), others (43).

As you also saw during our interaction, each of you are enterprising and capable and we greatly respect what you have achieved. We want to simply level the playing field and offer you the support you truly deserve.

Under the IDFC FIRST Bank Scholarship, we provide ₹1 lakh per student per year for two years, helping ease the financial burden during your studies.

We also offer learning sessions with our senior leaders. This can be very valuable for you. Last year, our Bank's leaders led sessions on marketing, communication, finance, data analytics, and UI/UX design. As an IDFC FIRST Scholar, you too can benefit from sessions with leaders over the next two years.

We've run this program for over 10 years, supporting 2,049 MBA students across 165 colleges in India. And now, we're delighted to share that from 2025, we're doubling the scholarships to 700 per batch, reaching even more deserving scholars like you. Since 2023, we also offer Scholarships for students pursuing engineering.

As you embark on this journey, I request you to carry with you the values of hard work, continuous learning, and above all, ethics. Success without integrity will make you feel empty. Congratulations once again and welcome to the IDFC FIRST Bank MBA Scholarship Program.

Warm regards,

V. Vaidyanathan

Managing Director

& Chief Executive Officer



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This year our scholars come from diverse low-income backgrounds such as small farmers (97), no income (80), Self employed (67), retired (31), laborers (11), others (43).



Corporate SOCIAL RESPONSIBILITY

IDFC FIRST Bank's mission is to serve and contribute to the well-being of communities in the broadest sense. We understand that while we can do little on our own, we can accomplish so much more when we work together. Through the Bank's CSR division 'FIRST IMPACT', we hope to create broader opportunities across our focus areas of social responsibility, which are entrepreneurship, livelihood, education, and sanitation.

FIRST IMPACT

IDFC FIRST Bank's CSR division, 'FIRST IMPACT', works on various initiatives which have a positive impact on communities, through which we can create a balance of economic, environmental & social imperatives.

At IDFC FIRST Bank, sustainability has become an increasingly critical consideration. The Sustainable Development Goals (SDGs) allow us to align our corporate strategic goals with the globally agreed-upon sustainability principles.

The SDG framework assists us in developing, implementing, monitoring, and reporting on our CSR initiatives. It enables us to remain invested in and deepen our connection with sustainable development over time.

OVERVIEW - Our Social Impact To Date

57

Programs

98,58,763

Individuals





The FIRST IMPACT Commitment

Thought Leadership

Guiding our partner organization leaders and program teams in impact strategy, enabling collaboration and peer-to-peer learning between organizations in our impact portfolio, and driving long-term sustainability of programs.

The FIRST IMPACT team enabled training and mentorship to NGO partners on 12 topics, resulting in 41 sessions and 1230 hours of engagement. This helped NGOs improve and create new policies and procedures.

Technology for Social Good

Leveraging technology to scale impact and enhancing monitoring and evaluation, enabling digital literacy and technology adoption across our ecosystem.

The FIRST IMPACT team launched a scholarship platform used by over 3500 applicants in FY 2024-25 to apply and avail IDFC FIRST Bank Scholarships. This initiative involved various departments across the Bank to design scalable digital solutions for social good.

IDFC FIRST Bank's Shwetdhara program introduced several apps, to bring about process efficiency, transparency and data-driven decision making for the program, significantly enhancing efficiency and market access for dairy farmers associated with the program.

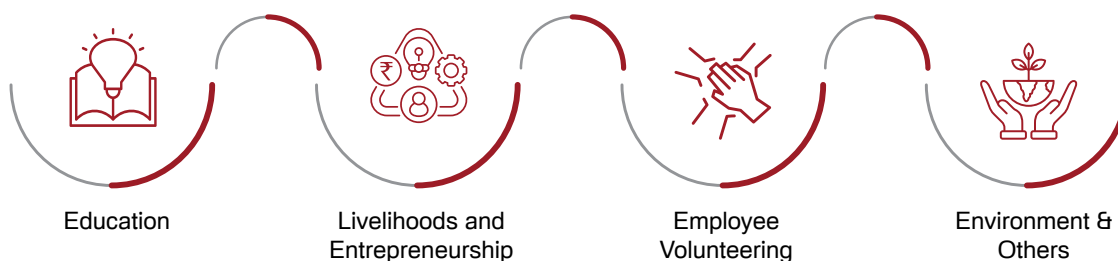
Leverage Ecosystem

Connecting our Banking ecosystem with our impact partners by leveraging the skills of a passionate volunteer force via the Lend-A-Shoulder employee volunteering program.

IDFC FIRST Bank employees across various departments enthusiastically participated throughout the year, impacting partners through the Lend-A-Shoulder employee volunteering program, leveraging their skills to be a force for social good.

The FIRST IMPACT hosted peer networking sessions for NGOs associated with our Ek Prayas and Shwetdhara programs, where they came together to learn from one another, share best practices, discuss challenges, and exchange insights.

Thematic Areas



Program Highlights



'Tech for Social Good' stakeholder meet for MBA scholarship platform

IDFC FIRST Bank organized the 'Tech for Social Good' event to celebrate the launch of the scholarship platform where teams that contributed to the creation of the platform shared their journey. The event drew participation from Bank's leaders, with a total of 50 participants. This event provided an opportunity for teams to come together and reflect on their journey.



Sessions led by leaders of the Bank for IDFC FIRST Bank MBA scholars



Panel discussion with senior members of IDFC FIRST Bank at the MBA scholar meet held in IDFC FIRST Bank Office in Mumbai



The FIRST IMPACT team at a field visit to the Ek Prayas program in rural Purulia, West Bengal



The FIRST IMPACT team in Bankhedi, Madhya Pradesh, inaugurated the PVK (Pashu Vikas Kendra) office and launched the Shwethdharma Rath, aimed at raising awareness about the Shwethdharma program, its services, and products in rural areas. This was followed by a visit to a cattle camp and interactions with local farmers.



The FIRST IMPACT team inaugurated the Purulia Ek Prayas Centre and recognized Integrated Child Development Services workers for their exceptional support in identifying children with developmental delays and disabilities.



The FIRST IMPACT team established a tailoring unit at the Gadag Ek Prayas Centre to support livelihoods for mother's of the children enrolled under Ek Prayas program. These women are being trained to produce jute bags.



The FIRST IMPACT team conducted a leadership meeting for the Ek Prayas program. The team launched the Ek Prayas Program SOP to standardized implementation model across all non profit partners.

Program Interventions

Education

MBA Scholarship Program

The IDFC FIRST Bank MBA Scholarship is designed to provide need-based financial assistance to students who lack the means to pursue postgraduate studies in business. This scholarship targets students from families with an annual income of less than ₹6 lakh. Each year, the program supports **350 scholars**, offering **₹2 lakh** for two years of full-time MBA studies, provided the applicants meet the eligibility criteria. Since 2016, IDFC FIRST Bank has **supported 2,049 scholars** across **165 colleges** in India, including **350 MBA scholars** in **FY 2024-25**. By providing this scholarship, IDFC FIRST Bank is committed to helping scholars in need pursue their MBA. Thereby offering them quality education and better livelihood opportunities.

Voices of Impact



My father, a retired teacher, does not receive pension, and my mother is a homemaker. For the past few years, we have had no stable income source. Although my schooling years were financially stable, things changed drastically after my father's retirement. During my admission process for the PGDM program, we struggled to pay the required upfront fee, even resorting to pledging my mother's jewelry. Learning that many of my college seniors had benefited from IDFC FIRST Bank's scholarship, I decided to apply. Thankfully I received the scholarship which eased my financial burden, covering my fees and allowing me to focus on my studies without constant stress.



350 students

Impact in FY 2024-25

2,049 students

Impact since Inception



Engineering Scholarship Program

The IDFC FIRST Bank Engineering Scholarship aims to provide need-based financial aid to students who aspire to pursue engineering but lack financial resources. This scholarship is intended for engineering students accepted into specific B-Tech/BE colleges in India, targeting families with an annual income of less than ₹6 lakh. For shortlisted students, the program covers a portion of the tuition for a four-year full-time engineering degree. Since 2023, **103 scholars** have received scholarships, including **49 scholars** supported in FY 2024-25. By supporting engineering education for students from low income families, IDFC FIRST Bank fuels the country's growth in sectors such as transportation, energy, manufacturing, and IT.

Voices of Impact



I come from a humble background and my father sells footwear. My school education was supported by my uncle since we couldn't afford my school fee. My biggest worry when I got admission in Engineering college was the college fee. I applied for an education loan but the burden of paying it back was intimidating. That's when I got to know about the IDFC FIRST Bank Engineering Scholarship, FY 2024-28. The scholarship helped me pay back my education loan and fees and I am grateful to IDFC FIRST bank for granting me the scholarship.



49 students

Impact in FY 2024-25

103 students

Impact since Inception

M.A. Economics Scholarship Program

IDFC FIRST Bank, in partnership with the Delhi School of Economics (DSE), supports scholarships for students from low income communities pursuing postgraduate studies in Economics. This scholarship targets students from families with an annual income of less than ₹8 lakh. The program assists **35 scholars** each year, providing ₹84,000 for two years to cover their food and lodging, provided they meet the eligibility criteria. **Since 2024, IDFC FIRST Bank** has supported **70 scholars**. With a large youth population, investing in economics education can turn India's demographic potential into a powerhouse of skilled professionals and job creators. By supporting these scholars, IDFC FIRST Bank is committed to providing them with quality education and better livelihood opportunities.

Apart from the above support, we are also supporting computer lab refurbishment.



IDFC FIRST bank collaborated Delhi school of Economics to support their students via scholarship and computer lab renovation

35 students

Impact in FY 2024-25

70 students

Impact since Inception



FIRST Foot Forward Program

IDFC FIRST Bank, in collaboration with the **India Football Foundation (IFF)**, supported **10 young female athletes**, aged 13 to 17, from Northeast India enabling them to pursue both academics and football at the prestigious **Barnes Residential Academy in Nashik, Maharashtra**. The Bank's support covered tuition & coaching fees, nutritious meals, and physiotherapy treatment for sports-induced injuries for all scholars. Despite abundant talent, economic progress in North-Eastern India is hindered by poor infrastructure. Recognizing the strong passion for football among young girls in Manipur and Meghalaya, we launched this program to help them excel and potentially represent the nation. This initiative nurtures their football skills and promotes their holistic development, making them proud of their families and the nation.

The FIRST Impact team visited the academy and closely monitored the program. They identified the need for a session on menstrual hygiene to support the players with their queries and guide them on maintaining their health. With the support of IFF, we successfully organized the session. All 10 scholars participated and actively engaged with the counselor, receiving valuable guidance on how to take care of their health during menstruation and beyond.

We concluded this program in 2025.



The FIRST IMPACT Team engaged with young football athletes under FIRST Foot forward program supported by the Bank at a friendly match.

Ek Prayas Program

IDFC FIRST Bank designed and initiated Ek Prayas, a program nurturing early-stage rural NGOs that provide high-quality special needs services to children with developmental delays, including intellectual disabilities and autism. Intervening in rural India for children with developmental disabilities is crucial due to the lack of resources and services. Proper support ensures these children receive the necessary education and healthcare, improving their quality of life and fostering community inclusion. The Ek Prayas program aims to bridge these gaps by providing accessible and affordable services, raising awareness, and supporting government initiatives, ultimately improving the lives of these children and their families.

We support NGOs in establishing Ek Prayas Centres by providing three years of structured assistance focused on long-term sustainability. Our approach follows a graduation model that builds the capacity of partner organizations, particularly in fundraising, to ensure the Centres continue to operate independently after our support ends. Currently, we are working with Shri B. D. Tatti and SANKALPA in Karnataka, Bandhu Purulia in West Bengal, SPARC India in Uttar Pradesh, and Delhi Council for Child Welfare (DCCW) in Delhi, fostering impactful and enduring community development.



The FIRST IMPACT team facilitated the EPIC First Book Club initiative at the Gadag Ek Prayas Centre, engaging children in storytelling sessions that nurture curiosity, promote literacy, and create joyful learning experiences under the Ek Prayas Program.



The children at the IDFC FIRST Bank Gadag Ek Prayas Centre enthusiastically participate in a tunnel activity designed to enhance motor skills and build confidence, all within a safe and encouraging environment that supports holistic development.

Impact Since Inception

10

**Ek Prayas
Centres
established**

28

**children
provided aids
and appliances**

60

**children covered
under social
entitlement**

68

**staff
trained**

280

**parents trained on
home therapies**

761

**children with developmental
delays supported**

6060

**community members
reached out for
disability awareness**



Voices of Impact



"When hope meets support, miracles begin. IDFC FIRST Bank's partnership made a profound impact through early intervention in remote areas and effective organizational training, helping us refine our vision, mission, and policies. The Organizational Development (OD) training played a key role in strengthening our foundation and building the organization in a more structured and sustainable way. Additionally, their training on effective fundraising strategies, including tapping into local funding opportunities, empowered us to grow. The funding support further fueled our progress. Thank you for turning possibilities into reality!"

Sagar Poojari, Program Manager, BDT.



Case study

About the Organization

Founded in 1994, Sri B D Tatti (Annawaru) Memorial Charitable Trust is located in Laxmeshwar, Gadag District, Karnataka. It was established by a group of socially conscious individuals who sought to bring about a positive change in society. Over the years, the Trust has rapidly expanded its services, now reaching persons with disabilities, including children, youth, and adults, in 11 districts of North Karnataka. The Trust operates three rehabilitation Centres in Gadag District.

About the Ek Prayas Program Journey

IDFC FIRST Bank in collaboration with Sri B D Tatti (Annawaru) Memorial Charitable Trust launched a specialized Early Intervention and Primary Intervention Program in FY 2020-21. This program is designed to support children with delayed development, including those with intellectual disabilities (ID), autism, and other developmental delays. It specifically targets children aged 0-10 years and provides a combination of community-based and center-based rehabilitation services.

Intervention Support

IDFC FIRST Bank is the first founding CSR donor for BDT. Our support has included providing technical training to BDT's staff, assisting with infrastructure development for the Ek Prayas program, and delivering organizational development training on 12 key topics to their leadership team.

Outcomes

- BDT diligently implemented a variety of training techniques to ensure children receive optimal services and support for early intervention. As a result, 102 children have been enrolled and supported across the Ek Prayas centers in Gadag, Rona, and Laxmeshwar.
- Following the Organizational Development (OD) training, BDT integrated all the training components to meet the organization's requirements and enhance its development. As a result, they received additional funding of ₹9,07,403 from individual donors and ₹1.48 crore from other corporate CSR donor for the early intervention program.
- By identifying gaps and reassessing its strategic scope, BDT has redefined its vision and mission statements, ensuring that its efforts are better aligned with its organizational goals.
- Utilizing insights gained from the OD training, BDT revised its HR, Finance, Travel, and Child Protection Policies to incorporate best practices and improve governance.

Access To Livelihoods And Entrepreneurship

Shwetdhara: Empowering Women, Transforming Dairy, Strengthening Rural India.



The FIRST IMPACT team visited Ratlam, Madhya Pradesh, to inaugurate the new FPC (Farmer Producer Company) office and the Shwetdhara Rath. The event was attended by the Managing Director, CEO, and staff of Ananda Foundation, FPC CEO, Directors, and Gram Sakhis.

IDFC FIRST Bank's flagship dairy development initiative, Shwetdhara, is transforming India's dairy sector in **Karnataka, Madhya Pradesh, and Rajasthan**. The Indian dairy sector faces challenges like low productivity, feed and fodder scarcity, economic vulnerability of farmers, and inadequate technological infrastructure. The Shwetdhara

program addresses these issues by promoting scientific dairy practices, providing nutrition advice, empowering women farmers, and enhancing technological infrastructure to improve productivity and livelihoods. Launched in 2018, the program promotes quality products and services, scientific dairy practices, and technology-driven solutions. It has expanded to **880 villages**, positively impacting over **50,000 households**. By enhancing the productivity of milch animals, Shwetdhara is helping women dairy farmers increase their income.

At the core of Shwetdhara is the belief that when women lead, communities thrive. The program has trained **1,082 Gram sakhis** as livestock service providers, business facilitators, and community leaders, offering animal health interventions, breed improvement, and livestock nutrition advisory. This program has created a new ecosystem of last-mile service delivery, boosting farmer incomes and livestock health. Shwetdhara has also established four women-led Farmer Producer Companies (FPCs) with **over 14,000 women shareholders**, thereby enhancing their financial independence. Its digital platform improves efficiency with real-time data and training modules, making it a scalable rural livelihood model.

Impact Since Inception

50,000+

farmers impacted across 880 villages in Karnataka, Madhya Pradesh, and Rajasthan

1.68 lakh

artificial inseminations completed, introducing sorted semen technology for better outcomes

115

full-time employees, including 50 women in leadership and operational roles

1,000+

off-roll employment opportunities

880

active Gram Sakhis earning sustainable income

60

Artificial Insemination Technicians (AITs)

₹2 crore+

cumulative earnings for Gram Sakhis



Voices of Impact

About the community participant

Village: Sewniya, PVK - Sehore

Mrs. Rajkumari is a small-scale farmer who began using our services in December 2023. She has around three cattle (two cows) on her farm, and currently, one animal is milking.

Pre intervention

Initially, she did not have clear knowledge or information about quality feed, and the milk production of her cattle was 4-5 Liters per day only.

Intervention

To address these challenges, the following steps were implemented:

- **Regular visits:** The Shwethdharma team visited her home regularly and discussed a balanced diet and cattle management.
- **Training:** She was advised to attend regular training sessions and meetings, which she actively participated.
- **Veterinary Services:** The veterinary team provided doorstep treatment and services. Consultations were conducted at her home, and animal feed and mineral mixtures were supplied.
- **Knowledge Enhancement:** Regular meetings and training sessions were held to build awareness and skills.
- **Inputs Supply:** Timely delivery of animal husbandry inputs was ensured directly to her village.

Outcomes

After associating with the Shwethdharma program and participating in training sessions with the Cluster Coordinator and Gram Sakhi, she started using our quality feeds from June 2024. As a result, her cattle's milk production increased by 250 ml per cattle, and the fat content increased by 1.5%. This resulted in an overall increase of 250 ml of milk per day per cow. Consequently, her daily income increased by ₹42, amounting to annual income around ₹15,600-₹16,800.

Now, she is very happy and satisfied with the results, witnessing economic growth through our products and services provided by the Shwethdharma program and the Ananda Foundation.

Rural Vocational Training Program

IDFC FIRST Bank, in partnership with SAMPARC, supported livelihood programs in rural Maharashtra. The program supported the construction of the ITI training and Vocational Training center and funded operational expenses at SAMPARC ITI. The program's curriculum encompassed various aspects, including basic computer knowledge and English communication skills, as well as core skills training. The program followed a model that emphasized strong industry linkages and youth counseling, ensuring that the training provided was relevant and aligned with market needs. Since 2018, a total of 442 lives have been impacted. Students

impacted included orphans, youth of farmers, masons, gardeners, and single parents with a family income of less than ₹2.50 lakh per annum. We have supported 56 youth from rural areas in FY 2024-2025. Through the program, formerly unemployable youth were transformed into certified, skilled individuals who were equipped to join the workforce and become self-reliant. The hands-on skills training, combined with industry exposure and counseling, enabled these young men to acquire the necessary skills and knowledge to secure employment opportunities. By empowering them to support themselves and their families, the program contributed to the

economic development and well-being of the rural communities involved. The trainees of the program have also achieved a 100% placement record.

We concluded this program in 2025.

442

Impact Since Inception

56

Impact in FY 2024-25



IDFC FIRST Bank supported youth of ITI Wireman second year batch during a theory session at SAMPARC vocational training institute

Catalyst for IMPACT Program

IDFC FIRST Bank's Catalyst Program for IMPACT is an initiative aimed at enhancing the startup ecosystem by providing **CSR grants to growth-stage social startups** that addressed problems through science, technology, innovation, or engineering. The program supported **social**

entrepreneurs who utilize scalable, sustainable business models to address significant social challenges on a large scale, thereby ensuring long-term impact. Last year, the Bank incubated two social startups in the **AgriTech** and **ClimateTech** sectors, offering up to one year of incubation

support and equity-free CSR grants of upto ₹50 lakh per startup.

Additionally, IDFC FIRST Bank has partnered with AIC RAISE, an incubator to provide startups with strategic mentorship and guidance on market positioning, digital marketing, accounting, and finance.



Raheja Solar Food Processing



To address the challenge of spoilage and loss of surplus agricultural produce, Raheja Solar Food Processing (RSFP) Pvt. Ltd, a startup supported by IDFC FIRST Bank, manufactures budget-friendly solar dryers. These dryers help reduce post-harvest losses by preserving the produce, thereby increasing its shelf life and market value. By utilizing renewable energy, the solar dryers efficiently remove moisture from fruits, vegetables, spices, and flowers in a contamination-free environment, significantly reducing perishability and boosting farmers' income

Golden Feathers



To tackle the challenges of waste management and water conservation, Golden Feathers, a startup supported by IDFC FIRST Bank, upcycles chicken waste from butcheries into eco-friendly textiles and paper. This innovative approach addresses the issue of food waste while conserving water compared to conventional paper production methods.

Aftercare Livelihoods Program

IDFC FIRST Bank's Aftercare & Livelihood program, in partnership with Catalyst for Social Action, empowers young adults preparing to leave Child Care Institutions (CCIs) by facilitating career readiness support and providing them with higher education/employable vocational training to gain employment.

The program targets young adults aged 16-27 from vulnerable backgrounds, referred to as 'Children in Need of Care and Protection.' IDFC FIRST Bank believes that supporting these youth as they transition out of institutional care is crucial to preventing them from facing adulthood alone and unprepared. Without family or financial safety nets, they are at high risk of dropping out of education, unemployment, and exploitation. By funding their continued studies or vocational training, the program provides them with a fair chance at stability, equal opportunities, and independence.

Under this program, career awareness and counseling, job-oriented skill training, education support, and job readiness opportunities are provided. Career awareness sessions are conducted to help young people identify broader career paths. Specific

job-oriented skill training or higher education is offered to identified individuals. Placement opportunities are facilitated, progress is monitored, and mentorship is provided.

Additionally, training in Conversational English, Financial Literacy, 21st-century life skills, and job readiness, including CV preparation and interview skills, is also offered.



Youth of Aftercare livelihoods program at their vocational training centre

Environment & Others

Civic and Social Action Program

IDFC FIRST Bank, in partnership with Janaagraha Center for Citizenship and Democracy, designed the Civic and Social Action Program (CSAP) to cultivate active citizenship among students from Grades 6 to 10. The project aligns with Sustainable Development Goals (SDGs) such as ensuring inclusive and equitable quality education and taking urgent action to combat climate change and its impacts.

The program empowers students and teachers in select government schools of Kurukshetra, Haryana, with an

understanding of critical **civic, social, and environmental issues**. By engaging students on topics like Water Conservation, Climate Change, Waste Management, Health and Wellbeing, and Gender, the program fosters a sense of civic duty and responsibility while imparting skills like systems thinking, leadership, and teamwork. Kurukshetra's unique socio-economic and environmental challenges make it ideal for a focused civic education program. Civic education transforms students into proactive participants in a democratic processes by enhancing

their knowledge of governance, rights, and responsibilities, as well as developing critical thinking and problem-solving skills. Implemented across 25 government schools, this program included capacity-building for teachers and Master Trainers, the development of graded learning resources for Grades 6 to 10, and community engagement with district administration stakeholders. The Train-the-Trainer model builds teacher capacity and engages local communities, fostering active citizenship.



IDFC FIRST Bank supported students of government school in Kurukshetra, Haryana at a student level meeting to discuss local environmental challenges

7,836 students
Impact in FY 2024-25

Implemented in **25**
Government schools

Flood Relief Program



Health awareness camp at Wayanad for flood-affected communities

IDFC FIRST Bank in partnership with **Doctors for You**, a non-profit organization, supported flood-affected communities of **Wayanad floods** with **hygiene items** and **healthcare services**. To combat the heightened risks of waterborne diseases, we donated hygiene products especially for vulnerable population such as women, set up health camps for weeks to cater to the increased demand of health conditions and provide relief support to the victims. As part of the support, healthcare services were extended to **1,954 individuals** through 33 health camps, alongside the distribution of **5,951 sanitary napkins**.

Employee Volunteering



IDFC FIRST Bank hosted an Annual Meetup for Volunteering champions with the MD & CEO, Mr. V. Vaidyanathan as the guest of honor. This event celebrated the extensive volunteering efforts of employees and leaders. Top contributors were recognized for their outstanding dedication and efforts.

Lend-A-Shoulder Employee Volunteering Program

Lend-A-Shoulder is IDFC FIRST Bank's Employee Volunteering Program, which actively encourages employees to share their skills and expertise to support local communities, especially to those in need. Our volunteering activities encompassed a diverse range of initiatives, including sessions on financial literacy to enhance financial awareness. Furthermore, it focused on supporting individuals through skill development workshops that equip people with valuable skills for personal and professional growth. The program also included environmental preservation initiatives to promote sustainability and conservation, provided human resources support to assist NGOs and organizations with their HR needs, and conducted NGO trainings to enhance the capacity and effectiveness of non-profit organizations.

16,417 Volunteers

Impact in FY 2024-25

35,252 Volunteers

Impact since Inception



Volunteers engaging with youth at skill building center and mentoring them on financial literacy.



Volunteers at the branch organized a visit for community youth to provide exposure to banking operations. The visit was followed by one-on-one mentoring sessions focused on financial literacy.



Employees purchasing diyas painted by volunteers during a diya painting workshop held alongside women self-help groups.



Volunteers during a sustainable lake restoration activity, building floating wetlands that enriches biodiversity and improves water quality of lakes.



Volunteers participated in a school transformation program, where they helped paint and beautify school premises.



Volunteers assembled wheelchairs to be donated to individuals with physical disabilities, aiming to enhance their mobility and promote independence.



At FIRST IMPACT—the CSR division of the Bank—we believe that ‘Opportunity belongs to all’, and the Lend-A-Shoulder Employee Volunteering program is a powerful example of this belief in action.

This program empowers our employees to lead with purpose beyond their day-to-day professional roles by dedicating their time and skills to solving real-world challenges in their communities. In return, they gain fresh perspectives, build meaningful connections, and feel proud to be part of something greater than themselves.

Communities benefit as well, gaining access to expert guidance, mentorship, and support that help them thrive.

What began as a small idea during the pandemic—giving employees a chance to contribute through volunteering—has grown into a strong and meaningful platform where employees and communities come together to learn, grow, and create real change.

Vidhi Singh - Lead, Corporate Social Responsibility



Voices of Impact



My year with the Lend-A-Shoulder program as a Goodwill Ambassador enlightened me in two ways. First, it's comforting to know our organization genuinely cares for society and the environment with a focused mission. Second, participating in various interventions and events made me feel privileged to invest time and effort in making a difference in others' lives. As a department, we activated themes like Education, Diversity & Inclusion, Environmental Sustainability, and Community Development. A unique aspect of the program is maintaining continuity. For example, we created Career Guidance kits for youth aspiring to vocational jobs, including interview questions, stress management tips, and words of wisdom. We then personally handed over these kits and addressed their queries about their first jobs. I take pride in being associated with our unconventional CSR Programs that align with our Bank's core values and our inner selves.

Charu Srivastava - Head, Project and Quality Assurance, Retail Banking Operations



Giving back to society is important, and the Lend-A-Shoulder program offers a great opportunity for the broader team to get involved. One of my most memorable moments was during the 'School Transformation' event. The delight and pride on children's faces during their recitation and engagement with the IDFC FIRST Bank team was touching. This program has enabled interaction with less fortunate sections of society, allowing us to make meaningful contributions to their lives. The year was momentous for the Wholesale Banking Operations team as we organized various events, such as assisting a district school, helping NGOs raise money through Diya preparation, and focusing on environmental activities like beach cleaning. The Lend-a-Shoulder program has created a real connection between staff and underprivileged areas, bringing focus to environmental concerns and fostering mutual appreciation through shared experiences.

Kanverjeet Sabharwal - Head, Wholesale Banking Operations





AWARDS



Team FIRST IMPACT honoured with the Volunteering Champions Award for their unwavering dedication to making a difference

Supercharger Award
at KARMA SUMMIT by
GOODERA



Drive Forward

IDFC FIRST Bank, in collaboration with Animedh Charitable Trust, aims to support the academic goals of young female students, having supported 320 scholars under this program. The Drive Forward initiative by IDFC FIRST Bank's Toll & Transit Department, launched in 2021, supports the educational dreams of children from the driver community across India. Recognizing the pivotal role of driver partners in the transit and

logistics sector, this initiative provides financial assistance for their children's education, focusing on young girls in the 9th to 12th grades, particularly those attending government schools. Drive Forward is a testament to IDFC FIRST Bank's commitment to making a real impact on the lives of the driver community and their families, aiming to empower future generations and contribute to the overall development of the community.

320

Impact Since Inception

190

Impact in FY 2024-25

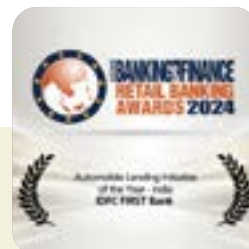
Shining through Recognitions



IDFC FIRST Bank wins FE India's Best Banks Award for best 'Savings Product'



IDFC FIRST Bank wins The Great Indian Corporate Communication Team of the Year in Banking Award



Automobile Lending Initiative



Digital Consumer Banking Initiative of the Year – India



Financial Inclusion Initiative of the Year – India



The Brandon Hall Group recognizes IDFC FIRST Bank for its Candidate Onboarding Experience



IDFC FIRST Bank wins the Best Mid-Sized Bank Award



Capital Finance International recognizes IDFC FIRST Bank for the Best Mobile Banking App 2024



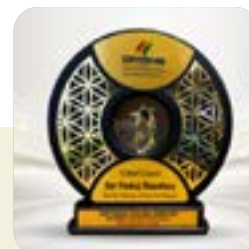
IDFC FIRST Bank wins the International Banker Award for the Best Innovation in Retail Banking India



IDFC FIRST Bank was Recognized as India's Leading Private Bank (Mid) at Dun & Bradstreet's BFSI & Fintech Summit 2025



IDFC FIRST Bank was Honoured with the Jury Special Award for Supporting MSMEs



IDFC FIRST Bank Won the Best MSME Friendly Bank (Private Sector) Award



IDFC FIRST Bank was Honoured with the Award for Best Bank for Creating Awareness among MSMEs, (Private Sector) by the Chamber of Indian Micro and Small Enterprises (CIMSME)



IDFC FIRST Bank Won Best Private Sector Bank by M1 TReDS Exchange



Where Vision Meets Accountability



Mr. Sanjeeb Chaudhuri is a Board member and Advisor to large commercial and non-profit organisations across Europe, the USA, and Asia, with over four decades of senior multinational business experience across global banks and consumer companies. He was listed among the Top 25 Media Visionaries in Asia Pacific and is a featured speaker at premier global marketing and media events in Europe and Asia. Mr. Chaudhuri was the Regional Business Head for India and South Asia for Retail, Commercial and Private Banking and the Global Head of Brand and Chief Marketing Officer at Standard Chartered Bank. Prior to this, he was CEO of Retail and Commercial Banking for Citigroup, Europe, Middle East, and Africa. He is an MBA in Marketing and has completed an Advanced Management Programme. He is a Global Mentor at the Columbia Business School Center for Technology Management, New York and is a Board Member of the Open University School of Business and Law, UK. Mr Chaudhuri is a Guest Professor on Technology, Sustainability and Business Strategy at Oxford and Cambridge.

MR. SANJEEB CHAUDHURI - Chairperson (Independent)



Mr. Pravir Vohra is a postgraduate in Economics from St. Stephen's College, University of Delhi, and a Certified Associate of the Indian Institute of Bankers. He began his career in banking with the State Bank of India (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 and 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 several functions like the Retail Technology Group and Technology Management Group. From 2005 to 2012, he was the President and Group CTO at ICICI Bank. Post his retirement from ICICI Bank in 2012, he mentored startups in the payments space and, more recently, completed a two-year assignment with New Development Bank, Shanghai. In the industry, Mr. Vohra has immense experience and knowledge in IT architecture, domain expertise in financial products, process re-engineering, IT operations and strategy and continues to serve the Technology Advisory Committees of organisations like National Payments Corporation of India (NPCI), IndiaINX, IndiaICC and ArkaFincap, etc.

MR. PRAVIR VOHRA - Independent Director



Mr. Aashish Kamat has over 32 years of experience in the corporate world, with 24 years in banking and financial services, six years in public accounting and two years in private equity. Until March 31, 2021, Mr. Kamat was the Co-managing Partner for the GCC Asia Growth Fund. He was the Country Head for UBS India from 2012 until his early 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, Mr. Kamat was in New York, where he was the Global Controller for the Investment Bank (IB) at JP Morgan and Bank of America as the Global CFO for the IB and Consumer & Mortgage Products. He started his career in 1988 with Coopers & Lybrand, a public accounting firm, before he joined JP Morgan in 1994. Mr. Kamat is Group CFO of FNZ Group. Mr. Kamat holds a B.A. in Accounting from Franklin & Marshall College, USA and is also a Certified Public Accountant (CPA).

MR. AASHISH KAMAT - Independent Director



Mr. S. Ganesh Kumar is an M.B.A., B.Sc., Diploma in Banking, B.G.L., C.A.I.I.B. Mr. S Ganesh Kumar was the Executive Director of the Reserve Bank of India and was with it for more than three decades. His recent responsibilities included the entire gamut of Payment and Settlement Systems, the creation and development of strategic plans for the Bank and taking care of the external investments and managing the foreign exchange reserves.

He was associated with the Institute for Development and Research in Banking Technology. He had a key role in the establishment of new institutions such as the National Payments Corporation of India, the Reserve Bank Information Technology Private Limited, and the Indian Financial Technology and Allied Services (IFTAS), to name a few. He was also associated with the National Cyber Security Council of the Government of India, and in the framing of the Payment and Settlement Systems Act of the country. He had a role to play in ideating, design, development of innovative, technology-based retail payment systems for India, including some of the payment systems now being operated by the National Payments Corporation of India (NPCI). He also led Fintech innovation by being the Co-Chair of the Financial Innovation Network (FIN) under the Financial Stability Board of the Bank for International Settlements (BIS), Basel, Switzerland.

MR. S. GANESH KUMAR - 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 regional and global roles, in diverse industry sectors like Banking, IT, Financial services, Manufacturing, Sports and Fitness and Oil & Gas. As an Executive Coach, Ms. Matangi 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 organisations. She has deep expertise in business processes and is passionate about building high-performance teams.

Ms. Matangi holds a BA in sociology and a post-graduate degree in Personnel Management and Industrial Relations from XLRI, Jamshedpur. She has also completed Strategic Human Resources Executive Development Programmes from Harvard and Cornell and is a qualified Neuroscience, Brain Based Coach and is adept at using multiple psychometric tools and processes for enhancing leadership capabilities.

MS. MATANGI GOWRISHANKAR - Independent Director



Mrs. Pankajam Sridevi is a transformational leader with domain expertise in manufacturing, technology and banking with a career spanning over 35 years. In her immediate previous role, Mrs. Sridevi served as the Managing Director of Commonwealth Bank of Australia (India) since November 2019 until June 2024, prior to which she was with ANZ Banking Services holding various global positions for the Group.

Mrs. Sridevi has done multiple global roles from India for Banking Operations and Technology and has experience in representing the GIC to regulators like APRA, AUSTRAC for Australia, HKMA for Hong Kong and MAS for Singapore. She has experience in leading the board for CBA India and Chairing the board of Multiple centres of ANZ across countries. She is active leader in representing industry forums like CII, NASSCOM, BCIC, Anita Borg Institute and India Inclusion Forum in India.

Mrs. Sridevi has been awarded as Top 30 Tech Emerging leader in India, Women Super Achiever Award by the World HRD congress, Woman CEO of the year by GISR foundation, NCEDP Helen Keller Award and DEI Catalyst Award by the Rotary Club of India.

MRS. PANKAJAM SRIDEVI - Independent Director



Mr. Uday Bhansali is a Chartered Accountant and has a Bachelors' degree from Bombay University. He began his career as a consultant in 1987 with Arthur Andersen & Co – Consulting division (Andersen Consulting renamed Accenture Plc), initially in London, and then in India, over 20 years, with multiple responsibilities across India, Middle East and Asia. He was elevated to international Partner in 1999. In his last role, he was Head – Asia Pacific Energy. He moved to Kotak Mahindra Capital Company (Kotak Investment Banking) as Executive Director in 2008, followed by a stint with General Electric Company in 2010 as Executive Vice President Business Development South Asia, responsible for strategic investing. From 2015-2024, he was President – Financial Advisory for Deloitte Touche Tohmatsu India LLP. He was a member of the Deloitte India Executive, Deloitte Asia Pacific Financial Advisory Executive, and Deloitte Global Financial Advisory Executive.

He has extensive experience in mergers and acquisitions, IPO advisory, large scale business transformation, financial due diligence, valuations, forensics, restructuring and bankruptcy. His experience spans a number of key industries in the above areas, in particular banking & financial services, having led and executed a number of marquee transactions and projects. He is a member of the BFSI Committee of the Bombay Chamber of Commerce and Industry.

MR. UDAY BHANSALI - Independent Director



Mr. Sudhir Kapadia is a Chartered Accountant with over three decades of vast experience in advising Indian and Global Multi-National Companies. He is an expert in matters relating to taxation and its impact on business and economy. Mr. Kapadia was the Tax & Regulatory services Leader and a Board member in EY, India. Prior to EY, he was the Tax and Regulatory Services leader and Board member at KPMG, India.

Mr. Kapadia is the former President and a permanent invitee of the Board of Bombay Chamber of Commerce and Industry. He is a member of the CII National Committee on MNCs. He is an alumnus of St Xavier High School and H.R. College of Commerce & Economics in Mumbai, the Institute of Chartered Accountants of India and the Institute of Chartered Financial Analysts of India. He has undergone executive leadership programs at IMD and Harvard Business School and has recently completed Journey to Boardroom program of HBS. He is a regular speaker at noted national and international events and contributes to thought leadership related to taxation and policy.

MR. SUDHIR KAPADIA - Independent Director



Vaidyanathan aims to build IDFC FIRST Bank into a world-class Indian bank—guided by ethics, powered by technology, and a force for social good. He became MD & CEO of IDFC FIRST Bank in December 2018 following the merger of Capital First with IDFC Bank.

He worked with Citibank (1990–2000) and ICICI Bank (2000–2010), where he built the retail banking business, including CASA & retail deposits of ₹1 trillion, a 1,411-branch network, and a ₹1.35 trillion retail lending book. He was appointed to the ICICI Bank Board in 2006 at age 38 and served till 2009, then as MD & CEO of ICICI Prudential Life (2009–10).

In 2010, pursuing an entrepreneurial opportunity, he left ICICI to acquire a ~10% stake in a small NBFC with a ₹780 crore market cap, aiming to build a bank. He pledged his home and the acquired stock to fund the acquisition. He rebranded the NBFC as Capital First and pivoted it from large ticket real estate financing to tech-driven retail & MSME lending. In 2012, he demonstrated the analytics-driven credit model to Private Equity firms and raised equity of ₹810 crore and became Chairman & CEO.

Capital First's retail book grew from ₹94 crore in 2010 to ₹29,600 crore by 2018, financing 7 million customers. It turned from a ₹30 crore loss into a ₹358 crore profit, share price increased from ₹122 to ₹845, and the market cap grew tenfold from ₹780 crore to ₹8,200 crore.

In 2017, he sold part of his stake to repay the original loan taken to acquire stake in Capital First. In 2018, he merged Capital First with IDFC Bank to secure a banking license and became MD & CEO of IDFC FIRST Bank.

He was named Banker of the Year 2023 by Financial Express, EY Entrepreneur of the Year 2022 (Financial Services), CNBC Awaaz Entrepreneur of the Year 2020, Most Inspirational Leveraged Management Buyout 2018 by CFI Awards (UK), and Most Innovative Company 2017 by CNBC Asia. He received awards twice from India's Finance Minister in 2024 and 2025.

MR. V. VAIDYANATHAN - Managing Director & CEO



Mr. Pradeep Natarajan has been in a leadership position with IDFC FIRST Bank Limited for five years since December 2018, and is currently the Head of Retail Banking of the Bank. He is highly committed to the vision of the Bank to build a world-class Bank in India, guided by ethics, powered by technology, and to be a force for Social Good. Mr. Natarajan 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. Prior to this role Mr. Natarajan 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 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.

MR. PRADEEP NATARAJAN - Executive Director



Directors' Report

Dear Members,

Your Board of Directors ('Board') are pleased to present the Annual Report of IDFC FIRST Bank Limited ('IDFC FIRST Bank' or the 'Bank') together with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2025.

STATE OF AFFAIRS OF THE BANK

Since December 2018, the Bank has created a robust deposit franchise focused on retail deposits as well as launched many products to diversify and grow its balance sheet in a steady manner, while keeping the high standards of asset quality. The achievements during FY 2024-25 are mentioned below:

1. Growth in Funded Assets:

- Loans and Advances (including credit substitutes and net of IBPC) increased to ₹ 2,41,926 crore as on March 31, 2025 by 20% YoY from ₹ 2,00,965 crore as on March 31, 2024.
- The Bank has increased its corporate (non-infra) loan book by 32% to ₹ 40,058 crore as on March 31, 2025.
- Infrastructure financing reduced by 17% on a YoY basis and now constitutes less than 1% of total loans and advances as on March 31, 2025.
- In line with strategy to reduce the concentration risk, the Bank has further reduced its exposure to top 20 single borrowers from 6% as of March 31, 2024 to 4% as of March 31, 2025.
- Similarly, the Bank has maintained its exposure to top 5 industries stable at 20% as on March 31, 2025, which has further strengthened the balance sheet.

2. Growth in Retail Liabilities:

- The Bank is seen as a 'high quality institution', with high focus on customer service, strong digital capabilities and high levels of corporate governance, attracting the customers to open an account with the Bank and enabling the Bank to grow deposits at a strong pace.
- The total deposits including certificate of deposits increased by 26% YoY to reach ₹ 2,52,065 crore as of March 31, 2025 from ₹ 2,00,576 crore as of March 31, 2024.
- Customer Deposits of the Bank increased to ₹ 2,42,543 crore as on March 31, 2025 as compared to ₹ 1,93,753 crore as on March 31, 2024, YoY increase of 25%.
- The total CASA Deposits increased to ₹ 1,18,237 crore as on March 31, 2025 from ₹ 94,768 crore as on March 31, 2024, YoY increase of 25%.
- Average CASA Ratio for FY 2024-25 stood at 46.10% as compared to 45.58% for FY 2023-24.

- Retail Deposits are now 79% of the overall customer deposits as of March 31, 2025, in line with the strategic priority to retailize the deposits.
- The Bank continues to run-down, the pre-merger legacy borrowings. It has reduced the dependence on certificate of deposits and is building a high-quality retail deposits franchise.
- The Bank maintained incremental credit to deposits ratio of only 76.11% in FY 2024-25.

3. Growth in Core Earnings:

- Healthy Net Interest Income ('NII') Growth: For the full year, total NII increased by 17% to ₹ 19,292 crore in FY 2024-25 from ₹ 16,451 crore in FY 2023-24. The moderation in NII was attributable to decline in high-yielding microfinance portfolio.
- Net Interest Margin ('NIM'): The NIM (NIM = Net Interest Income as a % of interest earning assets gross of IBPC and sell-down) for the full FY 2024-25 was at 6.09% as compared to 6.36% in FY 2023-24.
- Steady growth in Total Income (NII + Fees and Other Income + Trading Income): The total income for the full year increased by 17% to ₹ 26,314 crore in FY 2024-25 from ₹ 22,453 crore in FY 2023-24.
- Stable Growth in Core Operating Profit (Operating Profit Net of Trading Gain): For the full year, the Core Operating Profit grew by 17% to ₹ 7,069 crore in FY 2024-25 from ₹ 6,030 crore in FY 2023-24.
- Provision: For the full year, total Provisions stood at ₹ 5,515 crore in FY 2024-25 as compared to ₹ 2,382 crore in FY 2023-24.
- Profit After Tax: The Net Profit for the FY 2024-25 was ₹ 1,525 crore as compared to ₹ 2,957 crore in FY 2023-24.

4. Strong Asset Quality of the Bank:

During the year, the Bank's overall asset quality was impacted by the microfinance industry crisis.

- Bank's Gross NPA ratio as of March 31, 2025 stood at 1.87% as compared to 1.88% as of March 31, 2024.
- Excluding the NPA in the micro financing book, the Gross and Net NPA of the Bank would be 1.63% and 0.47% and the Provision Coverage Ratio would be 71.26%, as of March 31, 2025.
- Bank's Net NPA ratio as of March 31, 2025 stood at 0.53% as compared to 0.60% as of March 31, 2024.
- Provision Coverage Ratio was 72.26% as of March 31, 2025 as compared to 68.79% as of March 31, 2024.

**5. Asset Quality on Retail, Rural & SME Finance Book:**

- The Gross NPA % in the Retail, Rural and MSME finance book stood at 1.70% as of March 31, 2025 as compared to 1.38% as of March 31, 2024.
- Net NPA ratio of this segment stood at 0.62% as of March 31, 2025 as compared to 0.44% as of March 31, 2024.
- Provision Coverage Ratio was 64.07% as of March 31, 2025 as compared to 68.18% as of March 31, 2024.
- However, excluding the Microfinance portfolio, all other businesses in the retail, rural and commercial loan portfolio had a steady asset quality performance despite the credit normalization in the overall industry.
- Excluding the microfinance book, the Gross NPA% of this book stood at 1.40% as of March 31, 2025 as compared to 1.39% as of March 31, 2024. The Net NPA% stood at 0.56% as of March 31, 2025 as compared to 0.46% as of March 31, 2024.

6. Strong Capital Adequacy:

- The Bank raised equity capital of ~ ₹ 3,200 crore from set of Marquee investors through Preferential Placement in July, 2024.
- Capital Adequacy Ratio stood at 15.48% with CET-1 Ratio at 13.17% as of March 31, 2025.
- In April 2025, the Bank announced plans to raise an additional ₹ 7,500 crore via preferential allotment of Compulsorily Convertible Cumulative Preference Shares to support its next phase of growth.

7. Strong Franchise:

- As on March 31, 2025, the Bank has built a national footprint through the operation of 1,002 branches (out of which 657 are Urban Branches and 345 are Rural Branches, reflecting an overall addition of 58 branches during FY 2024-25) across India, 274 asset outlets, 1,041 ATMs and 705 Corporate Business Correspondent ('BC') branches.

Points of Presence comparison chart:

Particulars	FY 2024-25	FY 2023-24
Urban Bank Branches	657	611
Rural Bank Branches	345	333
ATMs (including Recyclers)	1,041	1,164
Asset Service Branches	274	263
Rural BC Branches (IDFC FIRST Bharat Limited)	637	638
Other BC Branches	68	116

The Bank offers a wide gamut of products to cater to the needs of customers from all segments which can be viewed on our website at www.idfcfirstbank.com.

FINANCIAL HIGHLIGHTS

(₹ in crore)		
Particulars	FY 2024-25	FY 2023-24
Deposits	2,52,065	200,576
Borrowings	38,975	50,936

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24
Investments	80,716	74,710
Advances	2,33,113	194,592
Total Assets/ Liabilities	3,43,819	296,115
Total Income	43,523	36,324
Profit Before Tax	1,900	3,855
Net Profit	1,525	2,957
Balance in Profit & Loss Account brought forward from previous year	(688)	(2,556)
Amount available for Appropriations	2,111	401
Appropriations		
Transfer to Statutory Reserve	385	740
Transfer to Capital Reserve	88	21
Transfer to Special Reserve	30	64
Transfer to Investment Reserve	-	49
Transfer (from)/ to Investment Fluctuation Reserve	(100)	215
Balance in profit and loss account carried forward	1,708	(688)
Capital adequacy ratio (Basel III)	15.48%	16.11%
Gross NPA %	1.87%	1.88%
Net NPA %	0.53%	0.60%

DIVIDEND

The Board, at its meeting held on April 26, 2025, has recommended a dividend of ₹ 0.25 (2.50% of face value) per equity share of ₹ 10 each, for the Financial Year ended March 31, 2025, subject to approval of the shareholders at the ensuing 11th Annual General Meeting ('AGM') of the Bank.

In accordance with Regulation 43A of the Securities and Exchange Board of India ['SEBI'] (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulations'), our Bank has formulated a Dividend Distribution Policy, which ensures a fair balance between rewarding its members and retaining enough capital for the Bank's future growth.

This Policy is available on the Bank's website: www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Policies' section.

UPDATE ON THE AMALGAMATION OF PROMOTER WITH BANK

The Board at its meeting held on July 03, 2023, had amongst others, approved the **Composite Scheme of Amalgamation** of IDFC Financial Holding Company Limited ('IDFC FHCL') into and with IDFC Limited, and amalgamation of IDFC Limited into and with IDFC FIRST Bank Limited, and their respective shareholders, under Sections 230 to

232 of the Companies Act, 2013 ('**Companies Act**') and other applicable laws including the rules and regulations ('**Scheme**').

Basis the approvals/ no-objections received from various regulatory and statutory authorities, as required in terms of applicable laws, the Hon'ble National Company Law Tribunal, Chennai Bench, Chennai ('**NCLT**'), by its order dated March 22, 2024, directed the Bank, to *inter-alia* convene the meetings of its equity shareholders and Non-Convertible Debenture ('**NCD**') holders, for the purpose of considering and approving the arrangement embodied in the Scheme. The equity shareholders and NCD holders of the Bank approved the Scheme at their respective meetings held on May 17, 2024. Subsequently, post filing of Company Scheme Petition, the NCLT vide its order dated September 25, 2024 sanctioned the Scheme under applicable provisions of the Companies Act and the rules made thereunder.

Pursuant to filing of the certified copy of the order of NCLT sanctioning the Scheme with the Registrar of Companies, Chennai ('**ROC**'), the Scheme has become effective from October 01, 2024.

Pursuant to effectiveness of the Scheme, IDFC FHCL and IDFC Limited (Promoter of the Bank) stood dissolved without being wound-up and the Bank continues as a professionally managed entity with only public shareholders.

The necessary update on Amalgamation of Promoter with Bank is available on the website of the Stock Exchanges i.e. BSE Limited ('**BSE**') and National Stock Exchange of India Limited ('**NSE**') and on website of the Bank at www.idfcfirstbank.com under 'Investors' → [Composite Scheme of Amalgamation with IDFC Limited](#)

SHARE CAPITAL

Authorised Share Capital

As on April 1, 2024, the Authorised Share Capital of the Bank was ₹ 7538,00,00,000 comprising of 750,00,00,000 equity shares of face value of ₹ 10 each and 38,00,000 preference shares of face value of ₹ 100 each.

Pursuant to Scheme becoming effective, the authorized share capital of IDFC FHCL and IDFC Limited has been merged with the authorized share capital of IDFC FIRST Bank as per the Scheme. The authorized share capital of IDFC FIRST Bank stood increased to ₹ 22905,10,00,000 comprising of 2186,71,00,000 equity shares of face value of ₹ 10 each and 10,38,00,000 preference shares of face value of ₹ 100 each.

In compliance with provision of Section 12(1)(i) of the Banking Regulation Act, 1949 ('**Banking Regulation Act**'), the authorized share capital was reduced from ₹ 22905,10,00,000 comprising of 2186,71,00,000 equity shares of face value of ₹ 10 each and 10,38,00,000

preference shares of face value of ₹ 100 each to ₹ 14000,00,00,000 comprising of 1296,20,00,000 equity shares of face value of ₹ 10 each and 10,38,00,000 preference shares of face value of ₹ 100 each. The authorized share capital remains same as on March 31, 2025.

Subsequent to FY 2024-25, the Board at its meeting held on April 17, 2025, had approved re-classification of the aforesaid authorized share capital of the Bank to 1270,00,00,000 equity shares of face value of ₹ 10 each and 130,00,00,000 preference shares of face value of ₹ 10 each, subject to approval of Reserve Bank of India ('**RBI**'), shareholders of the Bank and such other statutory/ regulatory approval as may be required.

Paid-up Share Capital

A. Allotment of equity shares on preferential basis

Basis approval of the Board at its meeting held on May 30, 2024 and by virtue of special resolution passed by the shareholders of the Bank through postal ballot on June 29, 2024, the duly authorised Committee of the Board at its meeting held on July 04, 2024, approved the issue and allotment of 39,68,74,600 equity shares of face value of ₹ 10 each to several marquee investors on a preferential basis, at an issue price of ₹ 80.63 per equity share (including a premium of ₹ 70.63 per equity share) aggregating to ~ ₹ 3,200 crore ('**Preferential Issue**').

The Bank has fully utilized the amount raised through Preferential Issue for the purpose for which it was raised. The Bank has also ensured to comply with all legal/ statutory guidelines and procedures with respect to the aforesaid Preferential Issue.

B. Allotment of equity shares pursuant to the Composite Scheme of Amalgamation

Pursuant to effectiveness of the Scheme, the duly authorised Committee of the Board at its meeting held on October 11, 2024, approved the allotment of 247,99,75,876 equity shares of face value of ₹ 10 each, in accordance with the share exchange ratio (i.e. 1.55:1) provided in the Scheme, to such eligible shareholders of IDFC Limited who were holding shares as on the Record Date.

Further, 264,64,38,348 equity shares held by IDFC Limited in the Bank (through IDFC FHCL) stood cancelled and hence, there was a corresponding reduction of 16,64,62,472 equity shares in the paid-up share capital of the Bank.

C. Allotment of equity shares pursuant to exercise of stock options

During FY 2024-25, 2,17,71,003 equity shares were issued and allotted to the eligible employees of the Bank pursuant to exercise of stock options granted



under 'IDFC FIRST Bank Limited Employee Stock Option Scheme 2015' (**IDFC FIRST Bank ESOS – 2015**).

As on March 31, 2025, the issued, subscribed and paid-up equity share capital of our Bank was ₹ 7322,10,69,840 comprising of 732,21,06,984 equity shares of face value of ₹ 10 each.

Subsequent to the year under review and as on date of this report, the Bank has allotted 2,80,597 equity shares of face value of ₹ 10 each to the eligible employees of the Bank pursuant to exercise of stock options granted under IDFC FIRST Bank ESOS – 2015.

Post the said allotment and as on date of this report, the paid-up equity share capital of the Bank stands at ₹ 7322,38,75,810 comprising of 732,23,87,581 equity shares of face value of ₹ 10 each.

Our Bank has not issued any equity shares with differential voting rights.

D. Allotment of Compulsorily Convertible Cumulative Preference Shares ('CCPS') on preferential basis

The Board at its meeting held on April 17, 2025, has approved to issue, offer and allot up to 124,98,80,388 CCPS of face value of ₹ 10 each, convertible into equal number of equity share of face value of ₹ 10 each of the Bank, by way of preferential allotment on a private placement basis (**'Preferential Issue of CCPS'**), to Currant Sea Investments B.V. and Platinum Invictus B 2025 RSC Limited, subject to the approval of the Shareholders of the Bank, RBI and other applicable regulatory approvals.

The necessary update on Preferential Issue of CCPS is/will be available on the website of the Stock Exchanges i.e. BSE and NSE and on website of the Bank at www.idfcfirstbank.com under 'Investors' → '[Announcements](#)'.

Capital Adequacy

As of March 31, 2025, our Bank remains well capitalised, with a Capital Adequacy Ratio of 15.48% under Basel III norms, which is well above the RBI's minimum requirement of 11.50%. Bank's Tier-I Capital Adequacy Ratio stands at a robust 13.17%. During FY 2024–25, the Bank successfully raised ~ ₹ 3,200 crore in fresh equity capital. Furthermore, in April 2025, the Bank has proposed to raise an additional equity of ₹ 7,500 crore via preferential allotment of CCPS to support its next phase of growth.

This solid capital position reinforces the high level of trust and confidence our Bank enjoys across the Indian financial ecosystem, including capital market participants, depositors, and customers.

India presents significant growth potential as a rapidly expanding emerging economy with a vast, underpenetrated

market of consumers and SMEs. Backed by a strong asset performance history stemming from the combined legacy of Capital First and IDFC Bank along with robust asset quality and a stable, granular liability franchise, our Bank is well-positioned to capitalize on future growth opportunities.

Our Bank remains committed towards the interest of our depositors and shareholders, with continued focus on strengthening the balance sheet with robust asset quality and ensuring long-term financial resilience.

Ratings

The details of credit ratings obtained by the Bank along with revisions thereto, during the FY 2024-25, for various debt & financial instruments outstanding as on March 31, 2025, are disclosed in the Corporate Governance Report, forming part of this Annual Report.

PERFORMANCE AND CONTRIBUTION OF SUBSIDIARY AND ASSOCIATE COMPANIES

The Bank has one wholly owned Subsidiary Company, namely IDFC FIRST Bharat Limited (**'IDFC FIRST Bharat'**).

IDFC FIRST Bharat is acting as a Business Correspondent for distribution of the products of IDFC FIRST Bank and has given an added momentum to the financial inclusion plan of the Bank.

During FY 2024-25, IDFC FIRST Bharat has sourced loans worth ₹ 10,984 crore. IDFC FIRST Bharat reported a Profit After Tax of ₹ 9.46 crore for FY 2024-25.

IDFC FIRST Bank's policy for determining material subsidiaries is available on the Bank's website at www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → '[Policies](#)' section.

The Bank has two Associate Company as on March 31, 2025, viz. Millennium City Expressways Private Limited and Jetpur Somnath Tollways Private Limited in which the Bank holds 29.31% and 26.00% equity stake respectively. The statement in Form AOC-1 containing the salient features of the financial statements of the Subsidiary and Associate Company of the Bank, also forms part of this Annual Report and is appended as **ANNEXURE 1** to this report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Section 129(3) of the Companies Act read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended, the Bank has prepared consolidated financial statements, which forms part of this Annual Report.

In accordance with the fourth proviso to Section 136(1) of the Companies Act and Regulation 46(2)(s) of the SEBI Listing Regulations, the Annual Report of the Bank, containing standalone financial statements and the consolidated financial statements and all other documents required to be attached thereto are available on the Bank's website at

www.idfcfirstbank.com under 'Investors' → 'View All Annual Reports'.

Further, in accordance with the fifth proviso to the said section, the Annual Report of IDFC FIRST Bharat containing therein its audited financial statements has been hosted on the Bank's website at www.idfcfirstbank.com under 'Investors' → 'View All Annual Reports'.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

All appointments/ re-appointments of Directors are made in accordance with the relevant provisions of the Companies Act and the rules framed thereunder, the SEBI Listing Regulations, the Banking Regulation Act and the rules, guidelines and circulars issued by the RBI, from time to time. The Bank has in place a framework for Board Diversity, Fit & Proper Criteria and Succession Planning for appointment of Directors on the Board of the Bank.

The Nomination and Remuneration Committee ('NRC') conducts due diligence before appointment of Directors and ensures adherence to 'Fit and Proper' criteria, as prescribed by the RBI.

The Policy on Board Diversity and Directors appointment is available on the Bank's website: www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Policies' section.

Changes in the Board of the Bank during the FY 2024-25, are as follows:

Appointment/Re-appointment

Mr. Sanjeeb Chaudhuri

Mr. Sanjeeb Chaudhuri (DIN: 03594427) was re-appointed as the Part-Time Non-Executive Chairperson (Independent), of the Bank for a second term with effect from August 25, 2024 up to May 09, 2027 (both days inclusive), subject to approval of RBI. The said re-appointment was approved by the RBI vide its letter dated June 14, 2024.

Mr. Pradeep Natarajan

Mr. Pradeep Natarajan (DIN: 10499651) was appointed as the Whole Time Director, designated as an Executive Director and Key Managerial Personnel of the Bank, in terms of Section 203 of the Companies Act, for a period of three (3) consecutive years, commencing from June 01, 2024 up to May 31, 2027 (both days inclusive), basis the approval of RBI vide letter dated May 16, 2024. The said appointment was approved by the shareholders of the Bank at the AGM held on August 30, 2024.

Mrs. Pankajam Sridevi

Mrs. Pankajam Sridevi (DIN: 06783360) was appointed as an Additional Director in the category of Independent Director of the Bank, to hold office for her first term of four (4) consecutive years, commencing from September 27, 2024 up to September 26, 2028 (both days inclusive). The said appointment was approved by the shareholders of the Bank through Postal Ballot on December 17, 2024.

Mr. Uday Bhansali

Mr. Uday Bhansali (DIN: 00363902) was appointed as an Additional Director in the category of Independent Director of the Bank, to hold office for his first term of four (4) consecutive years, commencing from September 27, 2024 up to September 26, 2028 (both days inclusive). The said appointment was approved by the shareholders of the Bank through Postal Ballot on December 17, 2024.

Mr. Sudhir Kapadia

Mr. Sudhir Kapadia (DIN: 05307843), was appointed as an Additional Director in the category of Independent Director of the Bank, to hold office for his first term of four (4) consecutive years, commencing from October 26, 2024 up to October 25, 2028 (both days inclusive). The said appointment was approved by the shareholders of the Bank through Postal Ballot on December 17, 2024.

Mr. V. Vaidyanathan

Mr. V. Vaidyanathan (DIN: 00082596) was re-appointed as the Managing Director & Chief Executive Officer ('MD & CEO') of the Bank, for a period of three (3) consecutive years, commencing from December 19, 2024 up to December 18, 2027 (both days inclusive), basis the approval of RBI vide letter dated September 19, 2024. The said appointment was approved by the shareholders of the Bank through Postal Ballot on December 17, 2024.

Re-appointment of Director retiring by rotation

Mr. Pradeep Natarajan (DIN: 10499651), Executive Director, whose office is liable to retire at the ensuing AGM, being eligible seeks re-appointment, in terms of the provisions of Section 152(6) of the Companies Act. The resolution for the said re-appointment will form part of the Notice of ensuing AGM.

Cessation of Director

Mr. Mahendra N. Shah

Mr. Mahendra N. Shah (DIN: 00124629), ceased to be Non-Executive Non-Independent Director of the Bank, with effect from the close of business hours on August 29, 2024, upon completion of his term.

Dr. Jaimini Bhagwati

Dr. Jaimini Bhagwati (DIN: 07274047) joined the Board on February 18, 2022, representing IDFC Limited. He tendered his resignation as Non-Executive Non-Independent Director of the Bank, with effect from the close of business hours on September 09, 2024, in view of the impending completion of the merger between IDFC Limited and IDFC FIRST Bank Limited.

Mr. Vishal Mahadevia

Mr. Vishal Mahadevia (DIN: 01035771) tendered his resignation as Non-Executive Non-Independent Director of the Bank, with effect from the close of business hours on October 01, 2024.

**Dr. (Mrs.) Brinda Jagirdar**

Dr. (Mrs.) Brinda Jagirdar (DIN: 06979864), ceased to be Independent Director of the Bank, with effect from the close of business hours on December 17, 2024, upon completion of her second term.

Brief profiles of all the Directors of the Bank are available on the Bank's website at www.idfcfirstbank.com under 'About Us' → 'Board of Directors'.

None of the Directors of the Bank are disqualified in accordance with Section 164 of the Companies Act.

Further, the Bank has received Secretarial Audit Report from M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, Bank's Secretarial Auditor, certifying that during the financial year under review, the Board of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Also, as per the SEBI Listing Regulations, the Bank has received certificate from M/s. Bhandari & Associates, Practicing Company Secretaries that none of the Directors on the Board of the Bank as on March 31, 2025, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority.

As on the date of this report, in terms of Section 203(1) of the Companies Act, Mr. V. Vaidyanathan, MD & CEO, Mr. Pradeep Natarajan, Executive Director, Mr. Sudhanshu Jain, Chief Financial Officer & Head – Corporate Centre, and Mr. Satish Gaikwad, General Counsel and Company Secretary are the Key Managerial Personnel ('KMP') of the Bank.

Statement on Declaration by Independent Directors

The Bank had received declaration from all the Independent Directors ('IDs'), at the time of appointment and also at the first meeting of the Board held in FY 2024-25, that they meet the criteria of independence specified under sub-section (6) of Section 149 of the Companies Act, read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and Regulation 16(1) (b) of the SEBI Listing Regulations, for holding the position of ID and that they shall abide by the 'Code for Independent Directors' as per Schedule IV of the Companies Act. There has been no change in the circumstances affecting their status as Independent Director. In the opinion of the Board, the IDs possess the requisite integrity, experience, expertise and proficiency required under all applicable laws and the policies of the Bank.

Further, all the IDs of the Bank have complied by Rule 6 (Compliance required by a person eligible and willing to be appointed as an independent director) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, and have also declared their enrolment in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs.

Familiarisation Programmes for Board Members

At the time of appointment, all Directors of the Bank are formally inducted through a structured orientation programme designed to acquaint them with their roles, responsibilities, rights, and duties. This induction also includes a succinct overview of the Bank's operational framework.

To facilitate a deeper understanding of the Bank's governance structure and internal practices, Directors are provided with a comprehensive set of documents and policies. These include, *inter-alia*, the Board Committees Chart, the Code of Conduct for Directors, the Code for Prohibition of Insider Trading, the Policy on Related Party Transactions, and details pertaining to the remuneration of Non-Executive Directors by way of sitting fees and remuneration. Furthermore, Directors are familiarized with Bank's website to access historical financial results, annual reports, investor presentations, the Bank's Memorandum and Articles of Association, and other pertinent regulatory documents.

The Directors of our Bank are given opportunity to select and participate in professional development programmes conducted by reputed institutions such as the Centre for Advanced Financial Research and Learning, the Institute for Development and Research in Banking Technology, and the Indian Institute of Corporate Affairs among others.

In addition, comprehensive presentations are made at meetings of the Board and its Committees on a periodic basis. These presentations cover a wide range of topics including the Bank's financial and operational performance, strategic initiatives, macroeconomic and industry developments, regulatory updates, risk management practices, and the evolving fiduciary responsibilities of Directors.

Throughout the financial year, the Board and its Committees were regularly apprised of key developments through detailed presentations and discussions, thereby ensuring that Directors remain well-informed and are able to discharge their duties effectively.

BOARD MEETINGS

The Board met eight (8) times during FY 2024-25, i.e. on April 27, 2024, May 30, 2024, July 27, 2024, September 27, 2024, October 26, 2024, November 25, 2024, January 25, 2025 and March 26, 2025, details of which alongwith attendance are given in the Corporate Governance Report, forming part of this Annual Report.

BOARD COMMITTEES

In compliance with various regulatory requirements, several Board-level Committees have been constituted to delegate matters that require greater and more focused attention.

Details on the constitution, brief terms of reference, meetings held and attendance of all the Board-level Committees are given in the Corporate Governance Report forming part of this Annual Report.

Remuneration Policy

The Bank has formulated and adopted the Remuneration Policies for the (i) Non-Executive Part-Time Chairman and Non-Executive Directors; (ii) Whole Time/ Executive Directors, Material Risk Takers, Key Managerial Personnel, Senior Management Personnel and Control Function and all other employees; ('**Remuneration Policies**'), in terms of the relevant provisions of the Companies Act and rules made thereunder, SEBI Listing Regulations, Banking Regulation Act and the RBI guidelines issued in this regard, from time to time.

During the year, the Remuneration Policies were reviewed and approved by the NRC and the Board.

The Remuneration Policies have been hosted on the website of the Bank at www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → '[Policies](#)' section.

Weblink:

[Remuneration Policy](#) - (For Non-Executive Part-Time Chairman and Non-Executive Directors)

[Remuneration Policy](#) - (For the Whole Time/ Executive Directors, Material Risk Takers, Key Managerial Personnel, Senior Management Personnel and Control Function and all other employees)

All the Non-Executive Directors are paid sitting fees for attending meetings of the Board and its Committees, which are determined by the Board based on applicable regulatory provisions. Further, expenses incurred by them for attending meetings of the Board and Committees in person are reimbursed at actuals.

Pursuant to the relevant RBI guidelines and approval of the members, for FY 2024-25, a fixed remuneration of ₹ 26 lakh p.a. was paid to each of the Non-Executive Directors of the Bank on a proportionate basis, other than the Chairperson of the Bank, who was paid ₹ 30 lakh p.a. on a proportionate basis.

Mr. Vishal Mahadevia and Mr. Mahendra N. Shah, Non-Executive Non-Independent Director(s), opted not to receive any fixed remuneration and sitting fees from the Bank, during their tenure with the Bank.

Corporate Social Responsibility ('CSR')

The Bank has formulated and adopted a CSR Policy which provides the focus areas (in accordance with Schedule VII of the Companies Act) under which various developmental initiatives are undertaken. The CSR Policy is available on the Bank's website at www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → '[Policies](#)' section.

The CSR initiatives of the Bank in FY 2024-25 were implemented directly or through various implementation agencies/ partners. In order to achieve impact and scale, the CSR activities undertaken during the year mainly

focused on areas: [a] Livelihoods & Entrepreneurship, [b] Education, [c] Environment [d] Others.

In terms of the Section 135 of the Companies Act, the Bank was required to spend ₹ 42.40 crore in FY 2024-25, subject to set-off amount available from previous financial years. The Bank has spent ₹ 31.90 crore (including ₹ 0.04 crore spent out of surplus/interest from previous year and net of refund of ₹ 0.03 crore from previous years) based on its commitment to CSR programs for the FY 2024-25.

The Annual Report on CSR activities and details of amount spent by the Bank during FY 2024-25, in accordance with the CSR Rules, is attached as **ANNEXURE 2** to this report.

RISK MANAGEMENT FRAMEWORK

Our Bank fosters a strong risk culture across the organization, aimed at enhancing resilience through a balanced approach to risk and return, and effective management of capital and reputation. The Bank has established a robust risk governance framework aligned with its Board-approved Risk Appetite Statement. The Board is responsible for the oversight of risk management, supported by the Risk Management Committee ('**RMC**') and various management-level committees. The RMC reviews key risk areas including credit, market, liquidity, operational, and information security risks, and oversees frameworks such as ICAAP and stress testing to ensure preparedness for adverse scenarios.

Our Bank has put in place a Board approved Risk Management Policy. The Policy aims at establishing a risk culture and governance framework to enable identification, measurement, mitigation and reporting of risks within the Bank in line with the Bank's risk appetite, risk - return trade-off and an escalation & accountability framework. Having a comprehensive risk management framework in the Bank including well-articulated risk appetite statements, policies and robust stress testing program facilitates our Bank to manage any potential susceptibility to extreme but plausible business risks. Through proactive risk assessment frameworks & risk mitigation techniques, our Bank has built adequate Capital and Liquidity buffers through diversified granular funding profile, including ensuring business continuity during stressed conditions.

The strong Tier-I capital position of the Bank is a source of competitive advantage and provides assurance to regulators, credit rating agencies, depositors, and shareholders. Capital management practices are designed to maintain a risk reward balance, while ensuring that businesses are adequately capitalized to absorb the impact of stress events. Our Bank has continued to proactively work on the resolution of the legacy stressed asset portfolio and has further reduced the position. Our Bank has also de-risked the portfolio by diversifying the credit portfolio and focusing more on granular exposures. The Bank has been continuously working towards ensuring that the asset growth is funded by diversified & granular stable funds, is adequately capitalized and asset quality is maintained within acceptable thresholds.



INTERNAL FINANCIAL CONTROLS

The Bank has adequate internal controls and processes in place with respect to its financial statements that provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements. These controls and processes are driven through various policies, procedures and certifications which also ensure the orderly and efficient conduct of the Bank's business, including adherence to Bank's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The controls and processes are being reviewed periodically. The Bank has a mechanism of testing the controls and processes at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

RELATED PARTY TRANSACTIONS

The Bank has always been committed to good corporate governance practices, including matters relating to the Related Party Transactions ('RPTs'). All the RPTs that were entered into during the financial year were on an arm's length basis and were in ordinary course of business. Transactions entered into by the Bank with related parties in the normal course of its business were placed before the Audit Committee of the Board ('ACB'). Prior omnibus approval for normal banking transactions is also obtained from the ACB for the RPTs which are repetitive in nature as well as for the normal banking transactions which cannot be foreseen. A statement giving details of all RPTs, entered pursuant to the omnibus approval so granted, is placed before the ACB for their review.

In terms of Regulation 23(9) of the SEBI Listing Regulations, the Bank submits the disclosure of RPTs, in a prescribed format, on half yearly basis to the Stock Exchanges.

There were no transactions entered into individually or taken together with the previous transactions during the financial year with related parties, which were not in the normal/ordinary course of the business of the Bank, nor were there any transactions with related parties or others, which were not on an arm's length basis. Hence, pursuant to Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, as amended, there are no RPTs to be reported under Section 188(1) of the Act. Hence, Form AOC-2 is not applicable to the Bank.

The Bank has not entered into any material financial or commercial transactions with its subsidiaries and other related parties as per Accounting Standard - 18 and the SEBI Listing Regulations that may have potential conflict with the interest of the Bank at large.

During FY 2024-25, the Bank had entered into a material related party transaction in terms of SEBI Listing

Regulations with Goldman Sachs (India) Capital Markets Private Limited, in the ordinary course of business and on arms-length basis. The details in this respect is provided in the Corporate Governance Report forming part of this Annual Report.

Pursuant to the provisions of the Companies Act and the rules made thereunder, SEBI Listing Regulations and in the back-drop of the Bank's philosophy on such matters, the Bank has in place a Board approved policy on related party transactions. The said policy is also uploaded on the Bank's website at www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Policies' section.

INFORMATION/ CYBER SECURITY FRAMEWORK

The Bank since its inception has put in place a robust Information/ Cyber Security Framework. The Bank has Information Security woven into its banking platform and seamlessly merges both culturally and technologically.

The Bank has strategically invested in a diverse team comprising security partners, subject matter experts (SMEs), specialist teams, and robust processes to orchestrate, construct, manage, and oversee the Information Security operations of the Bank.

The Bank has put in place state of the art security technologies including several industries 'firsts' technology solutions and adopted 'defence in depth' approach & industry best practices as part of its security framework and architecture.

This year, while continuing its journey to mature its posture, Bank's focus will include new age threat mitigations and continue improving its deployment posture of the technologies invested in the previous years.

Bank continued to maintain and upkeep its compliance posture to standards such as ISO 27001 ISMS (Information Security Management System), PCI DSS (Payment Card Industry Data Security Standard) and regulatory requirements. Given the changing threat landscape, the attempt is to progressively move towards maturity of proactive and adaptive platforms for automated detection, response, recovery and resilience.

BOARD EVALUATION

The Board members carries out an annual evaluation of the Board, Board Committees, and Individual Directors, including Chairperson, pursuant to the provisions of the Companies Act and the SEBI Listing Regulations.

The evaluation brings out the cohesiveness of the Board, a Boardroom culture of trust and co-operation, and Boardroom discussions which are open, transparent and encourage diverse viewpoints. Other areas of strength includes effective discharge of Board's roles and responsibilities.

The detailed process indicating the manner in which the annual evaluation has been carried out pursuant to the SEBI Listing Regulations and Companies Act, is provided in the Corporate Governance Report, which forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as required by Regulation 34(2)(e) of the SEBI Listing Regulations, forms part of this Annual Report.

REPORT ON CORPORATE GOVERNANCE

Your Directors are committed to achieve the highest standards of Corporate Governance. A separate section on Corporate Governance standards followed by our Bank and the relevant disclosures, as stipulated under the SEBI Listing Regulations, Companies Act, and rules made thereunder forms part of this Annual Report.

A certificate from the Secretarial Auditors of the Bank, M/s. Makarand M. Joshi & Company, Practicing Company Secretaries, confirming compliance to the conditions of Corporate Governance as stipulated under the SEBI Listing Regulations is enclosed in the Corporate Governance Report and forms part of this Annual Report.

CEO & CFO Certification

A certificate issued by Mr. V. Vaidyanathan, MD & CEO and Mr. Sudhanshu Jain, Chief Financial Officer & Head - Corporate Centre of the Bank, in terms of Regulation 17(8) of the SEBI Listing Regulations, for the year under review was placed before the Board and forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, it is hereby confirmed that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as on March 31, 2025 and of the profit of the Bank for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis;

- e. the Directors had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEPOSITS

Being a Banking Company, the disclosures required as per Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, as amended, read with Sections 73 and 74 of the Companies Act, are not applicable to our Bank.

As per the applicable provisions of the Banking Regulation Act, details of the Bank's deposits have been included under Schedule 3 - Deposits, in the preparation and presentation of the financial statements of the Bank.

PARTICULARS OF LOANS, GUARANTEES, AND INVESTMENTS

Pursuant to Section 186 (11) of the Companies Act, the provisions of Section 186 of the Companies Act, except sub-section (1), do not apply to a loan made, guarantee given, or security provided, or any investment made by a banking company in the ordinary course of business. The particulars of investments made by the Bank are disclosed in Schedule 8 - Investments of the Financial Statements as per the applicable provisions of the Banking Regulation.

REQUIREMENT FOR MAINTENANCE OF COST RECORDS

The Bank is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act.

INSTANCES OF FRAUD, IF ANY, REPORTED BY THE AUDITORS

During the year under review, no instances of fraud committed against the Bank by its officers or employees were reported by the Statutory Auditors and Secretarial Auditors under Section 143(12) of the Companies Act to the ACB or the Board.

The details of provisioning pertaining to Fraud Accounts during the year under review are provided in Note No. 18.05(g) to the Standalone Financial Statements as at March 31, 2025.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report, in terms of Regulation 34(2)(f) of the SEBI Listing Regulations, describing the initiatives taken by IDFC FIRST Bank from an environmental, social and governance perspective is hosted on the Bank's website at www.idfcfirstbank.com under 'Investors' → '[View All Annual Reports](#)' and constitutes



a part of this Annual Report. Further, in terms of the said regulation, the Bank will obtain reasonable assurance on BRSR Core from TUV India Private Limited ('TUV'). The assurance statement issued by TUV will form part of the BRSR provided on the website.

ESG, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Our Bank's ESG approach primarily straddles three key priorities. These include integrating ESG into the Bank's products and services; building a culture of sustainability within the organisation; and driving initiatives that can create large-scale impact. Towards this extent, the Bank has introduced products such as electric vehicles financing and green deposits for customers; engaged its employees with dedicated ESG sessions; and have taken initiatives that can further the sustainability imperative. These efforts continue to scale, under the guidance from the Bank's Corporate Social Responsibility & ESG Committee. The Bank is also an official participant of the United Nations Global Compact. As a result of its ESG strategy and initiatives, the Bank continues to be scored by several external ESG rating agencies, across which it has seen progressively improving performance.

Detailed initiatives taken for environmental management and conservation of energy have been mentioned in the Annual Report and Business Responsibility and Sustainability Report, which are hosted on the Bank's website at www.idfcfirstbank.com under 'Investors' → 'View All Annual Reports'.

Also, our Bank has been increasingly using information technology in its operations, for more details, please refer Management Discussion and Analysis Report, which forms part of this Annual Report.

Further, Foreign Exchange earnings and outgo are part of the normal banking business of the Bank.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status or the operations of the Bank.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Bank.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE BANK

There are no material changes and commitments, affecting the financial position of the Bank between the end of the financial year of the Bank i.e. March 31, 2025 and the date of the Board Meeting in which the Directors' Report was approved i.e. April 26, 2025.

INTERNAL OMBUDSMAN

In compliance with regulatory guidelines, Mr. Ramesh Garimella is appointed as the Internal Ombudsman of the Bank, to enhance our Bank's customer grievance redressal mechanism and to improve service delivery.

EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is appended as **ANNEXURE 3** to this report.

In terms of Section 197(12) of the Companies Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in said rules forms part of this Annual Report and any member interested may obtain the said statement by writing to the Company Secretary of the Bank.

In accordance with the provisions of Section 136(1) of the Companies Act, the Annual Report excluding the aforesaid information, is being sent to the members of the Bank and others entitled thereto.

Employee Stock Option Scheme

The Employee Stock Option Scheme ('IDFC FIRST Bank ESOS - 2015/ 'ESOS') was framed with an object of encouraging higher participation on the part of employees in the Bank's growth and success. An effective stock option scheme enables retention of talent and aligning employee interest to that of the shareholders.

There were 17,85,41,835 stock options outstanding at the beginning of FY 2024-25. During FY 2024-25, 7,34,41,368 stock options were granted to the eligible employees under IDFC FIRST Bank ESOS - 2015.

Further, 1,45,05,455 stock options had lapsed/forfeited and 2,17,71,003 stock options were exercised during the year ended March 31, 2025. Accordingly, 21,57,19,318 stock options remained outstanding as on March 31, 2025. All stock options vests in a graded manner and are required to be exercised within a specific period in accordance with IDFC FIRST Bank ESOS - 2015 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ['SEBI (SBEB & SE) Regulations'].

There has been no material change in IDFC FIRST Bank ESOS - 2015 during FY 2024-25 and the said IDFC FIRST Bank ESOS - 2015 is in compliance with the SEBI (SBEB & SE) Regulations.

The details and disclosures with respect to ESOS as required under SEBI (SBEB & SE) Regulations and circulars issued thereunder, have been uploaded on the Bank's

website www.idfcfirstbank.com under 'Investors' → '[View All Annual Reports](#)'.

Further, disclosure as per the 'Guidance Note on Accounting for Employee Share-based Payments' issued by the Institute of Chartered Accountants of India, are appearing under the Note 18.24 to the Standalone Financial Statements of IDFC FIRST Bank, forming part of this Annual Report.

STATUTORY AUDIT

The Reserve Bank of India vide its Circular No. RBI/2021-22/25 Ref. No. DoS.CO.ARG/ SEC.01/08.91.001/2021-22 dated April 27, 2021, had issued the Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ('**RBI Guidelines**').

Pursuant to the RBI Guidelines, the Bank is required to appoint at least two (2) Joint Statutory Auditors, considering its asset size (i.e. more than ₹15,000 crore). Accordingly, the Members at their 8th AGM of the Bank held on August 5, 2022, had approved the appointment of Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166) as one of the Joint Statutory Auditors of the Bank, for a period of 3 years, i.e. from the conclusion of 8th AGM until the conclusion of the 11th AGM.

Also, pursuant to expiry of term of MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), the Members at their 10th AGM of the Bank held on August 30, 2024, had approved the appointment of M/s. M.P. Chitale & Co., Chartered Accountants (Firm Registration No. 101851W) as one of the Joint Statutory Auditors of the Bank, for a period of 3 years, i.e. from the conclusion of 10th AGM until the conclusion of the 13th AGM.

In terms of RBI Guidelines, the appointment of M/s. M.P. Chitale & Co., is subject to it satisfying the eligibility norms and approval of the RBI, each year. Accordingly, the Board of Directors of the Bank recommends to RBI for approval, the appointment of M/s. M.P. Chitale & Co., Chartered Accountants, for its second year, as one of the Joint Statutory Auditor.

Since Kalyaniwalla & Mistry LLP, Chartered Accountants would be completing 3 years of continuous association with the Bank at the conclusion of the 11th AGM, which is maximum permitted tenure as per RBI Guidelines, the Bank is required to appoint a new Joint Statutory Auditor in place of Kalyaniwalla & Mistry LLP, Chartered Accountants. Accordingly, the Bank is in the process of identifying the Statutory Auditor in place of Kalyaniwalla & Mistry LLP.

Further, in terms of the provisions of Section 139 of the Companies Act, the appointment of Statutory Auditors is subject to approval of Members. Accordingly, the proposal of appointment of one of the Joint Statutory Auditor in place of Kalyaniwalla & Mistry LLP will be placed before the Members of the Bank at the ensuing AGM for their approval and would be forming part of the AGM Notice.

Auditors' Report

There were no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors in their report for the financial year ended March 31, 2025.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, the Bank had appointed M/s. Makarand M. Joshi & Co., Practicing Company Secretaries to undertake the Secretarial Audit of the Bank for the financial year ended March 31, 2025.

There were no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors in their report for the financial year ended March 31, 2025. The Secretarial Audit Report is appended as **ANNEXURE 4** to this report. Further the report is self explanatory.

Further, pursuant to the provision of SEBI Listing Regulations, the proposal for appointment of Secretarial Auditors of the Bank will be placed before the Members of the Bank at the ensuing AGM for their approval and would be forming part of the AGM Notice.

CONCURRENT AUDIT

Our Bank has established a robust and well-structured process for conducting concurrent audits across key functions and processes, including treasury, trade finance operations, retail and wholesale banking operations, information technology, SWIFT, office accounts etc., in line with the extant regulatory guidelines. The audits are executed by empanelled, renowned Chartered Accountant / CERT-IN certified firms. The key findings from these audits are presented to the ACB of the Board on a periodic basis.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, the Annual Return as on March 31, 2025 is available on the Bank's website www.idfcfirstbank.com under 'Investors' → '[View All Annual Reports](#)'

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Disclosures in relation to Whistle Blower Policy and Vigil Mechanism forms part of Corporate Governance Report.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

Our Bank has complied with the provisions relating to constitution of Internal Committee to investigate and inquire into sexual harassment complaints in line with 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013'.

Our Bank has in place a policy on Anti-Sexual Harassment, which reflects the Bank's zero-tolerance towards any form of prejudice, gender bias and sexual harassment at the workplace. Our Bank undertakes ongoing trainings to create awareness on this policy.



Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 forms part of Corporate Governance Report.

AWARDS AND RECOGNITIONS

During the year under review, our Bank was recognized in various ways and the significant awards presented to our Bank are listed below:

- IDFC FIRST Bank wins FE India's Best Banks Award for best 'Savings Product'
- IDFC FIRST Bank wins The Great Indian Corporate Communication Team of the Year in Banking Award
- Automobile Lending Initiative
- Digital Consumer Banking Initiative of the Year – India
- Financial Inclusion Initiative of the Year – India
- The Brandon Hall Group recognizes IDFC FIRST Bank for its Candidate Onboarding experience
- IDFC FIRST Bank wins the Best Mid-Sized Bank Award
- Capital Finance International recognizes IDFC FIRST Bank for the Best Mobile Banking App 2024
- IDFC FIRST Bank wins the International Banker Award for the Best Innovation in Retail Banking India
- IDFC FIRST Bank has been honored with the Award for Best Bank for Creating Awareness among MSMEs, (Private Sector) by the Chamber of Indian Micro and Small Enterprises (CIMSME)
- IDFC FIRST Bank has been honored with the Jury Special Award for Supporting MSMEs
- IDFC FIRST Bank wins the Best MSME Friendly Bank (Private Sector) Award
- IDFC FIRST Bank has been recognized as India's Leading Private Bank (Mid) at Dun & Bradstreet's BFSI & Fintech Summit 2025

- IDFC FIRST Bank wins the Best Private Sector Bank Award
- IDFC FIRST Bank wins Best Private Sector Bank by M1 TReDS Exchange

GREEN INITIATIVE

To support the 'Green Initiative', the members who have not updated their e-mail addresses are requested to update the same with their respective Depository Participants ('DPs'), in case shares held are in electronic form or communicate their e-mail address to the Registrar and Share Transfer Agent i.e. KFin Technologies Limited or to the Bank, in case shares are held in physical form, so that future communications can be sent to members in electronic mode. Note on Green Initiative forms part of the 11th AGM Notice.

ACKNOWLEDGMENT

Your Directors would like to place on record their gratitude for all the guidance and co-operation received from the Reserve Bank of India and other government and regulatory agencies. The Board would also like to take this opportunity to express appreciation to its valued customers for their continued patronage and to the members of the Bank for their continued support.

Your Directors sincerely acknowledge the commitment and hard work put in by all employees of the Bank through its transformational journey. Their valuable contribution has enabled the Bank to make significant progress towards building a great institution.

For and on behalf of the Board of Directors of
IDFC FIRST Bank Limited

Sanjeeb Chaudhuri

Chairperson

DIN: 03594427

Date : April 26, 2025

Place : Mumbai

ANNEXURE 1

Form No. AOC -1

Statement containing Salient Features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures as on the Financial Year ended on March 31, 2025

[Pursuant to first proviso to Section 129(3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014, as amended]

A. SUBSIDIARIES

(₹ in crore)

Sr. No.	Name of Subsidiary Company	Date since when subsidiary was acquired	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities (Note 3)	Investments	Turnover	Profit Before Tax	Provision For Tax	Profit After Tax	Proposed Dividend (%)	% of Shareholding
1	IDFC FIRST Bharat Limited	October 13, 2016	5.58	140.02	353.45	207.85	-	1,008.01	7.55	1.91	9.46	-	100%

Notes:

- Names of Subsidiaries which are yet to commence operations: Not Applicable
- Names of Subsidiaries which have been liquidated or sold during the year: Not Applicable
- Total Liabilities is excluding Share Capital and Reserves & Surplus
- Numbers are as per IND-AS financial statements

B. ASSOCIATES AND JOINT VENTURES

Sr. No.	Name of Associate Company	Millennium City Expressways Private Limited (Note 3)	Jetpur Somnath Tollways Private Limited
1	Date on which the Associate or Joint Venture was associated or acquired	October 21, 2014	October 01, 2024 Refer Note 5
2	Latest audited Balance Sheet Date	March 31, 2025	March 31, 2025
3	Shares of Associate held by the Bank on the year end		
	Number of equity shares	21,88,83,431	4,26,37,400
	Number of preference shares	-	8,95,54,490
	Amount of Investment in Associate Company (₹ in crore)	218.88	132.19
	Extent of Holding (%)	29.31%	26.00%
4	Description of how there is significant influence	Extent of equity holding in the associate company exceeds 20%	Extent of equity holding in the associate company exceeds 20%
5	Reason why the Associate is not consolidated	Refer Note 4	Refer Note 5
6	Net worth attributable to Bank's Shareholding as per latest audited Balance Sheet (₹ in crore)	Nil	Nil
7	Profit/ (Loss) for the year ended March 31, 2025	(₹ in crore)	
	I. Considered in Consolidation	(68.34) Refer Note 4	-
	II. Not considered in Consolidation	-	Refer Note 5

Notes:

- Names of Associates or Joint Ventures which are yet to commence operations: Not Applicable
- Names of Associates or Joint Ventures which have been liquidated or sold during the year: Not Applicable
- The financials of Millennium City Expressways Private Limited for the year ended March 31, 2025 are unaudited
- The Bank has considered the financials of Millennium City Expressways Private Limited for consolidation purpose. Further, the Millennium City Expressways Private Limited is a loss making entity and has accumulated losses more than Bank's investment in it. Hence, there is no impact on the Bank's consolidated financials as the investment in 'Millennium City Expressways Private Limited' is fully provided.



- 5 Upon composite scheme of amalgamation becoming effective from October 01, 2024, Jetpur Somnath Tollways Private Limited (associate of eIDFC Limited) became an associate company of the Bank, which was fully provided for in the books of the erstwhile IDFC Limited (provision of ₹ 132.19 crore). The Bank has not considered this in the consolidated financial statements since the Bank is required to divest its stake to 10% or less of paid-up equity share capital of the associate company, as directed by the RBI.

For and on behalf of the Board of Directors of IDFC FIRST Bank Limited

V. Vaidyanathan

Managing Director & Chief Executive Officer
DIN: 00082596

Sundara Iyer Ganesh Kumar

Independent Director
DIN: 07635860

Sudhanshu Jain

Chief Financial Officer and Head-Corporate Centre

Satish Gaikwad

General Counsel and Company Secretary

Date : April 26, 2025

Place : Mumbai

ANNEXURE 2

Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. Brief outline on CSR Policy of the Bank:

The Corporate Social Responsibility ('CSR') policy is to ensure that CSR activities are not performed in silos and that it be skillfully and inextricably woven into the fabric of the Bank's business strategy for overall value creation for all stakeholders. As a conscientious corporate citizen, IDFC FIRST Bank believes in a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the people, preferably in the immediate vicinity in which the Bank operates but at the same time ensure widespread spatial distribution of its CSR activities Pan-India. In accordance with the provisions of Section 135 of Companies Act, 2013 ('Companies Act') read with Companies (Corporate Social Responsibility Policy) Rules 2014, as amended, the Bank was required to spend ₹ 42.40 crore on CSR activities during the FY 2024-25, subject to set-off available from previous years. Accordingly, the Bank carried out CSR activities itself directly and through various not-for-profit implementing partners/ agencies.

IDFC FIRST Bank undertook the following CSR activities which fall within the ambit of the activities listed in Schedule VII of the Companies Act, majorly for promoting the development of:

- Livelihoods & Entrepreneurship
- Education
- Environment
- Others

2. Composition of CSR Committee:

The Committee met four times during FY 2024-25.

Sr. No.	Name of Director	Designation Nature of Directorship	Number of CSR Committee meetings attended during the year
1.	Mr. V. Vaidyanathan	Chairperson MD & CEO	4/4
2.	Ms. Matangi Gowrishankar	Member Independent Director	4/4
3.	Mr. Sanjeeb Chaudhuri	Member Independent Director	4/4
4.	Mr. Uday Bhansali ¹	Member Independent Director	2/2
5.	Dr. (Mrs.) Brinda Jagirdar ²	Member Independent Director	3/3

Notes:

- Mr. Uday Bhansali was appointed as the member of the Committee w.e.f. October 19, 2024.
- Dr. (Mrs.) Brinda Jagirdar ceased to be an Independent Director of the Bank w.e.f. close of business hours on December 17, 2024

3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Bank

- Composition of the CSR Committee shared above and is available on the Bank's website at <https://www.idfcfirstbank.com/content/dam/idfcfirstbank/pdf/corporate-governance/IDFC-FIRST-Bank--Composition-of-Board-level-Committees.pdf>
- CSR policy - <https://www.idfcfirstbank.com/content/dam/idfcfirstbank/images/csr-pages/csr-new/Corporate-Social-Responsibility-Policy.pdf>
- CSR projects - <https://www.idfcfirstbank.com/csr-activities>

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable.

The Bank takes cognizance of sub-rule (3) of Rule 8 of the Companies CSR Rules 2014, as amended. There are no projects undertaken or completed for the FY 2024-25, for which the impact assessment was required.



5. (a) Average net profit of the Bank as per sub-section (5) of section 135: ₹ **2119.91 crore**
- (b) Two percent of average net profit of the Bank as per sub-section (5) of section 135: ₹ **42.40 crore**
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: ₹ **0.04 crore¹**
- (d) Amount required to be set-off for the financial year, if any: ₹ **40.77 crore**
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ **1.67 crore**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **30.31 crore**
- (b) Amount spent in Administrative Overheads: ₹ **1.59 crore**
- (c) Amount spent on Impact Assessment, if applicable: **Not applicable**
- (d) Total amount spent for the financial year [(a)+(b)+(c)]: ₹ **31.90 crore²**
- (e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the financial year (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
31.90	NIL	Not Applicable	Not Applicable	NIL	Not Applicable

(f) **Excess amount for set-off, if any:**

Sr. No.	Particular	Amount (₹ in crore)
i.	Two percent of average net profit of the company as per sub-section (5) of Section 135	1.63 ³
ii.	Total amount spent for the financial year	31.90 ²
iii.	Excess amount spent for the financial year [(ii)-(i)]	30.27
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.04 ¹
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	30.23 ²

Notes:

- The Surplus arising out of the CSR Projects or programmes or activities of the previous financial year(s) was ₹ 0.12 crore, out of which ₹ 0.08 crore was utilized by the implementing agencies in the previous FY 2023-24 and ₹ 0.04 crore was carried forward as CSR obligation for the current FY 2024-25.
- During the financial year ended March 31, 2025, the Bank spent ₹ 31.90 crore towards CSR projects (including ₹ 0.04 crore spent out of surplus/interest from previous year and net of refund of ₹ 0.03 crore from previous years). Accordingly, the net balance available for set-off in the succeeding financial years is ₹ 30.23 crore.
- In terms of Section 135 of the Companies Act, the CSR obligation for the Bank for FY 2024-25 was ₹ 42.40 crore. The Bank has utilized the amount available for set-off from previous years and accordingly the amount required to be spent during the financial year 2024-25 as per Section 135(5) of the Companies Act, will be ₹ 1.63 crore.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: Not Applicable

1 Sr. No.	2 Preceding financial year(s)	3 Amount transferred to Unspent CSR account under sub- section (6) of section 135 (₹ In crore)	4 Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (₹ in crore)	5 Amount Spent in the financial year (₹ in crore)	6 Amount Spent in the financial year (₹ in crore)		7 Amount remaining to be spent in succeeding financial years (₹ in crore)	8 Deficiency, if any
					Amount (₹ in crore)	Date of Transfer		
1	Not Applicable							
2								
3								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

☒ Yes ☐ No

If Yes, enter the number of Capital assets created/ acquired **2**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin-code of the property or asset(s)	Date of Creation*	Amount of CSR amount spent (₹ in crore)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
1	Civil & Interior Construction/ Renovation work for Delhi School of Economics	110007	November 14, 2024, March 21, 2025	0.25	Not Applicable	Delhi School of Economics	Delhi School of Economics, University of Delhi, North Campus Delhi 110007, India.
2	Software License for Delhi School of Economics	110007	March 28, 2025	0.49			
Total				0.74			

* This represents the date of payment made

9. Specify the reason(s), if the Bank has failed to spend two percent of the average net profit as per sub- section (5) of section 135: Not Applicable

For and on behalf of the Board of Directors of IDFC FIRST Bank Limited

Sanjeeb Chaudhuri

Chairperson
DIN: 03594427

V. Vaidyanathan

Chairman – CSR Committee
Managing Director & Chief Executive Officer
DIN: 00082596

Date : April 26, 2025
Place : Mumbai



ANNEXURE 3

Details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended:

I. Ratio of Remuneration of each director to the median employees' remuneration for the FY 2024-25

Sr. No.	Name of the Director/KMP	Designation	Ratio
1.	Mr. Sanjeeb Chaudhuri	Part-Time Non-Executive Chairperson (Independent)	10.91 : 1
2.	Mr. V. Vaidyanathan	Managing Director & Chief Executive Officer	93.84 : 1
3.	Mr. Pradeep Natarajan ¹	Executive Director	65.12 : 1
4.	Mr. Aashish Kamat	Independent Director	9.24 : 1
5.	Ms. Matangi Gowrishankar	Independent Director	8.96 : 1
6.	Mr. Pravir Vohra	Independent Director	10.77 : 1
7.	Mr. S. Ganesh Kumar	Independent Director	10.22 : 1
8.	Mrs. Pankajam Sridevi ²	Independent Director	4.35 : 1
9.	Mr. Uday Bhansali ²	Independent Director	5.60 : 1
10.	Mr. Sudhir Kapadia ³	Independent Director	3.41 : 1
11.	Dr. (Mrs.) Brinda Jagirdar ⁴	Independent Director	7.49 : 1
12.	Dr. Jaimini Bhagwati ⁵	Non-Executive Non-Independent Director	3.01 : 1
13.	Mr. Mahendra N. Shah ^{6/7}	Non-Executive Non-Independent Director	-
14.	Mr. Vishal Mahadevia ^{6/8}	Non-Executive Non-Independent Director	-

Notes :

- Mr. Pradeep Natarajan was appointed as an Executive Director of the Bank, with effect from June 01, 2024.
- Mrs. Pankajam Sridevi and Mr. Uday Bhansali were appointed as an Independent Directors of the Bank, with effect from September 27, 2024.
- Mr. Sudhir Kapadia was appointed as an Independent Director of the Bank, with effect from October 26, 2024.
- Dr. (Mrs.) Brinda Jagirdar ceased to be an Independent Director of the Bank, with effect from close of business hours on December 17, 2024.
- Dr. Jaimini Bhagwati ceased to be a Non-Executive Non-Independent Director of the Bank, with effect from close of business hours on September 09, 2024.
- Mr. Mahendra N. Shah and Mr. Vishal Mahadevia, Non-Executive Non-Independent Directors of the Bank, had opted not to receive any fixed remuneration and sitting fees from the Bank, during their tenure with the Bank.
- Mr. Mahendra N. Shah ceased to be a Non-Executive Non-Independent Director of the Bank, with effect from close of business hours on August 29, 2024.
- Mr. Vishal Mahadevia ceased to be a Non-Executive Non-Independent Director of the Bank, with effect from close of business hours on October 01, 2024.

II. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the FY 2024-25

Sr. No.	Name of the Director/KMP	Designation	Percentage Increase
1.	Mr. V. Vaidyanathan	KMP: MD & CEO	7.36%
2.	Mr. Sudhanshu Jain	KMP: Chief Financial Officer & Head – Corporate Centre	9.85%
3.	Mr. Satish Gaikwad	KMP: General Counsel and Company Secretary	15.30%
4.	Mr. Pradeep Natarajan	KMP: Executive Director	Nil

Note

- The remuneration considered for the purpose of aforesaid tables is Total Fixed Pay. For MD & CEO, the components of remuneration are as per RBI approval and it also includes perquisites as per Income Tax Act.
- Mr. Pradeep Natarajan was appointed as an Executive Director of the Bank w.e.f. June 01, 2024.

Independent/ Non-Executive Directors ('NEDs'):

The RBI vide its circular RBI/2023-24/121DoR.HGG.GOV.REC.75/29.67.001/2023-24 on 'Review of Fixed Remuneration granted to Non-Executive Directors' dated February 9, 2024 ('**RBI circular**'), revised the ceiling of Fixed Remuneration under the RBI circular no. RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 titled 'Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board' dated April 26, 2021 for payment of compensation to NEDs in the form of a Fixed Remuneration in addition to sitting fees and expenses related to attending meetings of the Board and its committees as per extant statutory norms/ practices from ₹20 lakh per annum to ₹30 lakh per annum.

Pursuant to aforesaid RBI circular and basis the recommendations of the NRC and the Board, the shareholders of the Bank, at the 10th Annual General Meeting ('**AGM**') of the Bank held on August 30, 2024, approved the fixed remuneration of the NEDs (except Chairperson of the Board) of the Bank upto amount not exceeding ₹30 lakh per annum, with effect from the Financial Year 2024-25, in addition to payment of sitting fees and reimbursement of out of pocket expenses for attending the meetings of Board and Committees thereof, in supersession of the earlier resolution passed by the members at the 7th AGM held on September 15, 2021.

Based on the overall limit of fixed remuneration approved by shareholders of the Bank and recommendation of the Nomination and Remuneration Committee, the Board approved a fixed remuneration of ₹26 lakh per annum payable to NEDs (except Chairperson of the Board) for FY 2024-25. The said remuneration is within the overall limit of fixed remuneration as per RBI circular and as approved by the shareholders at its 10th AGM of the Bank.

In accordance with the approval received from RBI vide its letter dated August 25, 2021 and based on the approval of shareholders of the Bank through Postal Ballot on December 03, 2021, Mr. Sanjeeb Chaudhuri, Part-Time Non-Executive Chairperson (Independent) was paid a remuneration of ₹24 lakh per annum for his position as Chairperson of the Board for period of three (3) years effective from August 25, 2021 to August 24, 2024 (both days inclusive). Further, pursuant to the approval received from RBI vide its letter dated June 14, 2024 and approval of shareholders of the Bank at the 10th AGM held on August 30, 2024, Mr. Chaudhuri is paid a remuneration of ₹30 lakh per annum for his position as Chairperson of the Board, with effect from his re-appointment i.e. from August 25, 2024. Mr. Chaudhuri is also paid sitting fees for attending Board and Committee meetings and reimbursement of expenses incidental thereto.

In addition to fixed remuneration, the NEDs are also paid sitting fees. Based on the recommendation of the NRC, the Board approved sitting fees to be paid to NEDs at ₹1,00,000 per Board meeting and ₹82,500 per Committee meeting.

III. The percentage increase in the median remuneration of Employees in the financial year

The median remuneration of the employees of IDFC FIRST Bank Limited increased by 9.49% in the financial year.

Remuneration includes Total Fixed Pay of all employees.

IV. The number of permanent Employees on the rolls of the Bank

There were 42,190 permanent employees on the rolls of the Bank as on March 31, 2025.

V. Average percentage increase already made in the salaries of Employees other than the Managerial Personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Average percentage increase inclusive of Key Managerial Personnel for the last financial year is 7.36%.

Average percentage increase for all employees other than the Key Managerial Personnel for the last financial year is 7.34%.

The average increase in the remuneration of employees compared to the increase in remuneration of Managerial Personnel is in line with the market bench mark study.

VI. Affirmation that the remuneration is as per the remuneration policy of the Bank

The Bank affirms that the remuneration is as per the remuneration policy of the Bank, as applicable.

**For and on behalf of the Board of Directors of
IDFC FIRST Bank Limited**

Sanjeeb Chaudhuri
Chairperson
DIN: 03594427

Date : April 26, 2025
Place : Mumbai



ANNEXURE 4

FORM NO. MR.3 SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
IDFC FIRST Bank Limited
KRM Tower, 7th Floor, No. 1,
Harrington Road, Chetpet,
Chennai - 600031

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IDFC FIRST Bank Limited** (hereinafter called "the Bank"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2025 (hereinafter called the "Audit Period") complied with the statutory provisions listed hereunder and also that the Bank has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Bank for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment

and External Commercial Borrowings (**Not Applicable to the Bank during the Audit Period**);

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable to the Bank during the Audit Period**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable to the Bank during the Audit Period**).

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder (Hereinafter referred as "**Listing Regulations**").

During the audit period the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under.

The Bank entered into material related party transaction with Goldman Sachs (India) Capital Markets Private

Limited, related party of the Bank, without obtaining prior approval shareholders as per regulation 23 of Listing Regulations. However, the transaction was subsequently approved by the shareholders.

We further report that, having regard to the compliance system prevailing in the Bank and on the examination of the relevant documents and records in pursuance thereof, on test -check basis the Bank has complied with the following specific law to the extent applicable to the Bank:

- The Banking Regulation Act, 1949 read with applicable circulars/ notifications/ guidelines, etc. issued by RBI from time to time;
- The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;
- The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018;
- Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

We further report that

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in few case where meeting is convened at a shorter notice for which necessary approvals obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines. The adequacy and efficacy of the same shall be read in the context of remarks made in this report.

We further report that during the audit period, the Bank has undertaken the following events/ actions:

1. Issued and allotted 39,68,74,600 equity shares of face value of ₹ 10 each fully paid up, at a price of ₹ 80.63 per equity share (including premium of ₹ 70.63) through preferential issue on a Private placement basis.

2. Approved issuance of debt securities on private placement basis, up to an amount not exceeding ₹5,000 crore by passing special resolution in 10th Annual General Meeting held on August 30, 2024.
3. An order received by National Company Law Tribunal, Chennai Bench, Chennai dated September 25, 2024 for sanctioning composite scheme of amalgamation for amalgamation of (i) IDFC Financial Holding Company Limited ('IDFC FHC') into and with IDFC Limited, and (ii) IDFC Limited into and with the Bank with effect from October 01, 2024. Pursuant to amalgamation, the bank has made allotment of 2,47,99,75,876 equity shares of ₹ 10 each.
4. National Stock Exchange of India Limited has levied a fine of ₹ 15,90,000 in a matter pertaining to IDFC Limited (later merged with Bank) regarding delay in compliance of Regulation 17(1) of the Listing regulations, where the composition of Board of Directors of IDFC Limited fell below the requisite limit.
5. Reduced its authorised share capital from ₹ 2,29,05,10,00,000 to (comprising of 21,86,71,00,000 Equity Shares of ₹ 10 each and 10,38,00,000 Preference Shares of ₹ 100 each) to ₹ 1,40,00,00,00,000 (comprising of 12,96,20,00,000 Equity Shares of ₹ 10 each and 10,38,00,000 Preference Shares of ₹ 100 each) by cancelling its equity shares, which have not been issued, taken or agreed to be taken by any person and diminishing the amount of Authorised Share Capital of the Bank by an amount of ₹ 89,05,10,00,000 (comprising of 8,90,51,00,000 Equity Shares of ₹10 each) in compliance with Section 12(1)(i) of the Banking Regulation Act, 1949 and consequently amended the existing Clause V of the Memorandum of Association of the Bank .
6. Issued and allotted 2,17,71,003 equity shares under IDFC FIRST Bank Employee Stock Option Scheme 2015.

For **Makarand M. Joshi & Co.**

Company Secretaries

ICSI UIN: P2009MH007000

Peer Review Cert. No.: 6290/2024

Kumudini Bhalerao

Partner

FCS No. 6667

CP No. 6690

UDIN: F006667G000208704

Date: April 26, 2025

Place: Mumbai

**This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*



Annexure A

To

The Members,

IDFC FIRST Bank Limited

KRM Tower, 7th Floor, No. 1,

Harrington Road, Chetpet,

Chennai – 600031

Our Secretarial Audit Report for the financial year ended March 31, 2025 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For Makarand M. Joshi & Co.

Company Secretaries

ICSI UIN: P2009MH007000

Peer Review Cert. No.: 6290/2024

Kumudini Bhalerao

Partner

FCS No. 6667

CP No. 6690

UDIN: F006667G000208704

Date: April 26, 2025

Place: Mumbai

MANAGEMENT DISCUSSION & ANALYSIS

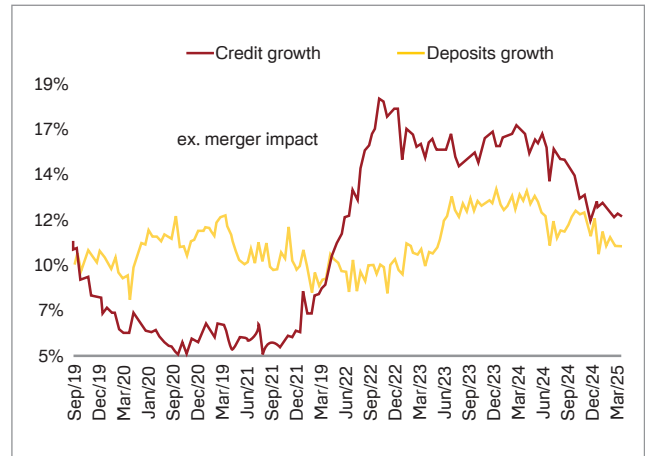
GLOBAL MACRO-ECONOMIC ENVIRONMENT

The Fed initiated the rate cut cycle from September 2024 onwards, as inflation pressures eased. Policy rates were reduced by 100bps over September 2024 to December 2024. Core PCE inflation has eased from peak levels of 5.6%YoY in September 2022 to 2.5% in May 2025. Moderation was led by both goods and services. Meanwhile, growth in the US has held-up with continued growth in personal consumption and government expenditure. Household demand has been supported by net worth remaining above pre-pandemic levels and strong labour market. Unemployment rate remains near historical lows. That said, the labour market is now in balance with the gap between demand and supply of labour reducing. The Fed no longer sees labour market as a source of inflation pressures and policy focus is on preventing further weakness.

For 2025, the Fed has projected 50bps cut with FOMC projections showing rising risk of stagflation. 2025 GDP growth was revised-down to 1.7% from previous estimate of 2.1%. Core inflation for 2025 was revised-up to 2.8% from 2.5% previously. The tariff escalation has resulted in rising stagflationary risk. The FOMC members had begun to incorporate potential impact of the tariffs on US GDP growth, resulting in downward revision. Another factor for downward revision was due to weakness in consumer expenditure indicators.

The Fed has continued with reducing its balance sheet size by allowing treasury securities and MBS securities to mature. As on April 2025, Fed balance sheet contracted by US\$ 2.3 tn from post covid-19 peak levels. The Fed has progressively slowed the pace of balance sheet shrinkage, and the balance sheet size is expected to remain above pre-Covid-19 levels.

The reciprocal tariffs which were unveiled on April 2nd 2025, unleashed a wave of volatility across global markets. At peak tariff levels, markets started pricing-in rising recession risks in the US, resulting in sharp correction in US equity markets. Subsequently, tariff rates were reduced with President Trump announcing a 90-day pause to allow countries to negotiate bilateral trade agreements with the US. The massive risk-off triggered by the tariffs didn't benefit the dollar as US growth would be adversely affected.



Source: CEIC, IDFC FIRST Bank Economics

DOMESTIC MACRO-ECONOMIC ENVIRONMENT

FY25 GDP growth came in line with Government's advanced estimate at 6.5% from 9.2% in FY24. A number of one-off factors which had support growth in FY24 reversed in FY25. These include sharp slowdown in GDP deflator which had boosted real growth rate in FY24, decline in input costs which had supported companies profit growth and sharp reduction in fertilizer cost. Details reveal slowdown in investment growth while there was some pick-up in private consumption. The slowdown in investment reflects deceleration in government capital expenditure both at Centre and state government. Central government capital expenditure growth has slowed to 10.9% YoY in FY25 v/s 28.3% growth in FY24. At the state government level, the slowdown in capital expenditure was equally pronounced, to 6.1%YoY in FY25 from 26.7% in FY24. The slowdown in government capex was due to election and heavier than usual rainfall activity. On consumption, the improvement is likely reflective of pick-up in rural demand supported by strong crop output. Urban demand has likely remained weak due to sharp slowdown in real urban wage growth. This is reflected in FMCG sales volume growth and weakness in passenger vehicles sales.

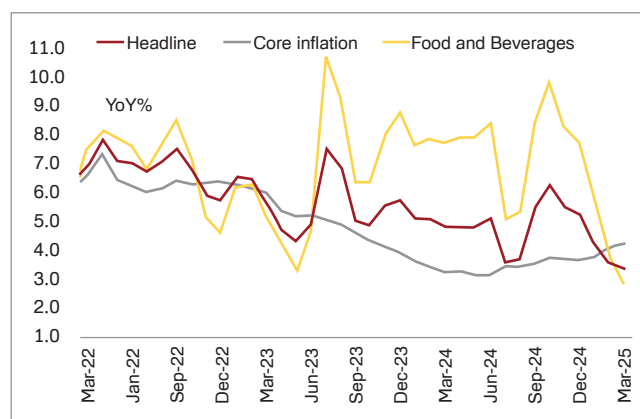
Sector details show slowdown in manufacturing growth in FY25, due to moderation in profit growth. The later reflects higher input cost and continued weakness in sales growth. Meanwhile, services sector did relatively better with companies' sales growth holding-up. Agriculture growth was on the stronger side with robust kharif and rabi crop output.



The slowdown in growth in FY25 reflected cumulative impact of contractionary fiscal policy, tight monetary policy and slowdown in credit growth. Fiscal policy became contractionary in FY25 due to sharp slowdown in capital expenditure by Centre and state governments. Central government fiscal deficit reduced to 4.8% of GDP in FY25 from 5.4% deficit in FY24. State government fiscal deficit was higher in FY25 at 3.2% of GSDP as per our estimate, due to moderation in grants from Centre.

Monetary policy became contractionary due to liquidity deficit averaging at ₹ 1.6 tn in Q4FY25 from surplus conditions in July to November 2024 (system liquidity averaging at ₹ 1.3 tn). The tight liquidity conditions was due to capital outflows due to rise in UST yields and dollar strength with US economy growth holding-up in 2024. The election of President Trump also resulted in rise in UST yields due to markets pricing-in inflationary risks from tariffs.

The tight liquidity conditions limited the pick-up in bank deposit growth which slowed to 10.5% YoY as on March 21, 2025 from 12.9% as on March 22, 2024 (ex. merger impact of a bank with a non-bank). Meanwhile, credit growth has remained higher than deposit growth since FY23 onwards. In FY25, credit growth slowed to 12.1% as on March 21, 2025 from 16.3% as on March 22, 2024 (ex. merger impact of a bank with a non-bank). The moderation in bank credit growth was led by rising credit cost as transmission of past rate hikes continued, constrained deposit growth and macro prudential norms. Despite the slowdown in credit growth, it continues to outpace deposit growth resulting in credit-to-deposit ratio rising to 79% as on March 2025 from 78% as on March 2024.



Source: CEIC, IDFC FIRST Bank Economics

RBI POLICY SHIFT – FOCUS ON GROWTH

For majority of FY25 the focus of RBI policy was on ensuring inflation moderates towards the 4% target on a durable basis. Headline inflation rose to 5.6% in Q3FY25 due to surge in food inflation pressures. Food and beverages inflation surged to 8.5% due to back-to-back supply-side shocks. Monsoon in 2024 was better distributed than last year with cumulative rainfall surplus of 8.0%. However,

there were spikes in vegetable prices due to unseasonal rainfall. Indeed, excluding vegetables, headline CPI inflation has remained moderate at 3.5% in FYTD25 (Apr-Feb). RBI kept policy rates unchanged till December 2024 as inflation remained above target rate.

From Q4FY25 onwards, Headline CPI inflation eased as food prices declined with improvement in supplies. Headline CPI eased to 3.3% as on March 2025. Despite the fluctuation in food inflation, core inflation remained near historical lows at 3.6% in FY25. Low core inflation indicated presence of negative output gap, with the economy growth below potential.

The easing of headline CPI inflation opens policy space to ease monetary policy. RBI initiated the rate cutting cycle in February 2025, cutting policy rates by 100bps over February to June. Policy focus shifted towards supporting growth with inflation pressures easing. Even before the rate cut cycle started RBI started durable liquidity infusion to ensure conditions are conducive for transmission to take place once the rate cut cycle starts. In December 2024, CRR reduced by 0.5% to 4% of NDTL. Other instruments were also used to infuse liquidity – OMO purchase and USDINR buy-sell swaps. Over December 2024 to March 2025, RBI infused durable liquidity worth ₹ 6.2 tn. As a result, system liquidity turned surplus in April 2025. RBI continues to infuse durable liquidity infusion in FY26 via OMO purchases. The Governor indicated that focus is on enhancing transmission of rate cuts by ensuring sufficient system liquidity surplus. In the April 2025 policy, the Governor stated the level of system liquidity surplus would be 1% of NDTL. Further RBI stated that CRR will be reduced by 1% over September-November 2025, to ensure transmission takes place.

RBI also eased some of the macroprudential norms to support credit off-take such as restoring the risk weight norms on bank lending to NBFCs (to 100% from 125%) and easing the risk weights for lending to microfinance firms.

The trade war escalations have added downside risk to growth, with negatively impacting merchandise exports and heightened global financial volatility. RBI incorporated some of the downside risk to growth in its FY26 GDP growth estimate which was revised-down to 6.5% from 6.7%. The sharp fall in food inflation in Q4FY25 and strong crop output, has increased RBI's confidence that inflation will durably align with the 4% target. This was reflected in the downward revision of FY26 inflation estimate to 3.7% from 4.0%. The increased comfort on inflation and higher downside risk to growth resulted in RBI front-loading rate cut action.

FINANCIAL SUMMARY

Over the last six years, IDFC FIRST Bank has undergone a successful transformation from its legacy as an infrastructure-focused DFI to becoming a modern, technology-driven, pan-India, Universal Bank.

Deposits

In Fiscal 2025, liquidity remained tight for the Banking industry in India for almost all through the year. Our Bank managed to mobilize ₹ 48,791 crore of incremental customer deposits during FY25, a 25% YoY growth, which increased from ₹ 1,93,753 crore as on March 31, 2024, to ₹ 2,42,543 crore as on March 31, 2025. This surge was primarily driven by a 26% YoY growth in granular retail deposits, which increased from ₹ 1,51,343 crore to ₹ 1,91,268 crore during the same period. Total retail deposits continues to remain dominant part of the customer deposits, constituting 79% of overall customer deposits as on March 31, 2025.

IDFC FIRST Bank saw a steady increase of ₹ 23,469 crore in CASA deposits during FY25, representing a 25% YoY growth, from ₹ 94,768 crore as on March 31, 2024, to ₹ 1,18,237 crore as on March 31, 2025. The Bank's current account deposits increased by 7% YoY, and savings account deposits rose by 29% YoY in FY25.

Granular retail term deposits of the Bank increased by ₹ 18,737 crore, or 28% YoY in FY25. Total term deposits rose by ₹ 25,322 crore in FY25, a 26% YoY growth, from ₹ 98,985 crore as on March 31, 2024, to ₹ 1,24,306 crore as on March 31, 2025.

Consequently, Bank's deposit base has achieved a remarkable milestone, exceeding ₹ 2,50,000 crore during the year. The Bank's overall deposits, including CASA, Term Deposits, and Certificate of Deposit, expanded by 26% YoY in FY25, growing strongly from ₹ 2,00,576 crore as on March 31, 2024, to ₹ 2,52,065 crore as on March 31, 2025.

IDFC FIRST Bank has maintained its CASA ratio at high levels, closing at 46.9% as on March 31, 2025. This figure ranks among the higher CASA ratios within the private sector banks in India.

BORROWINGS

In FY25, the Bank reduced total borrowings (excluding money market) by 5% YoY to ₹ 32,166 crore. As a result, the borrowings-to-liability ratio improved to 11% from 14% as on March 31, 2024.

The Bank reduced the legacy high-cost borrowings including long-term and infra bonds significantly from ₹ 11,809 crore as on March 31, 2024 to ₹ 4,801 crore as on March 31, 2025, supported by the growth in retail deposits.

NETWORK

As of March 31, 2025, the Bank had 1,002 branches and 1,041 ATMs, and offer modern, digitally equipped infrastructure and customer-friendly service. Built with a digital-first mindset, the Bank continues to invest in technology to enhance efficiency and customer experience.

Retail deposits (as per LCR disclosures) per branch stand at ~₹ 150 crore, placing the Bank among leading private sector peers. The Bank plans to expand its network across regions while tailoring formats to local needs, further strengthening its national presence.

FUNDED ASSETS

The Bank's total funded assets crossed ₹ 2.4 lakh crore in FY25, growing 20% YoY from ₹ 2,00,965 crore to ₹ 2,41,926 crore. This marks a 2.3x growth since the merger, driven by sustained momentum across a diversified retail, rural, MSME and corporate loan portfolio spanning over 25 product lines. The Bank continued to run-down the legacy project infrastructure finance portfolio which declined to ₹ 2,348 crore as on March 31, 2025, from ₹ 22,710 crore as on December 31, 2018, now comprising less than 1% of total funded assets as on March 31, 2025.

Retail products with higher seasoning maintained steady growth, while newer offerings such as credit cards, education loans, gold loans, and tractor loans registered faster growth because of a low base. The home loan portfolio grew 22% to ₹ 27,191 crore, supported by deeper integration and engagements with deposit customers through branches. The Loan Against Property portfolio reached ₹ 28,377 crore, catering to secured MSME financing, while the vehicle loan book stood at ₹ 26,303 crore, reflecting portfolio resilience across economic cycles. Consumer loans, serving the urban personal and consumer durable financing space, rose to ₹ 29,674 crore, constituting 12% of the total loan book.

The Bank's credit card business, launched in FY22, has successfully scaled to 3.5 million cards, primarily issued to existing customers without third-party sourcing. The portfolio grew 36% YoY to ₹ 7,517 crore and turned operationally breakeven during FY25. Gold loans and education loans, launched recently, also gained traction, growing to ₹ 2,183 crore and ₹ 3,129 crore respectively.

The rural finance book reached ₹ 24,757 crore, led by Kisan Credit Cards, tractor loans, and micro-enterprise lending, which together now form 61% of the rural portfolio, up from 44% a year earlier. The Bank reduced its Microfinance Institution (MFI) exposure from 6.6% to 4.0% of total funded assets in response to emerging stress in select geographies, with enhanced credit filters and higher provisioning to ensure stability. Importantly, asset quality across the broader retail and wholesale portfolios remained strong.

In the corporate segment, the Bank continued to build a granular, high-quality book, with the non-infrastructure corporate loan portfolio growing to ₹ 42,010 crore as on March 31, 2025. This included working capital and term loans to emerging corporates and the financial services sector.

Since IDFC FIRST Bank was created in 2015 by converting a domestic financial institution focused on infrastructure



lending, the Bank did not have capabilities to originate priority sector loans in its early years. Until 2019, the bank met these requirements largely by investing in RIDF Bonds, which is economically a loss making proposition as the Bank has to invest in long dated securities at low interest rates of ~4%. Over the past six years, we have been building our own capacity to originate these loans organically. The Bank has built strong capabilities in priority sector lending, building up a rural franchise, organically scaling offerings such as tractor finance, KCC, MSME credit, and commercial vehicle loans. Consequently, the Bank was able to reduce its RIDF portfolio from ₹ 3,456 crore as on March 31, 2019 to ₹ 737 crore as on March 31, 2025.

With a diversified product suite, disciplined underwriting, strong digital infrastructure, and a commitment to customer-centricity, the Bank is well-positioned to cater to the evolving credit needs of individuals, MSMEs, and corporates across India and participate meaningfully in the country's credit growth story.

ASSET QUALITY

The Bank's asset quality remained broadly stable during FY25, supported by strong performance across the retail, rural, and MSME segments, which together form the majority of the portfolio. However, the microfinance segment faced headwinds due to climatic disruptions, borrower over-indebtedness in certain geographies, and almost all lenders pulling out of lending to this segment abruptly in reaction to the ongoing crisis. In response, the Bank reduced its microfinance exposure to overall loan book, from 6.6% as on March 31, 2024 to 4.0% as on March 31, 2025, with 66% of the microfinance loan portfolio now covered under the Credit Guarantee Scheme (CGFMU). Additionally, for microfinance, the Bank created a ₹ 315 crore contingency provision in Q2 FY25, which continues to be carried.

As per our policy, the retail underwriting standards are continuously strengthened using data and experience, with a focus on high-quality customer profiles and improved early delinquency metrics. Overall Gross NPA (GNPA) was stable at 1.87% (vs. 1.88% last year), while Net NPA (NNPA) improved to 0.53% (vs. 0.60% last year) as on March 31, 2025. Provision coverage ratio improved to 72.3% from 68.8% during the last financial year. Within the retail, rural, and MSME segment, GNPA rose from 1.38% to 1.70%, and NNPA from 0.44% to 0.62%;

The NPA ratios in the above paragraph includes the microfinance book as well. To identify precisely what the issue was in the microfinance, the Bank has reported the NPA ratios excluding the microfinance segment as well.

For Retail, Rural and MSME portfolio (excluding the microfinance portfolio), the Collection efficiency, remained high at 99.5% through FY25, and SMA 1+2 (31-90 days

overdue) ratio stood at 0.87% as on March 31, 2025. Similarly (excluding Microfinance), the GNPA and NNPA of Retail, Rural and MSME book stood at 1.40% and 0.56% respectively and the Overall Bank's GNPA and NNPA stood at 1.63% and 0.47% respectively as on March 31, 2025.

In the wholesale book, asset quality strengthened further due to prudent underwriting. Exposure to the top 20 single borrowers was reduced from 6% to 4% during the last financial year and from 16% to 4% in the last 6 years, thus reducing the concentration risk. The non-infra corporate GNPA improved from 2.55% to 1.39%, with NNPA down to 0.06%. The legacy infrastructure finance portfolio continued to run down, reducing from ₹ 2,830 crore to ₹ 2,348 crore. While GNPA in this segment remained high at 24.76%, it was fully provided for, resulting in nil NNPA.

The Bank also reduced its restructured book by 30% during the year, with restructured assets forming just 0.18% of funded assets. Overall net stressed assets including NNPA, security receipts, and restructured assets improved from 0.56% to 0.46% of total assets. With continued focus on robust underwriting, tight risk controls, and strong collections, the Bank remains well-positioned to maintain high asset quality while supporting its growth ambitions.

NET WORTH & CAPITAL ADEQUACY

As of March 31, 2025, the Bank's net worth stood at ₹ 38,078 crore, up from ₹ 32,161 crore a year earlier. Book value per share (BVPS) of the Bank stood at ₹ 52.00 as on March 31, 2025. The Bank reported a healthy capital adequacy ratio of 15.48% with a CET-1 ratio of 13.17%, comfortably above the regulatory requirement of 11.5% and 9.5%, respectively. In April 2025, the Bank announced plans to raise an additional ₹ 7,500 crore via CCPS to support its next phase of growth.

OPERATING INCOME

The Bank's Net Interest Income (NII) grew 17% year-on-year to ₹ 19,292 crore in FY25, up from ₹ 16,451 crore in FY24, despite moderation from a reduced high-yielding microfinance portfolio. Fee and other income rose 15% to ₹ 6,676 crore, though growth was moderated by regulatory changes affecting MSME foreclosure charges, insurance fee income, and microfinance APR caps. Despite this, fee and other income remained stable at 2.09% of average assets, versus 2.16% in FY24.

Key contributors to fee income included loan-related fees, transaction services, distribution of third-party products, and trade finance. The Bank's private wealth book grew 27% YoY to ₹ 42,665 crore, while number of live FASTag crossed 17 million mark. Total operating income grew 17% YoY to ₹ 26,314 crore in FY25, including ₹ 346 crore income in trading gains. Excluding trading gains, core operating income grew 17% YoY to ₹ 25,968 crore.

OPERATING EXPENSES

The Bank's operating expenses grew 16.5% year-on-year to ₹ 18,899 crore in FY25, compared to a 23% growth in total business (advances plus deposits), reflecting improvement in operating leverage. Over the past six years, the Bank has made substantial strategic investments in technology, digital infrastructure, customer service, and branch expansion, which are now beginning to yield long-term benefits. The Bank's mobile app continues to be a standout success, rated 4.9 on Google Play and 4.8 on the App Store, and ranked #1 in India and #4 globally by Forrester.

The Bank has also launched a wide range of modern offerings including digital wealth management, cash management solutions, integrated platforms for business and corporate banking, a differentiated credit card product, and full-stack retail journeys. As a young and growing bank, the Bank has to make early investments in technology, distribution, and product capabilities. Since the merger, the Bank has added 796 branches and 929 ATMs, including 58 branches in FY25 alone.

Despite these upfront investments, the Bank has significantly improved its cost-to-income ratio (excluding trading gains), reducing it from 95.1% (pre-merger) to 72.8% in FY25. Asset businesses maintained a healthy C:I of 56%, while the credit card segment improved from 116% to 100%, and retail liabilities from 197% to 171%. Focused cost-saving initiatives, including administrative efficiencies and automation, have further supported this progress. The Bank aims to bring down the overall cost-to-income ratio, driven by operating scale, improved credit card profitability, and continued replacement of high-cost borrowings.

PRE-PROVISION OPERATING PROFIT (PPOP)

The Bank's core Pre-Provision Operating Profit (excluding trading gains) rose 17% year-on-year to ₹ 7,069 crore in FY25, reflecting improved operating efficiency and growth across core businesses. This was achieved despite a strategic slowdown in the microfinance segment. The Bank continued to scale its loan book and fee-based income while optimizing cost of funds, partly through reducing interest rates in fixed deposits and savings accounts for select balance brackets and enhancing cost efficiencies through multiple operational initiatives.

Core operating profit to average assets remained stable at 2.21% in FY25, compared to 2.25% in FY24, despite the impact from the microfinance industry crisis which reduced the income levels of the bank as the microfinance book declined sharply. Excluding the microfinance portfolio, PPOP saw a robust 32% growth, rising from ₹ 4,685 crore to ₹ 6,192 crore, demonstrating the resilience of the Bank's underlying business model.

The profit mix was driven by three core segments Assets, Liabilities, and Credit Cards with losses narrowing in Retail Liabilities and Credit Cards achieving operational break-even. Including trading gains, PPOP grew 19% YoY to ₹ 7,415 crore.

PROVISIONS

The Bank made total provisions of ₹ 5,515 crore in FY25, which includes accelerated provisioning to normalize credit costs and create a prudent buffer of ₹ 528 crore, comprising ₹ 315 crore for the microfinance portfolio and an additional provision for a legacy project infrastructure toll road account. Total provisions as a % of average funded assets stood at 2.46%. With credit quality stabilizing and the written-off pool shrinking, credit costs are expected to remain within a manageable range in the near to mid-term.

NET PROFIT

The Bank reported a net profit of ₹ 1,525 crore in FY25, down 48% from ₹ 2,957 crore in FY24, primarily due to elevated provisions in the microfinance segment and slower growth in income levels because the Bank reduced its microfinance book in reaction to the crisis in the industry. Return on Assets (ROA) stood at 0.48%, and Return on Equity (ROE) at 4.27%, compared to 1.10% and 10.30% respectively in the previous year. The Bank remains focused on building a profitable and scalable retail lending franchise, lowering cost of funds through retail deposits, and gradually retiring high-cost legacy borrowings. These efforts are expected to drive steady improvement in profitability metrics over time.

FINANCIAL PERFORMANCE OF SUBSIDIARY

IDFC FIRST Bank has one wholly owned subsidiary, IDFC FIRST Bharat Limited (IFBL), which sourced loans worth ₹ 10,984 crore during FY25. IFBL reported a Profit After Tax of ₹ 9.46 crore in FY25, compared to ₹ 58.41 crore in FY24 (IND-AS). As of March 31, 2025, the Bank also held equity stakes in two associate companies, 29.31% in Millennium City Expressways Pvt. Ltd. and 26% in Jetpur Somnath Tollways Pvt. Ltd. The Bank has not included Jetpur Somnath in its consolidated financials, in accordance with RBI norms.

RETAIL LIABILITIES

In FY25, retail deposits saw robust growth, driven by wider product adoption and branch network expansion nationwide. Customers increasingly relied on our Mobile Banking app for payments, account management, investments, and self-service transactions. Our frontline teams, empowered with advanced technology, enhanced customer onboarding and engagement. Guided by our core value of Ethical Banking, we leveraged data and customer insights to design competitive, trust-building products.



Savings Account

The Bank focuses on high-level of customer service, convenient and user-friendly mobile app, good brand and customer friendly staff. The Bank has invested in seamless digital onboarding across web, mobile, and assisted channels, backed by robust customer screening for regulatory compliance. Our multi-channel communication strategy via app, email, WhatsApp ensures proactive engagement. Select customers are assigned Relationship Managers to deliver personalized service across all touchpoints.

Current Account

IDFC FIRST Bank continues to improve its business banking with tailored Current Account solutions for MSMEs, startups, and corporates. We offer a unified app for personal and business banking, with over 250 features.

We launched diverse account variants at multiple price points, including trade-centric offerings with 40+ free banking services. Newly registered companies and LLPs can open customized accounts instantly post-MCA registration, with immediate activation of business collections and QR codes. In FY26, we plan to introduce the IDFC GIFT City Current Account, enabling multi-currency foreign banking for individuals and corporates.

Tax payments are simplified via direct integration with the income tax portal and GSTIN, eliminating the need for fund transfers to other banks. A fully digital trade onboarding journey further streamlines client integration. These innovations reinforce our commitment to delivering smarter, efficient, and future-ready banking for businesses.

NR Account and Remittances

Our NRI division offers a comprehensive suite of products including NRE, NRO, Seafarer Accounts, and NRI Deposits. We recently launched a USD-denominated Global Savings Account through our IBU branch at GIFT City, exclusively for existing NRI customers.

Focused on a seamless digital-first experience, we introduced a fully DIY onboarding journey, enabling NRIs to open accounts remotely. Our Instacart service delivers account kits including debit cards and cheque books instantly at the time of application.

We offer competitive retail remittance services with zero processing fees and no correspondent bank charges. Real-time tracking of international transfers is enabled via API integration with SWIFT on our Mobile and Internet Banking platforms. Additionally, NRIs can now use UPI through our mobile app with international mobile numbers, enabling secure, instant payments from NPCI-supported countries.

Startup Banking

IDFC FIRST Bank's Startup Banking division now serves over 25,000 startups. The division offers tailored solutions including no-lien accounts for grant disbursements, industry-first business credit cards with step-up credit, ONDC-compliant banking support, and a corporate card management portal.

We provide working capital solutions up to ₹ 30 crore and host the FIRSTWINGS Startup Lounge, a collaborative space for founders, investors, and mentors. Our curated offerings for VC portfolio companies include semi-secured corporate credit cards, payment gateways, premium founder credit cards, and startup account bundles.

The Leap to Unicorn program debuted with 100 startups featured in Forbes India's "Top Startups to Watch," reinforcing our commitment to nurturing future industry leaders through unique customer experiences.

Business Banking

IDFC FIRST Bank continues to empower MSMEs with customized working capital solutions through both funded and non-funded lending. We've simplified business banking with innovations such as fully digital onboarding, enabling relationship managers to acquire customers online. Instant document processing, featuring e-stamp and e-sign, has reduced loan agreement stamping time by 70%, accelerating both new and renewal cases.

Our real-time legal and technical valuation system enhances coordination across teams by providing live updates on collateral assessments. A pre-screening algorithm helps identify high-potential cases with minimal documentation, allowing relationship managers to focus efforts effectively. These advancements reflect our commitment to efficient, transparent, and hassle-free banking for India's MSME growth engines.

Government Banking

IDFC FIRST Bank has achieved a key milestone by integrating with CBDT and GST (CBIC), enabling customers to make Direct Tax and GST payments seamlessly via Retail and Corporate Internet Banking or through our branch network. The Bank is also integrated with the Central Pension Accounting Office for pension disbursement to Central Government officials strengthening our position as a Universal Bank offering a full suite of services.

Our Government Banking division has built a strong liability model through partnerships with Central and State Governments, PSUs, and other entities, delivering innovative banking solutions backed by technology and agile service. We actively support e-Governance initiatives

with customized offerings that enhance citizen convenience. Our product suite includes Account Management Services, Corporate Salary Solutions, Transaction Banking, e-Auction, and other digital solutions tailored for government clients.

Privilege Program

Our Privilege Banking program now serves over 4,00,000 customers, offering exclusive benefits such as personalized wealth solutions, preferential rates, premium debit cards with enhanced limits, insurance coverage, reward points, and curated lifestyle and travel privileges all extendable to family members at no cost. This program reflects our commitment to delivering exceptional experiences and fostering lasting client relationships.

In a first for the industry, the Bank launched a digital onboarding journey for affluent customers, enabling direct enrollment into the Privilege Banking program from the start of their relationship departing from the traditional model of requiring a minimum relationship value. This approach aligns with our belief that affluent clients seek immediate access to bespoke solutions and exclusivity.

Payments

IDFC FIRST Bank offers a comprehensive digital payments ecosystem, including RTGS, NEFT, IMPS, UPI, credit, debit and prepaid cards, POS terminals, payment gateway, FASTag, BBPS bill collections, and NACH solutions. The Bank actively supports industry initiatives such as the Open Network for Digital Commerce by providing settlement accounts to network participants.

As part of the RBI's first cohort for Central Bank Digital Currency (e₹), the Bank has implemented innovative use cases like FASTag recharge and programmable payments (e.g., Meal Wallets). To enhance merchant experience, a seamless digital onboarding journey for POS and UPI products was introduced, enabling error-free processing, faster turnaround, transparent pricing, and customizable merchant solutions delivering a superior customer experience.

RETAIL, RURAL & MSME LOAN ASSETS

In FY25, IDFC FIRST Bank achieved profitable growth across Retail, Rural, and MSME asset segments. The Bank's diverse universal banking suite includes home, car, two-wheeler, personal, consumer durable, digital, and business loans, along with tailored MSME solutions.

Retail asset book reached close to ₹ 2 lakh crore as on March 2025, positioning the Bank as the 6th largest private lender in retail. Digitization has improved turnaround times and operational efficiency, earning the Bank first right of refusal across multiple product lines.

The Bank leads in Two-Wheeler finance and ranks second in Consumer Durable and Used Car loans in the country

among private banks and is in the process of building meaningful presence among the other products.

Key digital innovations include:

- **FIRST Money:** A fully digital lending solution with zero foreclosure charges.
- **MyFirst Partner App:** A scalable DSA platform for cost-effective customer acquisition.
- **QR-based instant approvals:** Enhancing credit decisions and disbursal speed across key segments.
- **Business banking scale-up:** Offering flexible MSME loans including drop-line overdrafts and micro business loans using persona-based lending.

The Bank leveraged Digital Public Infrastructure (DPI), including Account Aggregator frameworks, for real-time auto-disbursal and digital CPV, enhancing underwriting and customer experience. Increased mobile app adoption reflects strong retention and cross-sell potential.

Operationally, the Bank focused on driving leverage, reducing attrition, and improving productivity. Its underwriting framework centered on cash-flow assessment and digital repayment combined with AI-driven collections, has improved resolution rates and maintained asset quality.

Customer service metrics improved significantly through transformation initiatives. Liabilities and cross-sell teams contributed meaningfully to asset disbursals, leveraging hyper-personalization and deep analytics.

These strategic efforts underscore the Bank's leadership in retail lending and position it for sustained growth in a dynamic market.

Rural Banking

IDFC FIRST Bank's Rural Banking division has been at the heart of our rural engagement for over nine years, serving communities across 20 states and 16,500+ pin codes. With 339 dedicated rural branches and 637 IFBL branches, the Bank has supported over 8.5 million customers, positively impacting the lives of more than 40 million people.

In FY25, the Bank continued to deepen its presence through inclusive financial solutions. Over 6.9 lakh micro-enterprise loans and 2.5 million JLG loans have supported 3 million households. Our growing Kisan Credit Card and Tractor Finance portfolios reflect our commitment to farmers, while auto, two-wheeler, home, and LAP loans meet mobility and housing needs. Over 4 lakh CASA accounts were digitally opened, many marking customers' first formal banking experience.

Our digital-first approach includes the "My FIRST Bharat" app in 12 regional languages, averaging 8,000 daily active users. Doorstep services, vernacular support, and high-



touch engagement foster trust in markets where personal relationships matter. Our systems and scorecards are tailored to rural realities agricultural cycles, informal incomes, and social dynamics.

On the liabilities side, demand for deposits, savings instruments, and insurance products continues to grow, supported by Aadhaar-enabled onboarding and multilingual documentation. Our employees many from the communities they serve act as advisors and change agents.

Through our CSR initiative "Lend a Shoulder," we delivered 7,800+ hours of financial literacy and social awareness training to 48,000+ participants, focusing on themes like cyber security, climate change, and road safety. These efforts reflect our belief that rural engagement is not charity, it's strategy.

With strong credit discipline, resilient performance, and deep community integration, Bharat Banking is poised to be a key growth engine for IDFC FIRST Bank. Our path ahead is clear: grow with Bharat, build for Bharat, and bank with Bharat.

Progress in extending of Banking Services through Business Correspondents (BCs)

As part of our commitment to financial inclusion, IDFC FIRST Bank has forged strategic partnerships with Corporate Business Correspondents (BCs), including its wholly owned subsidiary IFBL, who act as loan origination / customer service points across rural and semi-urban regions.

As of March 31, 2025, we operate in 26 states and union territories through 705 branches. These partnerships have enabled the deployment of over 7,542 Active Customer Service Points, playing a vital role in extending our banking services to underserved communities.

Out of these 705 branches, 637 are operated by IFBL, our wholly owned subsidiary, which has disbursed loans totalling ₹ 10,984 crore. Out of this ₹ 5,567 crore comprises Joint Liability Group (JLG) loans, while the remaining ₹ 5,417 crore includes micro business loans, small ticket mortgages, home loans, vehicle loans, auto loans, and more. This is in line with the Bank's strategy to taper down MFI composition of the book.

The BC strategy is designed towards significantly enhancing last-mile connectivity. Through our concerted efforts, we have facilitated approximately 8 million transactions, resulting in a total transaction volume of ₹ 2,23,230 crore. The Business Correspondent model is now a cornerstone of our branch rationalization strategy, which mandates that at least 25% of our banking outlets be in Unbanked Rural Centers (URCs). To date, we have successfully established 1,847 URCs across India, enhancing financial accessibility for rural populations.

Snapshot of Our Transaction Performance for FY 2024–25:

Number of Financial Transactions	Number of non-financial transactions	Transaction per Customer Service point
46,83,321	33,08,208	~ 1,060

FASTag Issuance Expansion through Business Correspondents (BC) Network

The Bank significantly scaled its FASTag issuance business through a strategic network of 27 Corporate Business Correspondents (CBCs), carefully selected for their strong presence across toll plazas, vehicle dealerships, Freight marketplaces, parking aggregators and other high-footfall locations nationwide.

This targeted approach enabled the Bank to grow its number of live FASTags from 16.5 million as on March 31, 2024 to 17.8 million as on March 31, 2025.

Digital Banking Unit

Digital Banking Units ('DBUs') play a crucial role in delivering banking services through advanced digital infrastructure. DBUs act as catalysts in expanding and accelerating the digital footprint, surpassing the limitations of traditional brick-and-mortar banking outlets.

In fiscal 2023, the Government of India announced the launch of DBUs to encourage customers to engage in and benefit from digital transactions. The Bank launched its first DBU in October 2022, and as on March 31, 2025, the Bank has 9 DBUs.

The number of deposit accounts including saving bank accounts, current accounts and term deposit accounts sourced through DBU was 6,224 in FY25. The Bank also originated 54 loans through DBU in FY25. The Bank carried out 66,112 financial transactions and 815 non- financial transaction through DBU in FY25.

WHOLESALE BANKING

In FY24–25, IDFC FIRST Bank's Wholesale Banking division shifted to a growth-oriented strategy. The Funded Book grew at 29.1% YoY & non-funded book grew 15.0% YoY, reflecting continued diversification into mid and large-sized corporates.

The Bank maintained strong asset quality while resolving legacy stressed loans and securing significant recoveries. The division added ~204 new-to-bank clients, advancing its granularization strategy. A full-service suite was offered to Large Corporates, Emerging Large Corporates, NBFCs, and Financial Institutions.

On the liabilities front, Wholesale Banking recorded 38% YoY growth in average CASA and 16% growth in average

Fixed Deposits. The product portfolio now spans Lending, Liability Accounts, Trade Finance, Financial Markets, Cash Management, Payments, and Debt Syndication. Technological enhancements across these offerings have improved client experience and operational efficiency. Profitability was further strengthened through deeper product penetration and increased fee income.

Corporate Coverage

The Corporate Coverage Group continued to strengthen its portfolio by onboarding a higher number of new-to-bank clients from mid and large-sized corporates. This strategic shift toward granular assets has significantly reduced portfolio credit risk compared to legacy infrastructure exposures. The corporate book remains well-diversified across sectors, with no major concentration, supported by disciplined credit evaluation practices.

The Corporate loan book (including PTC, Stressed Equity and Security Receipts) stood at ₹ 42,010 crore as on March 31, 2025, driven by sustained efforts to granularize the portfolio and engage high-quality, investment-grade clients. The Bank will continue focusing on expanding its corporate book through new client acquisitions and increased utilization by existing customers.

Financial Institutions Group

IDFC FIRST Bank's Financial Institutions Group (FIG) serves the banking and financial needs of domestic and international institutions, including commercial banks, insurance companies, capital market participants, and multilateral agencies. The Bank has deepened its engagement with entities such as SIDBI, NABARD, NHB, and Exim Bank for refinancing, and collaborates with overseas branches of domestic banks for foreign currency borrowings.

The FIG team has successfully onboarded large liability-focused institutions by offering superior transaction banking and client-centric solutions. The Bank remains an active participant in the PSLC and IBPC markets to meet priority sector lending requirements.

Internationally, the Bank has built a robust correspondent banking network of 334 entities across 54 countries, enabling efficient Treasury and Trade Finance solutions for India-linked transactions. FIG also offers a full suite of financial markets, trade finance, and advisory services to offshore banks and financial institutions.

Leveraging technology, the Bank has introduced cutting-edge solutions that have strengthened its market position in select products. FIG will continue to focus on tech-driven innovation to enhance service delivery and expand its global footprint.

Financial Markets Group

The Financial Markets Group comprises Balance Sheet Management (BSMG), Trading, FX & Derivatives Sales, and Fixed Income Sales. BSMG oversees fund and liquidity management across currencies, ensuring compliance with ALM, Investment, and FX & Derivatives policies, while managing interest rate risk in the banking book.

The Trading desk handles market-making and client facilitation in Fixed Income, FX, derivatives, and investment products, operating within defined risk limits. The FX & Derivatives Sales desk, with ten dealing centers nationwide, provides tailored solutions through automated pricing and end-to-end remittance services for retail and corporate clients, leveraging technology for enhanced delivery.

Fixed Income Sales offers customized investment solutions in government and corporate bonds. An in-house research desk supports clients with timely insights on macroeconomic trends and financial markets, reinforcing our commitment to informed and responsive client engagement.

Transaction Banking

Transaction Banking remains a cornerstone of IDFC FIRST Bank's universal banking proposition, offering a sophisticated suite of financial services that enable businesses to manage liquidity, optimize cash flows, and enhance operational efficiency. The Bank continues its digital transformation journey, evolving from core non-digital offerings to fully digital solutions focused on delivering superior customer experience.

Aligned with the Bank's Vision and Mission, the product development journey emphasizes innovation, customer-centricity, and ecosystem-wide impact ensuring seamless integration and value creation for corporate clients.

Cash Management Solutions (CMS) of the Bank offer a comprehensive suite of over 25 products across collections, payments, liquidity, and escrow services. These are supported by five+ connectivity options including API, host-to-host, and corporate engagement layers and five+ servicing tools such as digital onboarding, live transaction monitoring, and cash flow analytics.

Key differentiators of our CMS offering include:

1. Unique Product Proposition

- **Mobile Cheque Scanning:** Enables same-day cheque presentment via mobile app.
- **Simple 2 Settle:** A fully digital account receivable solution integrating invoicing, reminders, collections, reconciliation, and ERP updates.



2. Agility for Customization

- Sector-specific solutions tailored to treasury, finance, and operations teams, with rapid decision-making and nimble tech deployment.

3. Digital Platforms

- FIRST X.CEL: A unified engagement layer offering smart dashboards, actionable insights, receivables automation, investment tracking, and single sign-on across CMS, Trade, FX, and Supply Chain platforms.
- API Developer Portal: Enables self-service integration using modern standards (HTTPS, REST, JSON), with clear documentation for technical and non-technical users.

4. Observability Stack

- Real-time transaction monitoring with volume/value analytics.
- IDFC FIRST Onboard: Seamless digital onboarding for CMS solutions including pricing, documentation, and agreements.

5. Proactive Customer Service

- Platinum Service Desk: 24x7 support with transaction insights and regular client engagement.
- Techbot and Corporate WhatsApp Banking: Real-time query resolution and access to business reports.

Controls & Stability:

Robust governance includes velocity checks, transaction limits, and beneficiary monitoring to prevent fraud. System stability is ensured through performance testing, security audits, and data archiving.

These initiatives reflect our commitment to delivering best-in-class CMS solutions through innovation, customization, and customer-centricity.

In Trade Finance & Remittances, the Bank continues to advance its digital agenda in Trade Finance and Remittances, offering clients faster turnaround and seamless transaction processing through a next-generation portal. This platform integrates Trade Finance, FX, Remittances, and regulatory submissions (IEDPMS), enabling clients to transact effortlessly. A substantial portion of trade flows has transitioned to digital mode, supported by an upgraded, intuitive interface.

The Bank implemented e-Bank Guarantee services in partnership with NESL, including a hybrid e-BG facility to

digitize legacy guarantees. In Supply Chain Finance, a parameterized credit assessment model using Digital Public Infrastructure (DPI) data enables faster credit sanctions. System revamps are underway to enhance onboarding, financing, and tracking under defined credit programs. Fair lending practices were also implemented in line with RBI guidelines.

A major milestone was the launch of the International Banking Unit (IBU) at GIFT City, Gandhinagar, which went live on April 10, 2024. The IBU offers Treasury products (ECB, Money Market Lending/Borrowing, Banker's Acceptance), Trade Finance (Buyers Credit, RA Financing), and Retail offerings (NRI Savings and Term Deposits). In FY26, the IBU will expand its product suite to strengthen the Bank's presence in GIFT City and support India's vision of becoming a global financial hub.

OPERATIONS

The Bank's retail banking operations team has been adopting scalable vital automations to render best in class service to business and customer interactions. To keep pace with ever evolving environment; Operations have always been driven by technology advancements, data compliances, regulatory reforms and promoting superlative customer experience. Their Operating Model services various businesses with best-in class Delivery model which include Retail Assets, Liabilities, Business Banking Group, Credit Cards and Retail trade with promised Service Level Agreements and performance metrics with continuous focus on building operational resilience. They are also responsible for delivering best in industry ATM's uptime and Payouts to Customers and Partners. The operations team ensures financial integrity and robust control fundamentals through their reconciliation processes. This department is leading by its own example of achieving high automation index through multiple intelligent automations capabilities and is now on the journey of implementing bank-wide digital accelerations through automations.

They continue to embrace bank's priorities and ensures to be trusted partners for all retail businesses while fostering inclusive & green banking practices.

The Bank's Wholesale Banking Operations continue to deliver high-quality transaction services and specialized customer support across a range of areas, including cash management, treasury, trade finance, lending, structured finance and E-Toll services. These services cater to a diverse client base comprising corporates, financial institutions, and government entities. In addition, the team manages critical enterprise functions such as Clearing, Cash, NEFT & RTGS operations, supporting all customer segments. The team remains committed to delivering consistent service excellence and operational assurance. Over the past year, the team has implemented a number of transformative

initiatives, several of which are industry-first as mentioned in the Corporate Coverage, Financial Institutions Group, Financial Markets Group, Transaction Banking sections. These efforts have contributed to an enhanced customer experience, strong operational controls, and compliance with regulatory requirements.

TECHNOLOGY

The bank continues to invest and build on its technology platforms to create differentiated end to end digital products and services to address the needs of our next generation customer expectations. The bank is focused on creating customer experiences that enable a range of services across retail & corporate banking, lending, cards, payments and remittance services across customer acquisition, transaction management and servicing while maintaining customer privacy with high degree of security. The bank is also working towards developing innovative and disruptive solutions to simplify customer experience, deliver market leading products with high degree of digital engagement and adoption.

The Bank is stilling building a number of new product variants and features, and has a large workbook of pending projects, which the technology team is working upon on continuous basis.

RISK

The Bank promotes a strong risk culture across all levels of the organization. Strong risk culture emphasizes accountability, transparency, and risk-informed decision-making, helping the Bank remain resilient in the face of volatility and uncertainty. A strong risk culture is designed to help reinforce the Bank's resilience by encouraging a holistic approach to management of risk and return, and an effective management of risk, capital and reputational profile.

The Bank operates within an effective risk management framework to actively manage all the material risks that it is exposed to or the ones it may face in the future, in a manner consistent with the Bank's risk appetite, making the Bank resilient to shocks in a rapidly changing environment. The Bank is committed to evolving its practices to remain at the forefront of risk management, continuously enhancing its frameworks, controls, and governance structure. The Bank aims to establish robust risk management practices and strives to reach the efficient frontier of risk and return for the Bank and to its shareholders, consistent with its risk appetite. The Board has the ultimate responsibility for the Bank's risk management framework. It is responsible for approving the Bank's risk appetite, tolerance thresholds, key risk policies and for implementation of related frameworks and strategies.

Following are the key principles followed by the Bank to set up a robust risk management framework:

- The Bank adopts the Three Lines of Defence model, ensuring clear segregation of duties among business functions, risk oversight, and independent assurance. Each line operates independently to maintain objectivity and strengthen the control environment.
- Risk strategy is approved by the Board on an annual basis and is aligned with the Bank's Risk Appetite. This alignment ensures that risk-taking activities are consistent with the Bank's capital and performance objectives.
- The Bank identifies and actively manages all material risk types, including credit risk, market risk, operational risk, liquidity risk, business risk and reputational risk through well-established risk management processes.
- A comprehensive set of policies, processes and systems enables the Banks' risk oversight by enabling effective identification, assessment, mitigation, and monitoring of risks.
- Risk Management function has appropriate representation in management committees of the Bank and other governance forums as appropriate. Risk Management's approval is required for decisions materially impacting the Bank's risk profile.
- Risk monitoring, stress testing frameworks and regular management review processes have been established to monitor the performance against approved risk appetite, ensuring that emerging risks and exposures are identified and addressed in a timely manner.

The Bank has established a robust risk governance framework, with the Board of Directors exercising ultimate oversight over the Bank's risk exposures on an enterprise-wide basis. The Board has established Risk Management Committee (RMC) to ensure the effectiveness of the Bank's risk management function and frameworks. The RMC assists the Board in reviewing the Bank's risk management principles and policies, strategies, risk appetite, processes, and controls. The RMC assures independence of Risk Management and constructively challenges the management's proposals and decisions to the Bank's risk-taking activities, thereby reinforcing a sound and risk-aware decision-making culture. The RMC also ensures comprehensive periodical risk reporting for all segments of risk including credit risk, market risk, liquidity risk, operational risk, reputational risk, fraud risk etc. It also oversees stress testing frameworks to measure the plausible impact of adverse market conditions on the Bank's financials and plans for contingencies.



Management Committees like the Credit and Market Risk Management Committee (CMRC), Asset Liability Management Committee (ALCO), Operational Risk Management Committee (ORMC) and Information Security Committee (ISC) together play a key role in the risk management of the Bank. They receive guidance from the Risk Management Committee (RMC) of the Board and oversee risk management frameworks.

Credit Risk

Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a Bank's portfolio, losses stem from outright default due to inability or unwillingness of a borrower or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions. The Bank's credit risk is governed by the Board approved Credit Risk Management Policy and Credit Policy. The Credit Risk function is established to independently to evaluate all credit proposals, estimate associated risks, and assess the adequacy of proposed risk mitigants. In addition to transaction-level assessment, the function is also responsible for the ongoing monitoring of the credit portfolio, identifying emerging risks, concentration build-up, and portfolio trends. It plays a key role in managing credit risk in alignment with the Bank's risk appetite, ensuring that exposures remain within acceptable parameters and are supported by sound risk management practices. The Bank's governance model is transparent and accountable which ensures all material credit risks are identified and measured, exposures are accurately aggregated and reported.

The Bank has ensured to adhere to the RBI mandated prudential norms on provisioning, which is aimed at creating and protecting shareholder value.

Market & Liquidity Risk

- a. Market Risk refers to the risk of financial losses arising on account of movement in market prices of securities. The Market risk is measured based upon, but not limited to, an assessment of the following evaluation factors:
 - The sensitivity of the Financial Institution's earnings or the economic value of its capital to adverse changes in interest rates, credit spreads, foreign exchanges rates or equity prices.
 - The nature and complexity of market risk exposure arising from both the trading / non-trading positions.

The Bank has implemented robust Board approved Market Risk management policies such as Market Risk

Management Policy, Funds and Investment Policy, Forex and Derivatives Policy & Limit Management Framework which sets out broader market risk frameworks and processes. Market risk management encompasses risk identification, measurement, monitoring & reporting of market risk positions and ensure that the risk positions are within the Market Risk Appetite approved by the Board.

The Market Risk Department independently measures and reviews the risk of its investment and trading activities using advanced tools & techniques such as MTM, PV01, VaR, Stress testing, Capital Charge assessment etc. and continuously monitors all risk limits as stipulated by the Risk management Committee / Board on daily basis.

- b. Liquidity is a bank's ability to meet the scheduled and unscheduled funding requirements, asset growth and obligations at reasonable costs without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the Bank's financial condition. The Board approved Asset Liability Management Policy primarily governs the liquidity risk management framework of the Bank. The Asset-Liability Management (ALM) of the Bank is governed by the Asset Liability Management Committee (ALCO). The ALCO acts as a decision-making Committee responsible for integrated balance sheet risk-management including strategic management of interest rate and liquidity risks. ALM function within Risk Management department supports measurement and monitoring of Liquidity Gaps, stress testing using tools like Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Interest Rate Risk in Banking Book (IRRBB) by assessing impact on Net Interest Income (NII) and Market Value of Equity due to changes in underlying interest rates. The Bank strives to support its growth through suitable stable funding sources. The Bank has been building a stable & granular retail deposits base over past few years. The Bank has replaced its legacy borrowings with customer deposits to a large extent to ensure optimal funding mix.

Operational Risk

Growing sophistication of financial technology and increasing complexity and volume of financial transactions, are making the risk profiles of banks more complex. Increased number of operational losses and risk events, recent regulations, industry trends and new types of threats and exposures have highlighted the importance of Operational Risk management. Operational Risk touches every part of the organisation from products, people, processes and technology and hence it is important to

identify and manage proactively. The Bank has put in place Board approved governance and organisational structure to manage Operational Risks. 'Operational Risk Management Committee' (ORMC) is responsible for overseeing implementation of the Board approved Operational Risk Management policy and framework. Operational Risk Management Department engages with the First Line of Defence (Business and Operating Units) on a continuous basis to identify and mitigate operational risks to minimise the Risk and its impact.

Information Technology and Information Security Risk

The Bank's expansion strategy has been progressively more and more digital. Given this, Cyber/Information Security risk is identified as a material risk for the Bank. The Information Security Group (ISG) as a governing team works with IT team and are jointly responsible for Cyber/Information Security and works continually towards adoption of newer and better security practices. The Bank operates under the Information Security Management System framework (ISMS), which is aligned to ISO 27001 and RBI Cyber Security Framework and other guidance's issued from time to time. The Bank is an ISO 27001: 2013 and PCI DSS certified organisation. The Bank follows systematic approach through people, process and technological security controls to prevent, detect, respond and recover from cyber-attacks and manage sensitive company information so that it remains secure by design and practice.

This risk is governed by the Information Technology Steering Committee and Information Technology Strategy Committee (ITSC) a Board level Committees responsible for the Information Technology governance in terms of direction, advice, regulatory guidance & support.

The Bank is working closely with the Regulators to ensure that high level of compliance is maintained across various advisories received. The Bank is also working on an augmentation plan in maturing its security posture with renewed focus on risk based remediations towards improved Secured Digital Bank as a continuous endeavour.

Information / Cyber Security Framework

Bank since its inception has put in place a robust Information/ Cyber Security Framework. The Bank has Information Security woven into its banking platform and seamlessly merges both culturally and technologically.

The Bank has strategically invested in a diverse team comprising security partners, subject matter experts, specialist teams, and robust processes to orchestrate, construct, manage, and oversee the Information Security operations of the Bank.

The Bank has put in place state of the art security technologies including several industry 'first' technology solutions and adopted 'defence in depth' approach &

industry best practices as part of its security framework and architecture.

This year, while continuing on its journey to continually mature its posture, bank's focus will include new age threat mitigations and continue improving its deployment posture of the technologies invested in the previous years.

Bank continued to maintain and upkeep its compliance posture to standards such as ISO 27001 ISMS (Information Security Management System), PCI DSS (Payment Card Industry Data Security Standard) and regulatory requirements. Given the changing threat landscape, the attempt is to progressively move towards maturity of proactive and adaptive platforms for automated detection, response, recovery and resilience.

Capital Adequacy

IDFC FIRST Bank maintains a strong capital position, consistently exceeding regulatory minimum and Board-approved targets. A robust Tier-I capital base serves as a competitive advantage, reinforcing confidence among regulators, rating agencies, depositors, and shareholders.

In line with RBI's Basel III guidelines, the Bank follows the standardized approach for credit risk, basic indicator approach for operational risk, and standardized duration approach for market risk. Capital management practices are designed to balance risk and reward while ensuring resilience under stress scenarios.

The Internal Capital Adequacy Assessment Process (ICAAP), a key component of Basel III's Pillar 2 framework, evaluates the Bank's risk profile and capital needs under normal and stressed conditions. It includes three-year financial and capital projections, strategic capital planning, and rigorous stress testing across base, medium, and severe scenarios. This framework enhances risk monitoring and supports informed decision-making to ensure capital adequacy under all circumstances.

Environment and Social Policy (E&S) and Appraisal Process

The Bank has a comprehensive environment and social policy and a robust environment and social risk management framework for its lending businesses. The Environmental Risk Group (ERG) of the Bank works proactively with clients/ internal teams to identify, mitigate and manage E&S risks associated with projects/ transactions. The Bank obtains environment-related regulatory compliance information so as to ensure that the projects/ transactions it finances are in compliance with the applicable national environmental legislations.

The Bank has developed and adopted an exclusion list comprising sectors in which it will not engage in any financing activity. The Bank continues to hold the distinction of being India's first financial institution to sign up for the Equator



Principles (EP) – a credit risk management framework for determining and managing environmental and social risk in Project Finance transactions.

For the purpose of financing activities, the Bank has also identified sensitive sectors which have potentially high impact on the environment and communities, and where the Bank may have to deal with critical E&S issue.

INTERNAL CONTROLS

The Bank has established a strong, robust and independent Internal Audit Function, which operates as the third line of defence, under the leadership of an experienced Chief Internal Auditor. This function provides independent and objective assurance to the Board, Management, and other stakeholders, by adopting a risk-based approach on the effectiveness of the Bank's internal control systems. The Chief Internal Auditor reports to the MD & CEO and the Audit Committee of the Board and does not have any business / operational responsibilities.

The Internal Audit Department is staffed with qualified professionals and operates with dedicated budgetary support, enabling adherence to its mandate, as defined in the Board-approved Internal Audit Charter. In line with globally accepted internal auditing standards and applicable regulatory guidelines, the function undergoes independent external assessments to ensure excellence and compliance, on a periodic basis.

Key audit findings and remedial actions are reported to the Audit Committee of the Board, which oversees the adequacy of the Bank's internal control environment and tracks the implementation of audit recommendations. Additionally, the Audit Committee of the Board reviews the performance of the Internal Audit function through independent reviews and formal annual evaluation.

HUMAN RESOURCES

At IDFC FIRST Bank, our people power our purpose. Anchored in our "Always You First" philosophy, we're building a world-class Bank in India, focused on Ethical, Digital, and Social Good Banking.

Key HR Focus Areas

From strengthening internal talent pipelines and enhancing onboarding journeys to reimagining learning and elevating digital hiring experiences, our HR strategy focused on delivering value to both employees and the business. Our performance approach is built on clarity, fairness, and support driving employee success through transparent goals, continuous feedback, and a strong focus on collaboration and customer centricity. We are guided by a strong governance framework that ensures transparency, accountability, and ethical conduct across all levels of the organization.

Talent Acquisition and Onboarding

We at IDFC FIRST Bank strengthened our talent acquisition strategy by focusing on cost-effective, high-quality hiring, reducing external vendor dependency from 19% to 17%. Our internal team of talent architects, equipped with strong sourcing capabilities and market intelligence, has played a pivotal role in this shift. Campus hiring remains a key lever in building a talent pipeline through strong academic partnerships. Structured learning interventions and enhanced interview frameworks have further elevated hiring effectiveness. Our flagship Bankathon Quest 1.0 campaign saw an overwhelming response with over 30,000 applications and more than 1,000 hires already onboarded, positioning us as a preferred employer in the financial services sector.

Our digital-first approach continued to shape employee experience. Enhancements in onboarding, supported by AI and analytics, ensured impactful integration and seamless experience for new joiners from day one.

Talent Management

We are dedicated to evolving into a skills-based organization and are committed to providing every employee with an equal opportunity to succeed. We launched our Talent Marketplace – iTalent and we continue to drive adoption and enhance it with new features. iTalent enables democratization of careers and growth for our employees where not only they can create their profiles and declare their up-to-date skills but can take-on cross functional projects with gigs, seek mentorship, and even take-up internal movement opportunities. It has also enabled managers to tap into a broader talent pool, fostering collaboration and agility across the Bank. Our current workforce stands at 42,190, compared to 41,141 in the previous year.

Employer Branding

We continue to strengthen our position as an employer of choice by showcasing our Employee Value Proposition (EVP) across multiple platforms. The 5 tenets of our EVP are: Organization Purpose and Values, Growth, Culture, Cutting Edge Technology and Quality of Leadership. Our ratings on platforms like Glassdoor and AmbitionBox reflect the positive employee experience and the trust our people place in the organization.

As we expand our technology and digital capabilities, we are also nurturing a strong tech community through initiatives like TechXpresso. This event is our monthly meet-up series presented by IDFC FIRST Bank Technology Hub, for innovators and technologists. Together, these efforts are helping us shape a progressive workforce and a modern, purpose-led employer brand.

Life at IDFC FIRST Bank

At IDFC FIRST Bank, we are committed to creating a workplace where employees feel valued, empowered, and inspired.

From seamless digital onboarding to initiatives that foster collaboration, recognition, and well-being, our focus remains on delivering a consistent, customer-grade experience to every employee. We conduct regular employee engagement activities to stay connected with our people. Periodic pulse surveys help us understand what matters to them and shape a more meaningful employee experience.

Our wellness philosophy, anchored in the 'Tann Mann Dhan' approach, promotes holistic well-being focusing on physical health (Tann), mental resilience (Mann), and financial wellness (Dhan) to help our employees thrive both at work and beyond.

Through our DE&I charter, iBelong, we continue to build an inclusive workplace where every individual feels seen, heard, and supported. With targeted programs for women, DEI dashboards, and awareness initiatives, we are nurturing a culture where everyone truly belongs. We foster camaraderie and cross-functional collaboration through engaging formats like Sport-a-thon. We also recognize high-performing teams across the Bank's diverse verticals and geographies.

Learning and Development

Our learning and development ethos, is a strategic imperative, meticulously crafted around six core pillars: 1. Seamlessly aligning learning initiatives with overarching business objectives, 2. Establishing specialized Learning Academies as centres of excellence, 3. Fostering diverse Learning Arenas to cater to individual needs, 4. Deploying cutting-edge Digital L&D platforms for ubiquitous access, 5. Cultivating exceptional Managerial and Leadership Capabilities, and 6. Rigorously measuring the impact of our learning investments.

Central to our design philosophy is the "Four U" framework: a journey of Understanding Self, fostering individual growth and self-awareness; Understanding People, nurturing collaborative intelligence and empathetic leadership; Understanding Work, building mastery and driving operational excellence; and Understanding Organization, cultivating strategic acumen and a unified sense of purpose. Our bespoke programs and intensive bootcamps are thoughtfully designed to resonate with each dimension. For instance, our Leadership Stack program honed strategic vision of Maximizing with Constraints, while our All About Current Account (ABC) program strengthened customer centric and value based selling techniques. Furthermore, RACE program encouraged managers to use essential tools and knowledge for effective risk management. And our Gen AI awareness series helped build future-ready skills to boost efficiency.

Looking forward, we remain steadfast in our commitment to nurturing our most valuable asset – our people. We will strategically harness the transformative power of

technological advancements to deliver hyper-personalized learning experiences, fostering a culture of continuous growth and empowering every individual to reach their full potential.

Looking Ahead

With our continued investment in AI, technology, quality of leadership, and inclusive culture, we remain committed to building a workforce that fuels our long-term growth.

ESG

IDFC FIRST Bank has adopted an integrated ESG approach, embedding sustainability into its business strategy, operations, and people practices. ESG considerations are actively monitored at both management and Board levels, with a focus on creating long-term value for customers, communities, and stakeholders.

The Bank is a participant in the United Nations Global Compact (UNGC) and one of the first signatories to the Partnership for Carbon Accounting Financials (PCAF) in India. IDFC FIRST Bank's ESG disclosures align with global standards including the International Integrated Reporting (IR) framework and the GRI Standards.

Environmental Initiatives

- Two major offices, including the Corporate Head Office, are fully powered by green energy (as on March 2025).
- Over 1.2 million sq. ft. (31% of total carpet area) is green-certified by IGBC or LEED, with multiple Platinum, Gold, and Silver certifications.
- EV charging facilities are available at four large offices for employees.
- A Board-approved GHG Emissions Management Policy guides the Bank's decarbonization strategy.
- The Bank has financed over 2.38 lakh EV 2-wheelers and 6,400 EV 3-wheelers (live portfolio as on March 2025).
- Green Fixed Deposits and solar financing were launched in FY25.
- An urban forest initiative in Madurai supports biodiversity and reinforces environmental commitment.

Social Impact and Inclusion

- The Bank promotes equal opportunity and zero discrimination across its workforce.
- Employees contributed over 25 lakh learning hours and impacted 1.39 lakh lives through volunteering.
- CSR programs focus on livelihood, education, entrepreneurship, environment, and disaster relief.



Governance and Risk Management

- 80% of the Board comprises independent directors, including two women.
- ISO 27001 certification ensures robust data security.
- Climate-related financial risks are actively monitored, with stress testing integrated into risk frameworks.
- The Bank has progressively improved its ESG ratings.

Looking ahead, the Bank remains committed to accelerating its ESG agenda, with key priorities including climate action, sustainable finance, employee and community engagement, and operational sustainability.

Detailed information on ESG initiatives is covered in the ESG section of the Integrated Report.

OPPORTUNITIES & OUTLOOK

FY25 was a pivotal year for the Indian banking industry, marked by a dynamic operating environment defined by elevated interest rates, tight liquidity conditions, and asset-quality headwinds in certain segments, particularly in microfinance. Despite these macroeconomic challenges, the Indian economy remained resilient, supported by robust domestic consumption, a stable financial system, and improving infrastructure digitization.

The microfinance industry, a traditionally high-yielding yet vulnerable segment, witnessed significant stress due to a confluence of factors climatic disruptions, overleveraging of borrowers, and the aftereffects of regulatory changes introduced by the RBI. These factors led to a deterioration in repayment behaviour. The contagion impacted even banks with prudent underwriting, including ours. However, our Bank acted proactively by tightening credit norms, strengthening field-level collections, and recalibrating growth guidance of the microfinance book. We also leveraged the Credit Guarantee Fund for Micro Units (CGFMU) scheme to partially mitigate risk, improving coverage and preserving balance sheet stability. Going forward, we will remain cautious in this segment while continuing to serve the underbanked responsibly.

The Bank sees strong opportunities in credit expansion, which remained strong throughout the year. At IDFC FIRST Bank, we continued to strengthen our granular liability franchise with CASA ratio at ~47%, supported by supported by increased focus on customer-centric solutions, expanding branch footprint (now at 1,002 branches), and

enhanced customer engagement through technology-led interfaces. Further, the Bank's digital onboarding journey and ecosystem partnerships have supported broad-based growth.

On the technology front, the Bank accelerated its digital innovation roadmap with investments in machine learning, analytics, and cybersecurity. These capabilities are now embedded across lending, collections, and customer service functions, delivering improved operational efficiency and customer satisfaction.

Looking ahead, IDFC FIRST Bank is well-positioned to harness the opportunities presented by the evolving economic landscape. The government's continued push on infrastructure, consumption revival, and digitization augur well for financial services.

With our strong retail DNA, expanding digital stack, and risk-calibrated growth strategy, the Bank is well-positioned to navigate macro uncertainties and capture opportunities across emerging segments. The integration of technology in banking services, combined with data-led underwriting and real-time best-in-class customer service, will further enhance customer experience and operational efficiency.

The management remains focused on preserving asset quality, improving operating efficiency, and building a resilient franchise, while maintaining a balanced outlook on growth. We will continue to deepen our presence in underserved markets, optimize capital allocation, and ensure long-term value creation for our stakeholders.

CAUTIONARY STATEMENT

"Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Bank's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market new regulations and Government policies that may impact the Bank's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Bank does not undertake any obligation to update these statements. The Bank has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed."

Corporate Governance Report

IDFC FIRST BANK'S PHILOSOPHY ON CORPORATE GOVERNANCE

IDFC FIRST Bank Limited ('IDFC FIRST Bank' or the 'Bank'), since its inception is committed to adopting the highest standards of Corporate Governance through its commitment to values and ethical business conduct. The Bank strongly believes that sound Corporate Governance is an essential ingredient for corporate success and sustainable economic growth and the same is imbibed in the vision and mission statement of the Bank. The Bank, through its stringent adherence to compliances, aims to enhance and retain investors' trust and social acceptability.

The Bank endeavors to conduct its operations with transparency and honesty towards all its stakeholders including customers, shareholders, regulators, employees and the general public at large. The Bank's business focuses on maximizing return on assets while managing inherent risks, thus ensuring that the Bank's performance goals are met with integrity. The Bank's systems, policies and frameworks are regularly upgraded to meet the challenges of rapid growth in a dynamic external business environment. Governance practices not only deal with the growing size of business, but also deal with the increase in complexities of the organizational structure that supports such growth. The Bank's Board members are eminent people with rich experience and high levels of integrity, who are constantly guiding the Bank with strategic inputs towards very high standards of Corporate Governance.

The Bank is built on three pillars in line with the vision statement: (a) Ethical, (b) Digital and (c) Social-Good.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India ('SEBI') through SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Companies Act, 2013 ('Companies Act'). Further, being a banking company, the Bank is also regulated by the Banking Regulation Act, 1949 ('Banking Regulation Act') and the governance norms issued by the Reserve Bank of India ('RBI') through various circulars, guidelines, notifications, etc. from time to time. As a Bank, which believes in implementing Corporate Governance practices that go beyond just meeting the letter of law, IDFC FIRST Bank not only complies with the requirements of Companies Act, Banking Regulation Act and mandated elements of Listing Regulations, but also endeavors to comply with non-mandatory recommendations.

This Chapter, read with the chapters on Management Discussion and Analysis Report and Directors' Report confirms IDFC FIRST Bank's compliance with the Listing Regulations, Companies Act, Banking Regulation Act, etc.

BOARD OF DIRECTORS

The Board of Directors of the Bank (the 'Board') brings with them, a wide range of significant professional expertise, skills and rich experience across a wide spectrum of functional

areas such as Management, Economics, Banking, Finance, Law, Accounting, Auditing, Information Technology, Payment & Settlement Systems, Human Resources, Business Management, Risk Management, etc.

The Bank encourages Board diversity and balance of skills at the same time, to ensure effective decision making.

The Board has been constituted in compliance with the Banking Regulation Act, the Companies Act, Listing Regulations and in accordance with the best Corporate Governance practices across the industry.

The Board oversees the standards of Corporate Governance at the Bank.

Appointment of Directors

The Directors are appointed by the shareholders and they represent the interest of customers, shareholders and other stakeholders of the Bank. The Managing Director & Chief Executive Officer ('MD & CEO') is responsible for overall management of the Bank in an executive position.

The selection and appointment of Directors of the Bank is done in accordance with the extant laws. The Bank has formulated and adopted various policies with respect to appointment of Directors, i.e., Succession Policy, Board Diversity Policy, etc. The Succession Policy and Plan are periodically reviewed by the Nomination and Remuneration Committee ('NRC') of the Bank.

The NRC considers the profile, skill set, experience, expertise, functional capabilities, qualifications, and other relevant information, adherence to the fit and proper norms, serving the business interests of the Bank and enhances the overall effectiveness of the Board, before making recommendations to the Board with regard to appointment/re-appointment of Directors. Wherever necessary, the NRC engages the services of an external consultant/ expert, to identify and assess the suitability of candidates for the post of Director of the Bank.

Changes in the Board

During the year under review, the Board had an optimum combination of Directors with excellent knowledge, skills and experience in various fields relating to the business activities of the Bank.

During FY 2024-25, the following changes took place in the Composition of Board of Directors of the Bank:

Based on the recommendation of the NRC, the Board approved the following appointments:

- a. Appointment of Mr. Pradeep Natarajan (DIN: 10499651) as the Whole-Time Director (Additional Director), designated as Executive Director of the Bank for a period of three (3) years, effective from June 01, 2024, to hold office up to May 31, 2027 (both days inclusive).

The said appointment of Mr. Pradeep Natarajan as an Executive Director of the Bank was subsequently



approved by the RBI vide its letter dated May 16, 2024 and the shareholders of the Bank at its 10th Annual General Meeting ('AGM') held on August 30, 2024.

- b. Re-appointment of Mr. Sanjeeb Chaudhuri (DIN: 03594427) as Part-Time Non-Executive Chairperson (Independent), effective from August 25, 2024 up to May 09, 2027 (both days inclusive). The RBI vide its letter dated June 14, 2024, had accorded its approval for the same under Section 10B(1A)(i) of the Banking Regulation Act.
- c. Appointment of Mrs. Pankajam Sridevi (DIN: 06783360) and Mr. Uday Bhansali (DIN: 00363902) as Additional Directors in the category of Independent Directors of the Bank, to hold office for their first term of four (4) consecutive years, effective from September 27, 2024 up to September 26, 2028 (both days inclusive).
- d. Appointment of Mr. Sudhir Kapadia (DIN: 05307843) as an Additional Director in the category of Independent Director of the Bank, to hold office for the first term of four (4) consecutive years, effective from October 26, 2024 up to October 25, 2028 (both days inclusive).

The aforesaid appointments of Mrs. Pankajam Sridevi, Mr. Uday Bhansali and Mr. Sudhir Kapadia as Independent Directors of the Bank were subsequently approved by the shareholders of the Bank through Postal Ballot on December 17, 2024.

- e. Re-appointment of Mr. V. Vaidyanathan (DIN: 00082596) as Managing Director and Chief Executive Officer of the Bank, effective from December 19, 2024 up to December 18, 2027 (both days inclusive). The RBI vide its letter dated September 19, 2024, had accorded its approval for the same under Section 35B of the Banking Regulation Act.

The aforesaid re-appointment of MD & CEO was subsequently approved by the shareholders of the Bank through Postal Ballot on December 17, 2024.

Cessation of directorship

- a. Mr. Mahendra N. Shah (DIN: 00124629) ceased to be a member of the Board as Non-Executive Non-Independent Director with effect from the close of business hours on August 29, 2024, pursuant to completion of his term.
- b. Dr. Jaimini Bhagwati (DIN: 07274047) tendered his resignation as Non-Executive Non-Independent Director of the Bank, with effect from the close of business hours on September 09, 2024.
- c. Mr. Vishal Mahadevia (DIN: 01035771) tendered his resignation as Non-Executive Non-Independent Director of the Bank, with effect from the close of business hours on October 01, 2024.
- d. Dr. (Mrs.) Brinda Jagirdar (DIN: 06979864) ceased to be a member of the Board, with effect from the close of business hours on December 17, 2024, pursuant to completion of her second term as Independent Director of the Bank.

Composition of Board as on March 31, 2025

Name of the Director (DIN)	Position on the Board
Mr. Sanjeeb Chaudhuri (DIN: 03594427)	Part-Time Non-Executive Chairperson (Independent)
Mr. V. Vaidyanathan (DIN: 00082596)	Managing Director & Chief Executive Officer
Mr. Pradeep Natarajan (DIN: 10499651)	Executive Director
Mr. Aashish Kamat (DIN: 06371682)	Independent Director
Ms. Matangi Gowrishankar (DIN: 01518137)	Independent Director
Mrs. Pankajam Sridevi (DIN: 06783360)	Independent Director
Mr. Pravir Vohra (DIN: 00082545)	Independent Director
Mr. S. Ganesh Kumar (DIN: 07635860)	Independent Director
Mr. Sudhir Kapadia (DIN: 05307843)	Independent Director
Mr. Uday Bhansali (DIN: 00363902)	Independent Director

Brief profiles of all the Directors of the Bank are available on the Bank's website at www.idfcfirstbank.com under the 'About Us' → '[Board of Directors](#)' section.

The Board has complete access to all the information about the Bank. The Board is frequently provided with necessary documents, reports and internal policies to enable them to get familiarised with the Bank's procedures and practices. The details of familiarisation programmes imparted to Directors are disclosed on the Bank's website: www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → '[Corporate Governance](#)' section.

Skills/ Expertise/ Competence of the Board

The Bank recognizes and embraces the importance of a diverse Board and is endowed with appropriate balance of skills, experience, competence and diversity of perspectives thereby ensuring effective Board governance. The Board has reviewed and adopted the Policy on Board Diversity, which sets out its approach to ensure Board diversity, so as to enhance its effectiveness while discharging its fiduciary obligations towards the stakeholders of the Bank. The Bank considers diversity in skills, regional and industry experience, expertise and educational background whilst determining the composition of its Board. The Bank also considers the principles relating to fit and proper norms as prescribed by the RBI and confirms that each Director is also in compliance with the norms as prescribed by the Ministry of Corporate Affairs ('MCA') and SEBI under applicable laws, whilst determining the composition of its Board.

IDFC FIRST Bank, being a Banking Company, is regulated by the provisions of Banking Regulation Act, Listing Regulations and the Companies Act. In terms of Section 10A(2)(a) of the Banking Regulation Act, read with RBI notification no. DBR. Appt. BC. No.38/29.39.001/2016-17 dated November 24, 2016, requires that not less than 51% of the total number of members of the Board of a Banking Company shall consist of persons, who shall have special knowledge or practical experience in respect of one or more of the following matters, viz.:

(i) Accountancy, (ii) Agriculture and Rural Economy, (iii) Banking, (iv) Co-operation, (v) Economics, (vi) Finance, (vii) Law, (viii) Small-scale industry, (ix) Information Technology, (x) Payment & Settlement Systems, (xi) Human Resources, (xii) Risk Management, (xiii) Business Management, (xiv) any other matter the special knowledge of, and practical experience in, which would, in the opinion of the RBI, be useful to the Banking Company.

The Board is guided by the above provisions and the business requirements, during appointment /

re-appointment of any Director on the Board.

The Bank has identified above skills/ expertise/ competencies as required to be possessed by the Board, to function effectively in the context of businesses and the sectors in which the Bank deals.

Based on the confirmation and declaration obtained from the Directors of the Bank, the Board at its meeting held on April 26, 2025, noted the following skill sets, special knowledge or practical experience of the Directors:

Name of the Director	Position on the Board	Skill set, special knowledge or practical experience
Mr. Sanjeeb Chaudhuri	Part-Time Non-Executive Chairperson (Independent)	Banking, Business Management, Rural Economy, Risk Management, Information Technology and Payment & Settlement Systems
Mr. V. Vaidyanathan	MD & CEO	Banking, Finance, Business Management, Risk Management, Agriculture and Rural Economy, Economics, MSME, Information Technology, Payment and Settlement Systems and Human Resources
Mr. Pradeep Natarajan	Executive Director	Banking, Co-operation, Information Technology, Payment & Settlement Systems, Human Resources, Risk Management
Mr. Aashish Kamat	Independent Director	Accountancy, Auditing, Banking, Finance, Risk Management and Business Management
Ms. Matangi Gowrishankar	Independent Director	Banking, Finance, Small-scale industry, Information Technology, Human Resources, Risk Management, Business Management
Mrs. Pankajam Sridevi	Independent Director	Banking, Finance, Information Technology, Risk Management, Human Resources, Payment & Settlement systems, Business Management
Mr. Pravir Vohra	Independent Director	Information Technology, Banking, Economics and Payment & Settlement Systems
Mr. S. Ganesh Kumar	Independent Director	Banking, Regulation and Supervision, Accounting, Information Technology, Payment & Settlement Systems, Risk Management, Business Continuity Management, Institution Setting-up and Law
Mr. Sudhir Kapadia	Independent Director	Accountancy, Tax & Regulatory, Finance, Business Consulting
Mr. Uday Bhansali	Independent Director	Accountancy, Economics, Finance, Information Technology, Business Management

Performance Evaluation

The Companies Act and Listing Regulations contain broad provisions on Board evaluation, i.e., evaluation of the performance of: (a) Board as a Whole, (b) Various Committees of the Board and (c) Individual Directors (including Independent Directors and Chairperson).

SEBI vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 05, 2017, issued a guidance note on Board evaluation in order to guide listed entities by elaborating various aspects of the board evaluation that may help them to improve the evaluation process, derive the best possible benefit and achieve the objective of the entire process.

For FY 2023-24

Three (3) questionnaires for the above categories were circulated to all the Directors of the Bank for the Evaluation Process of FY 2023-24.

Evaluation process for "Board as a Whole", "Committee(s) of the Board" and "Individual Directors (including Independent Directors and Chairperson)" was carried out.

Questionnaire for performance evaluation of Chairperson of the Board was sent to all the Directors of the Bank (except the Chairperson himself) and the results thereon was sent directly to the Chairperson of the NRC. Further, Questionnaire for performance evaluation of other Individual Directors (i.e.

excluding the Chairperson of the Board) was sent to all the Directors and the results thereon were sent directly to the Chairperson of the Board.

The performance evaluation results for evaluation of "Individual Directors (including Independent Directors and Chairperson)" were communicated to each individual Director and accordingly, the entire evaluation process for FY 2023-24 has been completed satisfactorily.

For FY 2024-25

Evaluation Process for FY 2024-25 will be carried out in a similar manner, where-in three (3) questionnaires, viz., "Board as a Whole", "Committee(s) of the Board" and "Individual Directors (including Independent Directors' and Chairperson of the Board)" will be circulated to all the Directors of the Bank for evaluation.

Questionnaire for performance evaluation of Chairperson of the Board, will be sent to all the Directors of the Bank (except the Chairperson himself). Further, Questionnaire for evaluation of other individual Directors (i.e. excluding the Chairperson of the Board) will be sent to all the Directors. The outcome of the performance evaluation process for FY 2024-25, once completed, will be placed before the Independent Directors meeting, at the respective meetings of the NRC and the Board.



Remuneration of Directors

Pursuant to the requirements of the Companies Act read with rules made thereunder and provisions of the Listing Regulations, as amended from time to time, the Board on the recommendation of NRC has adopted the following Remuneration Policy:

- (i) Remuneration Policy (For Non-Executive Part-Time Chairperson and Non-Executive Directors)
- (ii) Remuneration Policy (For the Whole-Time/ Executive Directors, Material Risk Takers, Key Managerial Personnel, Senior Management Personnel and Control Function and all other employees)

These policies are in line with the provisions of the Companies Act, Listing Regulations, Banking Regulation Act and RBI guidelines issued in this regard, from time to time.

The aforesaid policies are available on the Bank's website at www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Policies' section.

Weblink:

[Remuneration Policy \(For Non-Executive Part-Time Chairperson and Non-Executive Directors\)](#)

[Remuneration Policy \(For the Whole-Time/ Executive Directors, Material Risk Takers, Key Managerial Personnel, Senior Management Personnel and Control Function and all other employees\)](#)

The NRC, in accordance with the Remuneration Policy, recommends remuneration of the Directors, Senior Management Personnel and Key Managerial Personnel to the Board for its approval.

IDFC FIRST Bank pays remuneration to the Executive Directors by way of salary, allowance, perquisites including retirement benefits (fixed component), stock options and a variable component, based on the recommendation of the NRC and approval of the Board, RBI and shareholders of the Bank.

Fixed Remuneration

I. Fixed Remuneration to Non-Executive Directors (except Chair of the Board)

The RBI vide its circular no. RBI/2021-22/24 DOR. GOV.REC.8/29.67.001/2021-22 titled 'Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board' dated April 26, 2021 ('RBI circular') permitted the payment of compensation to Non-Executive Directors ('NEDs') in the form of a Fixed Remuneration in addition to sitting fees and expenses related to attending meetings of the Board and its committees as per extant statutory norms/ practices. However, such fixed remuneration for NED, other than Chair of the Board, shall not exceed ₹ 20,00,000 per annum.

Further, the RBI vide its circular no. RBI/2023-24/121DoR.HGG.GOV.REC.75/29.67.001/2023-24 titled 'Review of Fixed Remuneration granted to Non-

Executive Directors' dated February 9, 2024, revised the ceiling under the RBI circular for payment of compensation to NEDs from ₹ 20,00,000 per annum to ₹ 30,00,000 per annum.

Accordingly, basis the recommendations of NRC and the Board, and in supersession of the earlier resolution passed by the shareholders at the 7th AGM of the Bank held on September 15, 2021, the shareholders at the 10th AGM of the Bank held on August 30, 2024, approved the fixed remuneration of the NEDs (except Chair of the Board) of the Bank within the overall ceiling limit of ₹ 30,00,000 per annum, with effect from the Financial Year 2024-25, in addition to payment of sitting fees and reimbursement of out of pocket expenses for attending the meetings of Board and Committees thereof.

In view of the aforesaid and pursuant to the recommendation of NRC, the Board approved a fixed remuneration of ₹ 26,00,000 per annum payable to NEDs (except Chair of the Board) for FY 2024-25.

II. Fixed Remuneration to Chair of the Board

In accordance with the approval received from RBI vide its letter dated August 25, 2021, and based on the approval of shareholders of the Bank through Postal Ballot on December 03, 2021, Mr. Sanjeeb Chaudhuri, Part-Time Non-Executive Chairperson (Independent) ('PTC'), was paid a fixed remuneration of ₹ 24,00,000 per annum for a period effective from August 25, 2021, to August 24, 2024 (both days inclusive).

Following the re-appointment of Mr. Chaudhuri as PTC for the further period from August 25, 2024 to May 09, 2027, he was paid a fixed remuneration of ₹ 30,00,000 per annum for the remaining duration of the Financial Year 2024-25. This payment was made in accordance with the approval granted by the RBI vide its letter dated June 14, 2024, and the shareholders' approval at the 10th AGM of the Bank held on August 30, 2024.

Sitting Fees to Non-Executive Directors

In addition to fixed remuneration, the NEDs were also paid sitting fees for attending Board and Committee meetings and reimbursement of expenses incidental thereto. Based on the recommendation of the NRC, the Board approved sitting fees to be paid to NEDs at ₹ 1,00,000 per Board meeting and ₹ 82,500 per Committee meeting.

During their tenure with the Bank, Mr. Vishal Mahadevia and Mr. Mahendra N. Shah opted to forego any fixed remuneration and sitting fees.

The criteria for making payments to NEDs is available on the Bank's website: www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Policies' section.

During FY 2024-25, the Bank had not granted any stock options to NEDs of the Bank. The Bank did not advance loans to any of its Directors during FY 2024-25, except personal credit card issued and overdraft facility extended to Directors in normal course of business. Except for loans earlier availed during his tenure as Head of Retail Banking,

prior to his appointment as Executive Director, no additional loans have been availed by Mr. Pradeep Natarajan during his term as Executive Director.

The Executive Director(s) are not entitled to severance fee and the notice period shall be subject to compliance with the provisions of the Banking Regulation Act, Banks' policy and other regulations, as applicable. None of the employees of the Bank are related to any of the Directors. None of the Directors of the Bank are related to each other.

There were no other pecuniary relationships or transactions of NEDs vis-à-vis the Bank during FY 2024-25 (except banking transactions in the ordinary course of businesses and on arm's length basis) which has potential conflict with the interest of the Bank at large.

The remuneration paid to the Directors is well within the limits prescribed under the Companies Act, Banking Regulation Act and is in line with the guidelines issued by the RBI, from time to time.

Details of remuneration paid to the Directors during FY 2024-25 are as below :

Name of the Director	Stock Options granted during the year (No.)	Sitting Fees (in ₹)	Fixed Remuneration (in ₹)
Mr. Sanjeeb Chaudhuri ¹		36,87,500	27,60,325
Mr. V. Vaidyanathan ²	24,20,626	-	5,54,83,370
Mr. Pradeep Natarajan ³		-	3,41,63,488
Mr. Aashish Kamat		28,62,500	26,00,000
Ms. Matangi Gowrishankar		26,97,500	26,00,000
Mrs. Pankajam Sridevi		12,42,500	13,28,260
Mr. Pravir Vohra		37,70,000	26,00,000
Mr. S. Ganesh Kumar		34,40,000	26,00,000
Mr. Sudhir Kapadia		8,95,000	11,23,369
Mr. Uday Bhansali		19,85,000	13,28,260
Dr. (Mrs.) Brinda Jagirdar ⁴		25,80,000	18,51,086
Dr. Jaimini Bhagwati ⁵		6,30,000	11,51,630
Mr. Mahendra N. Shah ⁶		-	-
Mr. Vishal Mahadevia ⁶		-	-

Notes:

- The remuneration paid to Mr. Sanjeeb Chaudhuri as Part-Time Non-Executive Chairperson (Independent) ('PTC') for FY 2024-25 was approved by both, the RBI and the shareholders of the Bank.

Mr. Chaudhuri received a fixed remuneration of ₹ 24,00,000 p.a. on a pro-rata basis for the period from April 1, 2024 to August 24, 2024. Following his re-appointment as PTC, he was paid a revised fixed remuneration of ₹ 30,00,000 p.a. on a pro-rata basis for the remainder of FY 2024-25, i.e., from August 25, 2024 to March 31, 2025.

- The remuneration paid to Mr. V. Vaidyanathan as the MD & CEO of the Bank for the FY 2024-25 was approved by both, the RBI and the shareholders of the Bank.

The aforesaid remuneration includes perquisites in accordance with the Income Tax Act and has been calculated on paid basis.

Further, during FY 2024-25, he was granted 24,20,626 stock options of the Bank pertaining to FY 2023-24, also upon receiving the necessary approval from the RBI.

- The remuneration paid to Mr. Pradeep Natarajan as the Executive Director of the Bank for the FY 2024-25 was approved by both, the RBI and the shareholders of the Bank.

The aforesaid remuneration includes perquisites in accordance with the Income Tax Act and has been calculated on paid basis.

Mr. Natarajan was paid remuneration on proportionate basis, effective from his appointment date of June 1, 2024.

- Consequent to the cessation of Dr. (Mrs.) Brinda Jagirdar as an Independent Director of the Bank, with effect from December 17, 2024, she has been paid remuneration on proportionate basis.
- Consequent to the cessation of Dr. Jaimini Bhagwati as a Non-Executive Non-Independent Director of the Bank with effect from September 09, 2024, he has been paid remuneration on proportionate basis.
- During FY 2024-25, no remuneration/ sitting fees was paid to Mr. Vishal Mahadevia and Mr. Mahendra N. Shah.
- None of the Non-Executive Directors received remuneration exceeding 50% of the total annual remuneration paid to all Non-Executive Directors for the year ended March 31, 2025.

Shareholding of Directors in IDFC FIRST Bank

Except below, none of the Directors held any shares or convertible instruments of IDFC FIRST Bank as on March 31, 2025:

Name of the Director	No. of equity shares held
Mr. V. Vaidyanathan ¹	6,49,67,464
Mr. Pradeep Natarajan ²	27,18,500
Mr. Aashish Kamat	75,000
Mrs. Pankajam Sridevi	1,000
Mr. Pravir Vohra	10,12,250
Mr. Sanjeeb Chaudhuri	45,800
Ms. Matangi Gowrishankar ³	1,275

Notes:

- As on March 31, 2025, Mr. V. Vaidyanathan, MD & CEO, holds 6,49,67,464 equity shares of the Bank. Including 50,93,860 equity shares held through the Rukmani Social Welfare Trust ('the Trust'), where he serves as a Trustee, his total shareholding stands at 7,00,61,324 equity shares, representing 0.96% of the Bank's total equity capital.

In January 2018, Mr. Vaidyanathan donated 5,00,000 equity shares of erstwhile Capital First Limited (valued at ₹ 39.26 crore at the time) to the Trust. These were subsequently converted into IDFC FIRST Bank shares as per the merger share exchange ratio. The Trust periodically sells these shares to fund social activities for defined causes relating to education, medical assistance to minors, renovation of child home, support for underprivileged communities, etc. Further, the Trust may continue to sell shares to support its philanthropic objectives. Mr. Vaidyanathan, his family, and successors are not beneficiaries of the Trust in any manner.



Additionally, Mr. Vaidyanathan holds 1,74,05,596 outstanding ESOPs in the Bank.

2. Mr. Pradeep Natarajan, Executive Director, has 68,59,620 outstanding ESOPs in the Bank.
3. Ms. Matangi Gowrishankar, Independent Director, is the joint shareholder of the aforesaid 1,275 equity shares, primarily held by her mother.

Directors and Officers Insurance

The Bank has a Directors and Officers Liability Insurance policy in place. This policy covers directors, officers, and managers against claims that may be brought against them as a result of their actual or alleged wrongful acts while performing their managerial or fiduciary duties.

Code of Conduct

The Bank has in place a Code of Conduct for Board of Directors and Senior Management Personnel of the Bank ('Code'). The Code is available on the Bank's website: www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Policies' section.

All Directors and designated Senior Management Personnel ('SMP') have affirmed their compliance with the Code. A declaration to this effect duly signed by the MD & CEO is enclosed as part of this Report.

Further, all the Independent Directors have confirmed that they meet the criteria mentioned under Regulation 16(1) (b) of the Listing Regulations read with Section 149(6) of the Companies Act. Also, they have given a declaration of independence pursuant to Section 149(7) of the Companies Act, read with Rule 5 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 along with their affirmation to the Code for Independent Directors as prescribed under Schedule IV of the Companies Act. The Board confirms that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the Management.

Further, in terms of Regulation 34(3) of the Listing Regulations, the Bank has received a certificate from M/s. Bhandari & Associates, Company Secretaries that none of the Directors of the Bank have been debarred or disqualified from being appointed or continuing as Directors of Companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. A certificate in this regard is enclosed as part of this Report.

The terms and conditions of appointment of Independent Directors are also disclosed on the Bank's website: www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Corporate Governance' section.

BOARD MEETINGS

The Board meets at least once a quarter to review the quarterly results along with other agenda items and additional meetings are conducted from time to time to consider significant/ urgent matters, whenever required. The dates of Board meetings for the next financial year

are decided well in advance and are informed to the Directors so as to enable them to manage their schedule effectively.

The Bank also makes available video conferencing facility or other audio-visual means, to enable larger participation of Directors in the meetings, whenever required.

The Chairpersons of respective Board Committees independently meet the Senior Management prior to Committee meetings, as required.

The Senior Management of the Bank, including their team members are also invited to attend the Board / Committee meetings, make presentations and provide additional inputs to the agenda items under discussion, as required.

The responsibilities of the Board, *inter-alia*, include formulating and monitoring plans, business strategies, budgets, information security methods, reviewing financial results, overseeing and reviewing risk management practice within the Bank, appointment/ cessation and remuneration of SMP and Key Managerial Personnel ('KMP'), perusing of policies and procedures, etc. The Board reviews on a quarterly basis the compliance reports of all laws applicable to the Bank, including the Corporate Governance reports submitted to Stock Exchanges. Further, the roles and responsibilities of Directors are as provided under the Companies Act, Banking Regulation Act, Listing Regulations, RBI circular/ guidelines, etc. and such other applicable laws, from time to time.

The RBI prescribes seven (7) comprehensive critical themes in Board deliberation, to be placed before the Board, vide its circular on 'Calendar of Reviews'. These themes include Business Strategy, Risk, Financial Reports and their integrity, Compliance, Customer Protection, Financial Inclusion and Human Resources. The agenda items within the scope of these themes are primarily presented to the relevant Committees of the Board, report of which are then placed at the Board meetings.

During FY 2024-25, eight (8) Board meetings were held on April 27, 2024, May 30, 2024, July 27, 2024, September 27, 2024, October 26, 2024, November 25, 2024, January 25, 2025, and March 26, 2025.

The maximum gap between any two consecutive meetings was less than 120 days. All the meetings were held during the year with requisite quorum.

Periodic presentations are made at the Board/ Committee meetings on business strategy, performance updates, financial statements, etc. Minimum Information to be placed before the Board as mentioned in Schedule II Part A of the Listing Regulations is placed before the Board for its consideration, as and when applicable.

Details of Directors of the Board, along with their attendance at the Board meetings and AGM held during FY 2024-25, other directorships, Memberships/ Chair position in Committees, etc. as on March 31, 2025, are as given below:

Composition of Board of Directors of the Bank during FY 2024-25 and other details as on March 31, 2025

Name of the Director	Date of first Appointment	Completed Age	Position on the Board	Board Meetings attended in FY 2024-25
Mr. Sanjeeb Chaudhuri (DIN: 03594427)	May 10, 2019	72	Part-Time Non-Executive Chairperson (Independent)	8/8
Mr. V. Vaidyanathan (DIN: 00082596)	December 19, 2018	57	Managing Director & Chief Executive Officer	8/8
Mr. Pradeep Natarajan (DIN 10499651)	June 01, 2024	52	Executive Director	6/6
Mr. Aashish Kamat (DIN: 06371682)	December 18, 2018	59	Independent Director	8/8
Ms. Matangi Gowrishankar (DIN: 01518137)	January 20, 2024	67	Independent Director	8/8
Mrs. Pankajam Sridevi (DIN 06783360)	September 27, 2024	65	Independent Director	5/5
Mr. Pravir Vohra (DIN: 00082545)	August 01, 2018	70	Independent Director	8/8
Mr. S. Ganesh Kumar (DIN: 07635860)	April 30, 2021	65	Independent Director	8/8
Mr. Sudhir Kapadia (DIN 05307843)	October 26, 2024	62	Independent Director	4/4
Mr. Uday Bhansali (DIN 00363902)	September 27, 2024	63	Independent Director	5/5
Dr. (Mrs.) Brinda Jagirdar (DIN: 06979864)	December 18, 2018	72	Independent Director	6/6
Dr. Jaimini Bhagwati (DIN: 07274047)	February 18, 2022	71	Non-Executive Non-Independent Director	3/3
Mr. Mahendra N. Shah (DIN: 00124629)	August 30, 2023	66	Non-Executive Non-Independent Director	3/3
Mr. Vishal Mahadevia (DIN: 01035771)	December 18, 2018	52	Non-Executive Non-Independent Director	3/4

Notes:

- Pursuant to receipt of requisite approvals, Mr. Sanjeeb Chaudhuri was re-appointed as Part-Time Non-Executive Chairperson (Independent) of the Bank, with effect from August 25, 2024.
- Pursuant to receipt of requisite approvals, Mr. V. Vaidyanathan was re-appointed as the MD & CEO of the Bank, with effect from December 19, 2024 for a period of three (3) years.
Mr. Vaidyanathan, MD & CEO, was not on Board of any other company.
- Pursuant to receipt of requisite approvals, Mr. Pradeep Natarajan was appointed as the Whole-Time Director, designated as Executive Director of the Bank, for a term of three (3) consecutive years, commencing from June 01, 2024 up to May 31, 2027.
- Mr. Mahendra N. Shah ceased to be a member of the Board, with effect from the close of business hours on August 29, 2024, pursuant to completion of his term as a Non-Executive Non-Independent Director of the Bank.
- Dr. Jaimini Bhagwati joined the Board on February 18, 2022, representing IDFC Limited. He tendered his resignation as Non-Executive Non-Independent Director of the Bank, with effect from the close of business hours on September 09, 2024, in view of the impending completion of the merger between IDFC Limited and IDFC FIRST Bank Limited.



Whether attended 10 th AGM held on August 30, 2024*	Number of Directorships		Directorship in other Listed Company excluding IDFC FIRST Bank (Category of Directorship)	No. of Committee Membership (Chair position) of Companies (including IDFC FIRST Bank)#
	of Indian Public Limited Companies (including IDFC FIRST Bank)	of other Companies^		
Yes	1	0	None	0(0)
Yes	1	0	None	1(0)
Yes	2	0	None	1(0)
Yes	4	0	Ugar Sugar Works Limited (Independent Director)	3(3)
Yes	7	3	Cyient Limited (Independent Director) Gujarat Pipavav Port Limited (Independent Director) Greenlam Industries Limited (Independent Director) Suven Pharmaceuticals Limited (Independent Director) Akums Drugs and Pharmaceuticals Limited (Independent Director)	5(1)
Not Applicable	1	0	None	1(0)
Yes	5	3	Thomas Cook (India) Limited (Independent Director) Kirkoskar Ferrous Industries Limited (Independent Director) Kirkoskar Pneumatic Company Limited (Independent Director)	5(1)
Yes	2	0	None	3(1)
Not Applicable	3	0	None	3(1)
Not Applicable	2	2	Kansai Nerolac Paints Limited (Independent Director)	1(1)
Yes	Not Applicable, as ceased to be Directors of the Bank			
Yes				
Not Applicable				
Yes				

6. Pursuant to receipt of requisite approvals, Mrs. Pankajam Sridevi and Mr. Uday Bhansali were appointed as Independent Directors of the Bank for the first term of four (4) consecutive years, commencing from September 27, 2024, up to September 26, 2028 (both days inclusive).
7. Mr. Vishal Mahadevia tendered his resignation as Non-Executive Non-Independent Director of the Bank, with effect from the close of business hours on October 01, 2024.
8. Pursuant to receipt of requisite approvals, Mr. Sudhir Kapadia was appointed as an Independent Director of the Bank for his first term of four (4) consecutive years, commencing from October 26, 2024, up to October 25, 2028 (both days inclusive).
9. Dr. (Mrs.) Brinda Jagirdar ceased to be a member of the Board with effect from the close of business hours on December 17, 2024, pursuant to completion of her second term as Independent Director of the Bank.
10. None of the Directors of the Bank were member of more than 10 committees or acted as chairperson of more than 5 committees across all Public Limited Companies in which they were Directors in terms of Regulation 26 of the Listing Regulations.
11. None of the Directors held directorship in more than 10 Public Limited Companies.
12. None of the Directors were related to each other.

13. None of the Directors of the Bank served as Director or Independent Director in more than 7 listed companies.
- * Chairpersons of the Audit Committee, the Nomination and Remuneration Committee, and the Stakeholders' Relationship and Customer Service Committee were present at the 10th AGM of the Bank held on August 30, 2024.
- ^ Excludes directorship held in Foreign Companies but includes Private Limited Companies and Section 8 Companies in India.
- # Includes memberships of Audit Committee and Stakeholders' Relationship Committee of all Indian Public Limited Companies including IDFC FIRST Bank Limited.

Figures in brackets indicate number of Committee Chair position as per Regulation 26 of the Listing Regulations. Further, Private Limited Companies, Section 8 Companies and Foreign Companies have been excluded for the purpose of Committee Memberships/ Chair position.

All Directors of the Bank have submitted forms/ declarations/ undertakings/ consent as required under the extant laws. Pursuant to review of the said forms/ declarations/ undertakings/ consent as submitted by the Directors of the Bank, the NRC and the Board confirmed that all the Directors are in compliance with the applicable norms and are fit & proper to continue as Directors of the Bank.

BOARD COMMITTEES

The Board has constituted various Board-level Committees to delegate particular matters that require greater and more focused attention. These Committees take informed decisions in the best interest of the Bank. Also, these Committees monitor the activities falling within their respective Terms of Reference and recommend their views to the Board, wherever necessary.

The Board and its Committee are constituted in accordance with RBI Circular No. RBI/2021-22/24DOR. GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 on 'Corporate Governance in Banks – Appointment of Directors and Constitution of Committees of the Board', Companies Act, Listing Regulations and other applicable laws.

As on March 31, 2025, the Bank had following Board-level Committees, which have been constituted in accordance with the applicable provisions of law, wherever applicable:

- Audit Committee
- Risk Management Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship and Customer Service Committee
- Information Technology Strategy Committee
- Special Committee of the Board for Monitoring and Follow-up of cases of Frauds
- Corporate Social Responsibility and Environmental, Social & Governance ('ESG') Committee
- Credit Committee
- Wilful Defaulters Review Committee
- Capital Raise and Corporate Restructuring Committee
- Allotment, Transfer, and Routine Matters Committee

Majority of the members of Board-level Committees are Independent Directors and most of these Committees are chaired by them. There were no instances during FY 2024-25, wherein the Board had not accepted recommendations made by any Committee of the Board.

Mr. Satish Gaikwad, General Counsel and Company Secretary, acts as the Secretary for all the Board meetings and Board-level Committee meetings and ensures adherence to all laws and regulations for conducting such meetings.

Also, the Bank has put in place, a Management Committee framework to ensure that various submissions to the Board and its Committees are first reviewed, approved and recommended by the Management Committees. This enhances governance and helps to strengthen the compliances within the Bank.

As on March 31, 2025, the Bank had the following Management Committees:

- Credit and Market Risk Committee
- Operational Risk Management Committee
- Asset Liability Management Committee
- Product Approval Committee
- Premises Committee
- Customer Service Committee
- Executive Committee
- Human Resources Committee
- Information Technology Steering Committee
- Investment Committee
- Internal Audit and Controls Committee
- Environmental, Social, & Governance Management Committee
- Debentures Issue Committee
- Information Security Committee

Details on composition of the Board-level Committees, brief terms of reference and number of meetings held and attended by Directors during FY 2024-25, are given hereinafter.

1. Audit Committee

As on March 31, 2025, the Audit Committee comprised of Mr. Aashish Kamat - Chairperson, Mr. S. Ganesh Kumar and Mr. Sudhir Kapadia.

Also, the Chief Financial Officer, Joint Statutory Auditors and the Internal Auditors were invitees to the meetings of the Audit Committee, wherever necessary. The representatives of the Joint Statutory Auditors have attended the meetings of the Audit Committee held during FY 2024-25, for review of the quarterly/ annual financial results and financial statements of the Bank.

All members of the Audit Committee are financially literate and have accounting or related financial management expertise.



The Committee met six (6) times during FY 2024-25, on April 26, 2024, July 25, 2024, July 27, 2024, October 25, 2024, November 25, 2024, and January 24, 2025. The maximum gap between any two consecutive meetings was less than 120 days. All the meetings were held during the year with requisite quorum.

The composition, names of members and chairperson, and their attendance at the Audit Committee meetings held during FY 2024-25 are given in **Table No. 1**.

Table No. 1: Attendance details of the Audit Committee meetings held during FY 2024-25

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2024-25
Mr. Aashish Kamat	Chairperson (Independent Director)	6/6
Mr. S. Ganesh Kumar	Member (Independent Director)	6/6
Mr. Sudhir Kapadia ¹	Member (Independent Director)	2/2
Mr. Pravir Vohra ²	Member (Independent Director)	5/5

Notes:

- Pursuant to the appointment of Mr. Sudhir Kapadia as an Independent Director of the Bank, the Board appointed him as a Member of the Audit Committee, with effect from October 26, 2024.
- Mr. Pravir Vohra ceased to be a Member of the Audit Committee, with effect from December 18, 2024.

Terms of Reference of the Audit Committee *inter-alia* includes the following:

- Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing, with management, the financial statements & results and auditor's report before submission to the Board for approval, with particular reference to: (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, (b) Changes, if any, in accounting policies and practices and reasons for the same, (c) Major accounting entries involving estimates based on the exercise of judgment by management, (d) Significant adjustments made in the financial statements arising out of audit findings, (e) Compliance with the SEBI Listing Regulations and other legal requirements relating to financial statements, (f) Disclosure of related party transactions and other legal requirements relating to financial statements, (g) Modified Opinion(s) in the draft Audit report.
- Approval or any subsequent modification of transactions of the Bank with related parties, including, grant of omnibus approval for related party transactions in accordance with applicable regulations.

- To scrutinize inter-corporate loans and investments.
- Review of Intra Group Transactions & Exposures.
- Recommending to the Board, the appointment, re-appointment, remuneration, terms of appointment and, if required, the replacement or removal of the statutory auditor and fixation of audit fees.
- Reviewing, with the management, performance of statutory auditors & internal auditors and adequacy of the internal control systems.
- Review the long form audit report ('LFAR') and management letters/ letters of internal control weaknesses issued by statutory auditors, reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process, etc.
- Approve the Annual Risk Based Audit Plan, internal audit resourcing and budgets and any mid-term reviews thereof.
- Review audit plan and status of the plan.
- Reviewing the findings of internal investigations, if any conducted by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review of the Internal Audit reports relating to internal control weaknesses.
- Review of the appointment, removal, and terms of remuneration of the Chief Internal Auditor.
- Evaluation of internal financial controls and risk management systems.
- Review compliance report on directives issued by ACB/ Board/ RBI.
- Review the functioning of the Whistle Blower/Vigil Mechanism.
- To review on a quarterly basis, the legal audit updates which are undertaken.
- To review credit card operations on half-yearly basis by the Audit Committee of the Board of Directors. The review shall include, inter-alia, customer service, frauds, complaints and grievance redressal, card usage analysis including cards not used for long durations and the inherent risks therein.
- Review of progress and key performance indicators of digital banking unit (DBU) on periodic basis. The review should cover both business and risk aspects of the segment.
- To note update on regulatory inspection observation and status of closure of observations.
- To take note of the Compliance Certificate being presented to the Board.
- Review of key updates and governance framework of the subsidiary company, on a quarterly basis.

2. Risk Management Committee

The Board is responsible for framing, implementing and monitoring the Risk Management framework for the Bank.

The Board has delegated authority to the Risk Management Committee ('RMC') of the Board for oversight and review of risk management practices within the Bank. The RMC maintains active supervision of the Bank's exposures including asset quality, portfolio performance, capital planning and risk strategy. Further, RMC reviews the Risk appetite framework, policies, strategies and associated frameworks for risk management. RMC assures independence of Risk Management to the Board and constructively challenges the management's proposals and decisions on all aspects of risk management arising from the Bank's activities. The RMC also ensures comprehensive periodical risk reporting for all segments of risk including credit risk, market risk, liquidity risk, operational risk, reputational risk, fraud risk, etc. The RMC further oversees the stress testing framework to measure the plausible impact of unusual market conditions on the Banks financials and plan for contingencies. The RMC is supported by the management sub-committees to facilitate effective execution of the above responsibilities.

As on March 31, 2025, the RMC comprised of Mr. S. Ganesh Kumar - Chairperson, Ms. Matangi Gowrishankar, Mr. Pravir Vohra, Mr. Sanjeeb Chaudhuri and Mr. V. Vaidyanathan.

Mr. Chetan Sanghvi is the Chief Risk Officer ('CRO') of the Bank. The Bank has formulated and adopted a Policy defining the roles and responsibilities of the CRO, in line with the guidelines issued by the RBI.

The Committee met five (5) times during FY 2024-25, on April 26, 2024, July 23, 2024, October 25, 2024, January 21, 2025, and January 24, 2025. The maximum gap between any two consecutive meetings did not breach the provisions of the Listing Regulations and other applicable provisions of law. All the meetings were held during the year with requisite quorum.

The composition, names of members and chairperson, and their attendance at the RMC meetings held during FY 2024-25 are given in **Table No. 2**.

Table No. 2: Attendance details of the Risk Management Committee meetings held during FY 2024-25

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2024-25
Mr. S. Ganesh Kumar	Chairperson (Independent Director)	5/5
Mr. Pravir Vohra	Member (Independent Director)	5/5
Mr. Sanjeeb Chaudhuri	Member (Independent Director)	5/5
Mr. V. Vaidyanathan	Member (MD & CEO)	5/5
Ms. Matangi Gowrishankar	Member (Independent Director)	5/5
Dr. Jaimini Bhagwati ¹	Member (Non-Executive Non-Independent Director)	2/2

Note:

- Consequent to the resignation of Dr. Jaimini Bhagwati as Non-Executive Non-Independent Director of the Bank, he ceased to be a Member of the RMC, with effect from close of business hours of September 9, 2024.

Terms of Reference of the Risk Management Committee *inter-alia* includes the following:

- To identify, monitor and measure the risk profile of the Bank (including market risk, liquidity risk, operational risk, reputational risk, fraud management and credit risk).
- To monitor and review the cyber security risks/ arrangements/ preparedness of the Bank on a quarterly basis.
- To recommend to the Board the annual Risk Appetite Statement for the Bank as well as review the implementation of the same.
- To monitor and review the risk management plan of the Bank.
- To oversee the Bank's integrated risk measurement system.
- To review and evaluate the overall risk faced by the Bank including market risk and liquidity risk.
- To review management's formulation of procedures, action plans and strategies to mitigate risks on short term as well as long term basis.
- To review and recommend to the Board, the Bank's ICAAP proposal.
- Design stress scenarios to measure the impact of unusual market conditions and monitor variance between actual volatility of portfolio value and that predicted by risk measures.
- To develop/recommend policies related to credit risk, operational risk, fraud management, liquidity risk, information security risk and market risk etc. for approval by the Board.
- To oversee promotion of awareness of a risk-based culture and achieving a balance between risk minimization and reward for risks accepted.
- To oversee the Bank's Basel (Standardized and Advance Approaches) preparedness and Reserve Bank of India Application
- To carry out any other function as referred by the Board from time to time or enforced by any statutory authority, as may be applicable.
- Abide by any other requirement in accordance with the applicable provisions of the Listing Regulations, Companies Act read with relevant rules thereunder and/or comply with the applicable RBI Guidelines / Banking Regulation Act read with relevant circulars issued by RBI, or any re-enactment, amendment or modification thereto from time to time.

3. Nomination and Remuneration Committee

As on March 31, 2025, the NRC comprised of Mr. Sudhir Kapadia - Chairperson, Mr. Aashish Kamat, Ms. Matangi



Gowrishankar, Mr. Sanjeeb Chaudhari, Mr. S. Ganesh Kumar and Mr. Uday Bhansali.

The Committee met six (6) times during FY 2024-25, on April 26, 2024, May 30, 2024, July 23, 2024, September 27, 2024, October 23, 2024, and January 24, 2025. All the meetings were held during the year with requisite quorum.

The composition, names of members and chairperson, and their attendance at the NRC meetings held during FY 2024-25 are given in **Table No. 3**.

Table No. 3: Attendance details of the Nomination and Remuneration Committee meetings held during FY 2024-25

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2024-25
Mr. Sudhir Kapadia ¹	Chairperson (Independent Director)	1/1
Mr. Aashish Kamat	Member (Independent Director)	6/6
Ms. Matangi Gowrishankar	Member (Independent Director)	6/6
Mr. Sanjeeb Chaudhari ²	Member (Independent Director)	2/2
Mr. S. Ganesh Kumar	Member (Independent Director)	6/6
Mr. Uday Bhansali ²	Member (Independent Director)	2/2
Dr. (Mrs.) Brinda Jagirdar ³	Chairperson (Independent Director)	5/5
Mr. Vishal Mahadevia ⁴	Member (Non-Executive Non-Independent Director)	2/4

Notes:

- Pursuant to the appointment of Mr. Sudhir Kapadia as an Independent Director of the Bank, the Board appointed him as a Member of the NRC, with effect from October 26, 2024. He was subsequently appointed as the Chairperson of the NRC, with effect from December 18, 2024.
- The Board appointed Mr. Sanjeeb Chaudhari and Mr. Uday Bhansali as Members of the NRC, with effect from October 19, 2024.
- Consequent to completion of Dr. (Mrs.) Brinda Jagirdar's term as an Independent Director of the Bank, she ceased to be a Member and Chairperson of the NRC, with effect from close of business hours of December 17, 2024.
- Consequent to the resignation of Mr. Vishal Mahadevia as Non-Executive Non-Independent Director of the Bank, he ceased to be a Member of the NRC, with effect from close of business hours of October 1, 2024.

Terms of Reference of the Nomination and Remuneration Committee *inter-alia* includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Determine the Bank's policy on specific remuneration packages for Whole-time Directors/ Executive Directors/ KMPs/ other employees including pension rights and any compensation payment.
- To review and recommend to the Board the payment of fixed remuneration to the Non-Executive Directors of the Bank within the overall limits as may be approved by the shareholders of the Bank, in terms of the Companies Act and RBI Guidelines.
- To periodically review and suggest revision of the total remuneration package of the Whole-time Directors keeping in view performance of the Bank, standards prevailing in the industry, Norms specified by RBI, statutory guidelines, etc.
- To formulate the detailed terms and conditions of the schemes framed under applicable SEBI Regulations.
- Oversee the succession planning for the Directors and Management.
- Approve and monitor grant of employee stock options as a part of compensation of Whole-time Directors, Senior Management Personnel, Key Managerial Personnel and other eligible employees.
- Provide a framework for the remuneration of all employees (including risk-takers).
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- To provide guidance and help shape management's efforts in embedding ethical practices in the organization.
- To co-ordinate and oversee the annual self-review of the performance of the Board, its Committees and of the Individual Directors (including Independent Directors) in the governance of the Bank.
- Abide by any other requirement in accordance with the applicable provisions of the Listing Regulations, Companies Act read with relevant rules thereunder and/or comply with the applicable RBI Guidelines / Banking Regulation Act read with relevant circulars issued by RBI, or any re-enactment, amendment or modification thereto from time to time.

4. Credit Committee

As on March 31, 2025, the Credit Committee comprised of Mr. Pravir Vohra - Chairperson, Mr. V. Vaidyanathan, Mr. Sanjeeb Chaudhari and Mr. Uday Bhansali.

The Committee met thirteen (13) times during FY 2024-25, on April 18, 2024, May 29, 2024, June 27, 2024, July 25, 2024, August 29, 2024, September 27, 2024, October 31, 2024, November 22, 2024, November 28, 2024, December 20, 2024, January 30, 2025, February 28, 2025 and March 24, 2025. All the meetings were held during the year with requisite quorum.

The composition, names of members and chairperson, and their attendance at the Credit Committee meetings held during FY 2024-25 are given in **Table No. 4**.

Table No. 4: Attendance details of the Credit Committee meetings held during FY 2024-25

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2024-25
Mr. Pravir Vohra ¹	Chairperson (Independent Director)	10/10
Mr. Sanjeeb Chaudhari ²	Member (Independent Director)	7/7
Mr. Uday Bhansali ²	Member (Independent Director)	7/7
Mr. V. Vaidyanathan	Member (MD & CEO)	13/13
Dr. (Mrs.) Brinda Jagirdar ³	Chairperson (Independent Director)	9/9
Mr. Vishal Mahadevia ⁴	Member (Non-Executive Non-Independent Director)	4/6

Notes:

1. Mr. Pravir Vohra ceased to be a Member of the Credit Committee with effect from October 19, 2024. Subsequently, he was appointed as a Member and Chairperson of the Committee with effect from December 18, 2024.
2. Mr. Sanjeeb Chaudhari and Mr. Uday Bhansali were appointed as Members of the Credit Committee by the Board, with effect from October 19, 2024.
3. Consequent to completion of Dr. (Mrs.) Brinda Jagirdar's term as an Independent Director of the Bank, she ceased to be a Member and Chairperson of the Credit Committee, with effect from close of business hours of December 17, 2024.
4. Consequent to the resignation of Mr. Vishal Mahadevia as Non-Executive Non-Independent Director of the Bank, he ceased to be a Member of the Credit Committee, with effect from close of business hours of October 1, 2024.

Terms of Reference of the Credit Committee *inter-alia* includes the following:

- To approve credit exposures which are beyond the powers delegated to executives of the Bank as per the Delegation of Authority.
- To control the risk through review of approvals (including takeover cases).

- To control risk by supporting the RMC in effective monitoring of the portfolio where required in line with extant DOA/Policies etc.

5. Information Technology (IT) Strategy Committee

As on March 31, 2025, the IT Strategy Committee ('ITSC') comprised of Mr. Pravir Vohra – Chairperson, Mrs. Pankajam Sridevi, Mr. Sanjeeb Chaudhuri, Mr. S. Ganesh Kumar, Mr. Sudhir Kapadia and Mr. V. Vaidyanathan.

The Committee met six (6) times during FY 2024-25, on April 25, 2024, May 13, 2024, June 07, 2024, July 18, 2024, October 24, 2024, and January 22, 2025. All the meetings were held during the year with requisite quorum.

The composition, names of members and chairperson, and their attendance at the IT Strategy Committee meetings held during FY 2024-25 are given in **Table No. 5**.

Table No. 5: Attendance details of the IT Strategy Committee meetings held during FY 2024-25

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2024-25
Mr. Pravir Vohra	Chairperson (Independent Director)	6/6
Mrs. Pankajam Sridevi ¹	Member (Independent Director)	2/2
Mr. Sanjeeb Chaudhuri	Member (Independent Director)	6/6
Mr. S. Ganesh Kumar	Member (Independent Director)	6/6
Mr. Sudhir Kapadia ²	Member (Independent Director)	1/1
Mr. V. Vaidyanathan	Member (MD & CEO)	6/6

Notes:

1. Subsequent to the appointment of Mrs. Pankajam Sridevi as an Independent Director of the Bank, the Board appointed her as a Member of the ITSC, with effect from October 19, 2024.
2. Pursuant to the appointment of Mr. Sudhir Kapadia as an Independent Director of the Bank, the Board appointed him as a Member of the ITSC, with effect from October 26, 2024.

Terms of Reference of the IT Strategy Committee *inter-alia* includes the following:

- Approving IT strategy and policy documents (incl IT, ISMS, Cyber Security and other Policies as applicable) and ensuring that the management has put an effective strategic planning process in place.
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
- Ensuring IT investments represent a balance of risks and benefits and budgets are acceptable.
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.



- Ensuring proper balance of IT investments for sustaining Bank's growth and becoming aware about exposure towards IT risks and controls.
- Satisfy itself that IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation.
- Such other roles and functions as may be prescribed by Reserve Bank of India or as may be delegated by the Board of Directors from time to time.

Information Security related

- Development of information/ cyber security policies, implementation of policies, standards, and procedures to ensure that all identified risks are managed within the RE's risk appetite.
- Approving and monitoring information security projects and security awareness initiatives.
- Reviewing cyber incidents, security breaches (if any) and assess its impact, RCA and plans to strengthen the cyber resilience and various information security assessments/audits and monitoring activities across the Bank.
- Any deviations/differences noted in environments (the version and configuration) related to production and lower/test environments where due to unavoidable reasons VA/PT needed be conducted in the lower/test environment for providing go-live sign offs both for New IT projects/System upgrades.
- Oversee the cyber security/resilience framework and to ensure cyber security preparedness on a continuous basis.
- Consider the review of cyber security arrangements/ preparedness/KRI/KPI.
- Evaluation of the extent to which the information security strategy is meeting the needs of the business.
- Approve and accord consent for cyber/information security policies to be presented to the Board for approval.
- Overseeing the aggregate funding of Information Security at a bank-level and ascertaining if the management has resources to ensure the proper management of IS risks.
- Monitoring the success of information security management arrangements, the extent of overall compliance with information security-related legislation and regulation, and overall implications of the changing threat landscape.
- Make note of the vulnerabilities and cyber security risks the Bank is exposed to.

- Discuss and assess current/emerging cyber threats to banking industry including payment systems and Bank's preparedness.
- Monitor and manage cyber/information security risks related to outsourced business/ IT service providers.
- Review issues related to data privacy- internal as well as external to the organization.
- VAPT report to be presented / approved prior to onward submission to regulators as applicable (in line with SEBI requirements).

6. Special Committee of the Board for Monitoring and Follow-up of cases of Frauds ('SCBMF')

(formerly known as Fraud Monitoring Committee)

As on March 31, 2025, the SCBMF comprised of Mrs. Pankajam Sridevi - Chairperson, Mr. Aashish Kamat, Mr. Pravir Vohra, Mr. Uday Bhansali and Mr. V. Vaidyanathan.

The Committee met four (4) times during FY 2024-25, on April 25, 2024, July 18, 2024, October 25, 2024, and January 23, 2025. All the meetings were held during the year with requisite quorum.

The composition, names of members and chairperson, and their attendance at the SCBMF meetings held during FY 2024-25 are given in **Table No. 6**.

Table No. 6: Attendance details of the SCBMF meetings held during FY 2024-25

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2024-25
Mrs. Pankajam Sridevi ¹	Chairperson (Independent Director)	2/2
Mr. Aashish Kamat	Member (Independent Director)	4/4
Mr. Pravir Vohra ²	Member (Independent Director)	4/4
Mr. Uday Bhansali ³	Member (Independent Director)	2/2
Mr. V. Vaidyanathan	Member (MD & CEO)	4/4
Dr. Jaimini Bhagwati ⁴	Member (Non-Executive Non-Independent Director)	2/2
Mr. Sanjeeb Chaudhuri ⁵	Member (Independent Director)	2/2

Notes:

1. Subsequent to the appointment of Mrs. Pankajam Sridevi as an Independent Director of the Bank, the Board appointed her as a Member of the SCBMF, with effect from October 19, 2024. She was appointed as the Chairperson of the SCBMF, with effect from December 18, 2024.
2. Mr. Pravir Vohra ceased to be the Chairperson of SCBMF, with effect from December 18, 2024. However, he continued to be the member of the committee.
3. Subsequent to the appointment of Mr. Uday Bhansali as an Independent Director of the Bank, the Board appointed him as a Member of the SCBMF by the Board, with effect from October 19, 2024.

4. Consequent to the resignation of Dr. Jaimini Bhagwati as Non-Executive Non-Independent Director of the Bank, he ceased to be a Member of the SCBMF, with effect from close of business hours of September 9, 2024.
5. Mr. Sanjeeb Chaudhari ceased to be a Member of the SCBMF, with effect from October 19, 2024.

Terms of Reference of SCBMF *inter-alia* includes the following:

The purpose of SCBMF is to monitor and follow up cases of frauds and any other matters as the Committee may deem fit.

The SCBMF convenes quarterly to review all reported fraud cases and meets additionally, as needed, to examine frauds involving amounts of ₹ 1 crore or more, as well as any other issues the Committee considers appropriate.

SCBMF oversees the effectiveness of fraud risk management in the Bank. The Committee reviews and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds. The coverage of the Committee review/ monitoring include, among others,

- Categories/ trends of frauds
- Industry/ sectoral/ geographical concentration of frauds
- Delay in detection/ classification of frauds.
- Cases remaining RFA status beyond 180 days
- Delay in examination/ conclusion of staff accountability, etc.

The Committee also reviews an update on the Red Flagged Accounts (RFA) remaining in red-flagged status beyond 180 days from the date of first reporting of the account as RFA on the CRILC platform.

7. Stakeholders' Relationship and Customer Service Committee ('SRCSC')

As on March 31, 2025, the SRCSC comprised of Ms. Matangi Gowrishankar - Chairperson, Mrs. Pankajam Sridevi, Mr. Pravir Vohra, Mr. S. Ganesh Kumar, Mr. Sudhir Kapadia and Mr. V. Vaidyanathan.

Mr. Satish Gaikwad, General Counsel and Company Secretary is the designated person responsible for handling Investor/ Shareholder Grievances and is the Compliance Officer of the Bank under Listing Regulations. He is also the Nodal Officer of the Bank for handling Investor Grievances with respect to Investor Education and Protection Fund ('IEPF').

The SRCSC is responsible for monitoring various aspects of interest of shareholders, debenture holders, investors, customers and other security holders, if any, including complaints relating to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The Committee also assists the Board and the Bank in monitoring the quality of services rendered to the customers

and to ensure implementation of directives received from RBI in this regard.

The Bank receives investor complaints through various sources such as from Stock Exchanges, SEBI Complaints Redress System (SCORES), Registrar of Companies, through the Bank's Registrar and Transfer Agents, directly from investors' correspondence and from the investors personal visits to the Bank, etc. The Bank has a dedicated team of professionals to respond to queries and grievances received from the investors, customers, shareholders and bond holders. The Board and SRCSC are updated on a quarterly basis on the resolution and redressal of the complaints.

The Bank has designated e-mail id, viz., bank.info@idfcfirstbank.com, for reporting complaints/ grievances.

The Committee met four (4) times during FY 2024-25, on April 25, 2024, July 18, 2024, October 24, 2024, and January 22, 2025. All the meetings were held during the year with requisite quorum.

The composition, names of members and chairperson, and their attendance at the SRCSC meetings held during FY 2024-25 are given in **Table No. 7**.

Table No. 7: Attendance details of the SRCSC meetings held during FY 2024-25

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2024-25
Ms. Matangi Gowrishankar ¹	Chairperson (Independent Director)	4/4
Mrs. Pankajam Sridevi ²	Member (Independent Director)	2/2
Mr. Pravir Vohra	Member (Independent Director)	4/4
Mr. S. Ganesh Kumar	Member (Independent Director)	4/4
Mr. Sudhir Kapadia ³	Member (Independent Director)	1/1
Mr. V. Vaidyanathan	Member (MD & CEO)	4/4
Dr. (Mrs.) Brinda Jagirdar ⁴	Chairperson (Independent Director)	3/3
Mr. Sanjeeb Chaudhuri ⁵	Member (Independent Director)	2/2

Notes:

1. Ms. Matangi Gowrishankar, who was a member of SRCSC, was appointed as the Chairperson of SRCSC by the Board, with effect from December 18, 2024.
2. Subsequent to the appointment of Mrs. Pankajam Sridevi as an Independent Director of the Bank, the Board appointed her as a Member of the SRCSC, with effect from October 19, 2024.
3. Pursuant to the appointment of Mr. Sudhir Kapadia as an Independent Director of the Bank, the Board appointed him as a Member of the SRCSC, with effect from October 26, 2024.



4. Consequent to completion of Dr. (Mrs.) Brinda Jagirdar's term as an Independent Director of the Bank, she ceased to be a Member and Chairperson of the SRCSC, with effect from close of business hours of December 17, 2024.
5. Mr. Sanjeeb Chaudhari ceased to be a Member of the SRCSC, with effect from October 19, 2024.

The details of Complaints received and attended by the Bank during FY 2024-25 for Equity Shares and Infrastructure Bonds issued under Section 80CCF of the Income Tax Act, 1961 are given in **Table No. 7A**.

Table No. 7A: Nature of Complaints received and attended during FY 2024-25

Complaints pending as on April 01, 2024	Complaints received during the year	Complaints redressed during the year	Complaints pending as on March 31, 2025
7	101	101	7

During FY 2024-25, no Complaints were received in respect of the bonds/ Non-Convertible Debentures issued by the Bank on private placement basis.

Terms of Reference of the SRCSC *inter-alia* includes the following:

For Security and Other Stakeholders:

- To consider and resolve the grievances of security holders of the Bank including complaints related to transfer/ transmission of shares, non-receipt of balance sheet, non-receipt of annual report, non-receipt of declared dividend, issue of new/ duplicate certificates, general meetings etc.
- Propose to the Board of Directors, the appointment/ re-appointment of the Registrar and Share Transfer Agent, including the terms and conditions, remuneration, Service charge/ fees.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review the existing "Stakeholder Redressal System" and suggest measures for improvement.
- Take measures to enhance operational transparency to Stakeholders and suggest measures for improvement in Stakeholder relations.
- Develop mechanism to provide access to Stakeholders to relevant, sufficient and reliable information on a timely and regular basis to enable them to participate in Corporate Governance process.
- Any other requirement in accordance with the applicable provisions of the Companies Act, Listing Regulations and RBI Guidelines.

For Customers:

- To oversee the functioning of the Bank's internal committee set-up for customer service.
- To review the level of customer service in the Bank including customer complaints and the nature of their

resolution and provide guidance in improving the customer service level.

- To examine any other issues having a bearing on the quality of customer service rendered.
- To formulate comprehensive deposit policy incorporating the issues arising out of the demise of a depositor for operation of his account, the product approval process, the annual survey of depositor satisfaction and the triennial audit of such services.
- To monitor implementation of awards under the Banking Ombudsman Scheme.
- To ensure implementation of directives received from RBI with respect to rendering services to customers of the Bank.
- To review the analysis of complaints referred to Hon. Internal Ombudsman (permanent invitee for Customer Service Committee of the board section) of the Bank.
- Any other requirement in accordance with the applicable provisions of RBI Guidelines.

8. Corporate Social Responsibility and ESG Committee ('CSR and ESG Committee')

As on March 31, 2025, the CSR and ESG Committee comprised of Mr. V. Vaidyanathan - Chairperson, Ms. Matangi Gowrishankar, Mr. Sanjeeb Chaudhuri and Mr. Uday Bhansali.

The Committee met four (4) times during FY 2024-25, on April 24, 2024, July 23, 2024, October 23, 2024, and January 23, 2025. All the meetings were held during the year with requisite quorum.

The composition, names of members and chairperson, and their attendance at the CSR and ESG Committee meetings held during FY 2024-25 are given in **Table No. 8**.

Table No. 8: Attendance details of the CSR and ESG Committee meetings held during FY 2024-25

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2024-25
Mr. V. Vaidyanathan	Chairperson (MD & CEO)	4/4
Ms Matangi Gowrishankar	Member (Independent Director)	4/4
Mr. Sanjeeb Chaudhuri	Member (Independent Director)	4/4
Mr. Uday Bhansali ¹	Member (Independent Director)	2/2
Dr. (Mrs.) Brinda Jagirdar ²	Member (Independent Director)	3/3

Notes:

1. Subsequent to the appointment of Mr. Uday Bhansali as an Independent Director of the Bank, the Board appointed him as a Member of the CSR and ESG Committee, with effect from October 19, 2024.
2. Consequent to completion of Dr. (Mrs.) Brinda Jagirdar's term as an Independent Director of the Bank, she ceased to be a Member of the CSR and ESG Committee, with effect from close of business hours of December 17, 2024.

Details of CSR initiatives undertaken by IDFC FIRST Bank can be referred in the Directors' Report, which forms part of this Annual Report.

The Board approved CSR Policy is placed on the Bank's website: www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Policies' section.

Terms of Reference of the Corporate Social Responsibility and ESG Committee *inter-alia* includes the following:

For CSR:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Bank as specified in Schedule VII of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014 ('CSR Rules'), as amended from time to time and monitor CSR Policy.
- Recommend the amount of expenditure to be incurred on the activities referred to in Point above.
- Review and monitor the CSR activities of the Bank on behalf of the Board to ensure that the Bank is in compliance with appropriate laws and legislations.
- Formulate a transparent monitoring mechanism for implementation of CSR Projects or programs or activities undertaken by the Bank.
- Formulate and recommend to the Board, an annual action plan and any modifications thereof.
- Regularly report to the Board on the CSR initiatives and status and also provide reasons to the Board if the amount earmarked for CSR initiatives has not been spent and action steps for the same.
- Review management's position on key stakeholder expectations involving CSR and provide perspectives for Board's consideration.
- Review on a continuous basis the Bank's communication strategies relating to CSR.
- Review the Bank's annual CSR report prior to its issuance.
- Review and assess the remit and reports of any audit process to gain assurance over the CSR activities.
- Review management-identified opportunities to optimize the use of technology for the use of CSR activities.
- Review the certification from CFO or any person responsible for financial management on utilisation of the funds disbursed for the approved purposes and recommend to the Board.

For ESG:

- Monitor implementation and execution of policies, strategies, programs, initiatives, reporting & disclosures and such other matters related to ESG.

- Focus on the macro-level trends and developments in ESG measurement, reporting standards and frameworks to create ESG goals for the Bank.
- To periodically review the ESG activities, implementation of targets and related performance.
- To review any statutory reporting relating to sustainability initiatives e.g., Business Responsibility and Sustainability Report.

9. Wilful Defaulters Review Committee ('WDRC')

As on March 31, 2025, the Wilful Defaulters Review Committee comprised of Mr. V. Vaidyanathan - Chairperson, Mr. Aashish Kamat, Ms. Matangi Gowrishankar, Mrs. Pankajam Sridevi, Mr. S. Ganesh Kumar and Mr. Uday Bhansali.

The Committee met thrice (3) during FY 2024-25, on July 23, 2024, October 23, 2024, and January 23, 2025. All the meetings were held during the year with requisite quorum.

The composition, names of members and chairperson, and their attendance at the WDRC meetings held during FY 2024-25 are given in **Table No. 9**.

Table No. 9: Attendance details of the Wilful Defaulters Review Committee meetings held during FY 2024-25

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2024-25
Mr. V. Vaidyanathan	Chairperson (MD & CEO)	3/3
Mr. Aashish Kamat	Member (Independent Director)	3/3
Ms. Matangi Gowrishankar	Member (Independent Director)	2/3
Mrs. Pankajam Sridevi ¹	Member (Independent Director)	2/2
Mr. S. Ganesh Kumar	Member (Independent Director)	3/3
Mr. Uday Bhansali ¹	Member (Independent Director)	2/2
Dr. (Mrs.) Brinda Jagirdar ²	Member (Independent Director)	2/2

Notes:

- Subsequent to the appointment of Mrs. Pankajam Sridevi and Mr. Uday Bhansali as Independent Directors of the Bank, the Board appointed them as Members of the Wilful Defaulters Review Committee, with effect from October 19, 2024.
- Consequent to completion of Dr. (Mrs.) Brinda Jagirdar's term as an Independent Director of the Bank, she ceased to be a Member of the Wilful Defaulters Review Committee, with effect from close of business hours of December 17, 2024.

Terms of Reference of the Wilful Defaulters Review Committee *inter-alia* includes the following:

- To review the recommendation/order of the Identification Committee for classification of the borrower as wilful defaulter along with written representation from borrower as applicable.



- To issue the final order on the declaration/ classification of the borrower as wilful defaulter by the Bank.
- To provide an opportunity for a personal hearing also to the borrower/guarantor/promoter/director/persons who are in charge and responsible for the management of the affairs of the entity being classified as Wilful Defaulter.
- To review the status of and matters relating to Wilful Defaulters, if required.
- Any other requirement in accordance with the applicable provisions of RBI Guidelines.
- Any other matters which the Committee may deem fit in this connection and as may be required by any regulatory authority, from time to time.

10. Allotment, Transfer, and Routine Matters Committee ('ATRC')

As on March 31, 2025, the ATRMC comprised of Mr. V. Vaidyanathan - Chairperson, Mrs. Pankajam Sridevi, Mr. Sudhir Kapadia, Mr. Pradeep Natarajan, Mr. Sudhanshu Jain, Chief Financial Officer & Head - Corporate Centre, and Mr. Adrian Andrade, Chief Human Resources Officer.

The purpose of ATRMC of the Bank is (i) to assist the Board to expedite the process of Securities Allotment and Transfers, (ii) to approve such matters which are required to be approved on a day to day basis for smooth functioning of the Bank and which have been mentioned in the Terms of Reference, and (iii) to borrow money(ies) from time to time for the purpose of carrying on the business of the Bank, using various products, on being authorised by the Board.

The Committee met once during FY 2024-25, on October 11, 2024. The meeting was held with requisite quorum.

The composition, names of members and chairperson, and their attendance at the ATRMC meeting during FY 2024-25 are given in **Table No. 10**.

Table No. 10: Attendance details of the ATRMC meetings held during FY 2024-25

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2024-25
Mr. V. Vaidyanathan	Chairperson (MD & CEO)	1/1
Mr. Pradeep Natarajan ¹	Member (Executive Director)	N.A.
Mrs. Pankajam Sridevi ²	Member (Independent Director)	N.A.
Mr. Sudhir Kapadia ³	Member (Independent Director)	N.A.
Mr. Sanjeeb Chaudhuri ⁴	Member (Independent Director)	1/1

Mr. Sudhanshu Jain, Chief Financial Officer & Head - Corporate Centre, and Mr. Adrian Andrade, Chief Human Resources Officer, are members of the ATRMC and were present at the ATRMC meeting held on October 11, 2024.

Notes:

1. Subsequent to the appointment of Mr. Pradeep Natarajan as the Executive Director of the Bank, the Board appointed him as a Member of the ATRMC, with effect from October 19, 2024.
2. Subsequent to the appointment of Mrs. Pankajam Sridevi as an Independent Director of the Bank, the Board appointed her as a Member of the ATRMC, with effect from October 19, 2024.
3. Pursuant to the appointment of Mr. Sudhir Kapadia as an Independent Director of the Bank, the Board appointed him as a Member of the ATRMC, with effect from October 26, 2024.
4. Mr. Sanjeeb Chaudhari ceased to be a Member of the ATRMC, with effect from October 19, 2024.

Terms of Reference of the Allotment, Transfer, and Routine Matters Committee *inter-alia* includes the following:

- To address, approve and monitor all matters related with the allotment, transfer, transmission, transposition, name deletion, consolidation, rematerialization, dematerialization and splitting of share and debenture certificates of the Bank.
- To apply for memberships to various exchanges, central counterparties and other quasi regulatory bodies.
- To grant authorization for labour and HR operations matter including signing of leave and license agreement(s).
- To appoint/ empanel such intermediaries and consultants or service providers, as may be required from time to time.
- To open/ operate/ close demat accounts.
- To open/ close dividend account.
- To open/ close G Sec account.
- To give authority for signing documents for treasury transactions.
- To do such other things as may be delegated by the Board/ any other Committee of the Bank.

11. Capital Raise and Corporate Restructuring Committee ('CRCRC')

As on March 31, 2025, the CRCRC comprised of Mr. Uday Bhansali - Chairperson, Mr. Aashish Kamat, Mr. Sanjeeb Chaudhuri and Mr. V. Vaidyanathan.

The Committee met four (4) times during FY 2024-25, on May 13, 2024, May 30, 2024, January 23, 2025 and March 26, 2025. All the meetings were held during the year with requisite quorum.

The composition, names of members and chairperson, and their attendance at the CRCRC meetings held during FY 2024-25 are given in **Table No. 11**.

Table No. 11: Attendance details of the CRCRC meetings held during FY 2024-25

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2024-25
Mr. Uday Bhansali ¹	Chairperson (Independent Director)	2/2
Mr. Aashish Kamat	Member (Independent Director)	4/4
Mr. Sanjeeb Chaudhuri ²	Member (Independent Director)	4/4
Mr. V. Vaidyanathan	Member (MD & CEO)	4/4
Mr. Vishal Mahadevia ³	Member (Non-Executive Non-Independent Director)	1/2

Notes:

- Subsequent to the appointment of Mr. Uday Bhansali as an Independent Director of the Bank, the Board appointed him as a Member and Chairperson of the CRCRC, with effect from October 19, 2024.
- Mr. Sanjeeb Chaudhuri ceased to be a Chairperson of CRCRC, with effect from October 19, 2024. However, he continued to be the member of the committee.
- Consequent to the resignation of Mr. Vishal Mahadevia as Non-Executive Non-Independent Director of the Bank, he ceased to be a Member of the CRCRC, with effect from close of business hours of October 1, 2024.

Terms of Reference of the CRCRC *inter-alia* includes the following:

- To consider, approve and monitor all matters related with the capital raising and/or corporate restructuring activities, including other incidental matters thereto.
- To decide on mode, manner, issue size, pricing, timelines and other terms & conditions of the capital raising and/or corporate restructuring activities.
- To engage and appoint various agencies for capital raising/ corporate restructuring activities and finalise the terms of capital raising/ corporate restructuring activities and other related matters.
- To make applications to any regulatory or statutory authorities, as may be required, for the purpose of offering, issuance, placement and allotment of securities to the investors, and for the purpose of corporate restructuring activities.
- To make regulatory filings and applications with various statutory bodies (Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, and/or any other authorities or agencies, as involved).
- To approve and finalise various documents, deeds, agreements, instruments and to do all such acts, deeds, matters and things as may be necessary.

MEETING OF INDEPENDENT DIRECTORS

As per the Schedule IV of the Companies Act and the rules made thereunder, the Independent Directors of a Company shall hold at least one (1) meeting in a financial year, without

the attendance of Non-Independent Directors and members of the Management. This meeting is expected to review the performance of Non-Independent Directors and the Board as a whole; review the performance of the Chairperson of the Board, taking into account the views of Executive Directors and Non-Executive Directors; and assess the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Accordingly, during FY 2024-25, a separate meeting of the Independent Directors of the Bank was held on July 23, 2024, without the presence of WTDs, Non-Independent Directors and Senior Management. The purpose of the meeting was to review the outcome of the Board Evaluation for FY 2023-24. The meeting was attended by all the six (6) Independent Directors of the Bank.

Additionally, another meeting of the Independent Directors was convened on November 25, 2024, to, *inter-alia*, take note of sale of equity shares pertaining to consolidated fractional entitlement and approve the draft report certifying compensation to the eligible shareholders. The purpose of the meeting was to discuss the treatment of fractional entitlements pursuant to the Composite Scheme of Amalgamation of erstwhile IDFC Financial Holding Company Limited and erstwhile IDFC Limited with and into IDFC FIRST Bank Limited, and their respective shareholders, and in compliance with applicable laws and regulatory circulars. The meeting was attended by all the nine (9) Independent Directors of the Bank.

SENIOR MANAGEMENT PERSONNEL

In terms of Regulation 16 (1) of the Listing Regulations, "Senior Management" shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

The particulars of senior management of the Bank as on March 31, 2025 are as follows:

Name of SMP	Role / Function
Mr. V. Vaidyanathan	Managing Director & CEO
Mr. Pradeep Natarajan	Executive Director
Mr. Paritosh Mathur	Head - Wholesale Banking
Mr. Chetan Sanghvi	Chief Risk Officer
Mr. Sudhanshu Jain	Chief Financial Officer & Head - Corporate Centre
Mr. Adrian Andrade	Chief Human Resources Officer



Name of SMP	Role / Function
Mr. Tyagarajan Iyer	Head - Operations & Technology
Mr. Nitin Chauhan ¹	Chief Information Security Officer ("CISO")
Mr. Neerav Maniar	Chief Compliance Officer
Mr. Deep Chelawat	Chief Internal Auditor
Mr. Satish Gaikwad	General Counsel and Company Secretary
Mr. Nilesh Doshi	Chief Vigilance Officer
Mrs. Shikha Hora Kamdar ²	Retail Assets
* Mr. Ashish Singh ²	Retail Liabilities
* Mr. Shirish Bhandari	Credit Cards
* Mr. Vikas Sharma	Wealth Management
* Mr. Rajesh Krishnamoorthy	Retail Credit
* Mr. Avik Sarkar	Data & Analytics
* Mr. Naarayan Tv	Marketing
* Mr. Ashish Anchaliya	Product
* Mr. Chandra Shekhar Satpathy	Digital Solutions
* Mr. Ashish Pancholi	Customer Experience
* Mr. Anirban Dutta	Digital Acquisitions

* In terms of the applicable provisions of the Listing Regulations and consequent to the appointment of Mr. Pradeep Natarajan as the Whole-Time Director of the Bank, designated as Executive Director, all the employees who were one level below him were construed as the Senior Management Personnel of the Bank, with effect from June 01, 2024.

Notes:

- Mr. Nitin Chauhan was appointed as CISO of the Bank, with effect from January 28, 2025, consequent to the resignation of Mr. Neeraj Naidu, former CISO of the Bank.
- Mr. Chinmay Dhoble ceased to be the Head - Retail Liabilities of the Bank due to his sudden demise on April 13, 2025.
As part of the Bank's succession planning, and to drive synergies, the roles of Mr. Chinmay Dhoble were reallocated to Mrs. Shikha Hora Kamdar and Mr. Ashish Singh, in addition to their existing responsibilities.

RELATED PARTY TRANSACTIONS

During FY 2024-25, all the transactions entered into with related parties, as defined under the Companies Act and the Listing Regulations, were in the ordinary course of business and on arm's length basis and did not attract the provisions of Section 188 of the Companies Act. The details of the transactions with related parties are placed before the Audit Committee from time to time.

As a part of regular treasury management activities, our Bank actively engages in purchase/ sale of the securities in Indian market. Such activities of the Bank facilitate maintenance of required regulatory ratio and help meet funding/ liquidity requirements. Such activities are conducted in the ordinary course of business and on an arm's length basis with all active market participants.

During FY 2024-25, the Bank had entered into a material related party transaction with Goldman Sachs (India) Capital Markets Private Limited ('Goldman Sachs'), a company registered as a standalone primary dealer with the RBI.

Goldman Sachs has been a long-standing counterparty of

the Bank for the buying and selling of securities, much prior to April 1, 2024, when they became a related party of the Bank, due to one of our directors being on the Board of Goldman Sachs.

The Bank had executed certain purchase and sale transactions of Treasury bills, Government Securities, and State Development Loans with Goldman Sachs, during the period from April 01, 2024, to December 31, 2024. While conducting the said transactions in the ordinary course of business and on arms-length basis, it exceeded the prescribed materiality limit under Regulation 23 of the Listing Regulations. Accordingly, in compliance with the RPT policy and applicable laws, the Audit Committee and the Board of Directors of the Bank, in their respective meetings held in January 2025, reviewed and approved the ratification of material related party transactions between the Bank and Goldman Sachs for FY 2024-25. Further, the said transaction was duly ratified by the shareholders of the Bank through Postal Ballot on March 19, 2025.

The Bank has not entered into any other material transactions with the related parties, including its Directors, Key Managerial Personnel, Subsidiaries or Relatives of the Directors, which could lead to a potential conflict with the interest between the Bank and these parties.

Appropriate disclosures, as mandated by Accounting Standard AS18, have been made in the notes to the Financial Statements. Further, the details of Related Party Transactions are submitted to the stock exchanges on a half-yearly basis in compliance with the Listing Regulations.

The Board has approved a policy for Related Party Transactions in compliance with the provisions of the Companies Act, Banking Regulation Act and the Listing Regulations. The said policy is available on the Bank's website: www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Policies' section.

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

The Bank has adopted a Code of Conduct for Prohibition of Insider Trading (the 'PIT Code') in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time ('SEBI Insider Trading Regulations'), with a view to regulate trading in securities by the Board and Designated Persons ('DPs') of IDFC FIRST Bank, their immediate relatives as defined in the PIT Code. When the trading window is open, DPs and their immediate relatives as defined in the PIT Code, are required to obtain pre-clearance from the Compliance Officer before trading in securities of IDFC FIRST Bank. Also, during the period of closure of the trading window, no DPs and their immediate relatives are permitted to trade with or without pre-clearance in securities of Bank. Further, a list of restricted companies is updated, from time to time, wherein employees having Unpublished Price Sensitive Information ('UPSI') are restricted to trade in securities of such companies.

No Employee/ Designated Person is permitted to communicate, provide, or allow access to any UPSI relating to IDFC FIRST Bank, its securities or any other company (listed or proposed to be listed), to any person except where such communication is in furtherance of legitimate purpose, performance of duties or discharge of legal obligations.

The Bank periodically monitors and facilitates compliance with the SEBI Insider Trading Regulations and reports the status to the Audit Committee on a periodic basis.

Efforts were made to create awareness and sensitize the employees (including DPs) of the Bank about important topics such as updating details of immediate relatives and their holdings, taking pre-clearance before executing trades, no trading during window closure, post-trade intimation over portal, ESOP awareness, etc. and aspects of the PIT Code and SEBI Insider Trading Regulations through periodic e-mailers.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Bank has implemented a Whistle Blower Policy in compliance with the provisions of the Listing Regulations, Companies Act and RBI notification on Introduction of 'Protected Disclosures Scheme for Private Sector and Foreign Banks'. Pursuant to this policy, the Whistle Blowers can raise concerns relating to reportable matters (as defined in the policy) such as breach of IDFC FIRST Bank's Code of Conduct, employee misconduct, fraud, illegal, unethical, imprudent behavior, leakage of UPSI, corruption, safety and misappropriation or misuse of Bank funds/ assets, etc.

Further, the mechanism adopted by the Bank encourages the Whistle Blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of those who avail such mechanism and also provides for direct access to the Chairman of the Audit Committee. During the year, no person has been denied access to the Audit Committee of the Board.

The Audit Committee reviews the functioning of the Vigil Mechanism from time to time. The Bank has formulated a Vigilance Policy for effectively managing the risks faced by the Bank on account of corruption, malpractices and any other misconduct.

The Whistle Blower Policy is available on the Bank's website at: www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Policies' section.

The Whistle Blower Policy is communicated to the employees and is also posted on the Bank's intranet.

Mr. Nilesh Doshi is the Chief Vigilance Officer of the Bank.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has complied with the provisions relating to constitution of the Internal Committee to investigate and inquire into sexual harassment complaints in line with 'The

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'.

The Bank has in place a policy on Anti-Sexual Harassment, which reflects the Bank's zero-tolerance towards any form of prejudice, gender bias and sexual harassment at the workplace. The Bank undertakes ongoing trainings to create awareness on this policy.

The Bank conducts online training for its employees in order to understand the Policy on Prevention of Sexual Harassment and framework for reporting and resolving instances of sexual harassment, details of which have been mentioned in the Business Responsibility and Sustainability Report, which is hosted on the Bank's website at www.idfcfirstbank.com under 'Investors' > 'View All Annual Reports' → 'IDFC FIRST Bank Annual Reports' → 'IDFC FIRST Bank - Annual Report FY 2024-25' section.

The details pertaining to number of complaints during the year has been provided below:

- a) Number of complaints filed during the year: 1
- b) Number of complaints disposed of during the year: 1
- c) Number of complaints pending at the end of the financial year: Nil

PENALTIES AND STRICTURES

- a) During the last three (3) years, the instances of non-compliance by the Bank, or any penalties and/ or strictures imposed on the Bank, by the stock exchange(s) or SEBI or any other statutory authority, on any matter relating to capital markets are as below:

During FY 2024-25, the National Stock Exchange of India Limited levied a fine of ₹ 15.90 lakh in a matter pertaining to erstwhile IDFC Limited (now merged with IDFC FIRST Bank) regarding delay in compliance of Regulation 17(1) of the Listing Regulations, where the composition of Board of Directors of erstwhile IDFC Limited fell below the requisite limit.

The Bank has complied with the aforesaid Orders.

- b) There were two penalties of ₹ 10,000 and ₹ 38.60 lakh imposed on the Bank by the RBI during the financial year ended March 31, 2025, one with respect to deficiencies observed on exchange of notes during the incognito visit by the RBI at one of the branches of the Bank and another for non compliance with certain directions issued by the RBI on 'Know Your Customer (KYC)', on July 05, 2024 and April 17, 2025 respectively. The Bank has examined the incidents and taken necessary actions to avoid recurrence of the same in future.

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

In accordance with the provisions of Listing Regulations, every listed entity shall formulate a policy for determining its 'material' subsidiaries. IDFC FIRST Bank has one subsidiary company viz. IDFC FIRST Bharat Limited and it does not fall under the definition of material subsidiary



as per Regulation 16(1)(c) of the Listing Regulations. The policy for determining 'material' subsidiaries is available on the Bank's website: www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Policies' section.

CERTIFICATION

MD & CEO and CFO Certificate

In compliance with Regulation 17 of the Listing Regulations, the MD & CEO and Chief Financial Officer certification on the financial statements and internal controls relating to financial reporting for FY 2024-25 is enclosed as part of this Report.

Compliance Certificate

Pursuant to Regulation 17(3) of the Listing Regulations, a quarterly confirmation on laws applicable to the Bank is obtained and a report duly signed thereof, confirming compliances with all applicable laws, is placed before the Audit Committee and Board, on a quarterly basis.

Certificate on Corporate Governance

As required under Schedule V of Listing Regulations, the Secretarial Auditors' Certificate on Corporate Governance is provided as part of this Report.

MEANS OF COMMUNICATION

The Bank has formulated and adopted the Policy for Determination of Materiality of Events/ Information of the Bank, in terms of Regulation 30 of the Listing Regulations. The policy for Determination of Materiality of Events is available on the Bank's website: www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Policies' section.

The Board has authorised KMPs for determining materiality of events or information and making necessary disclosures to the Stock Exchanges.

As per Regulation 46 of the Listing Regulations, IDFC FIRST Bank maintains a website, viz., www.idfcfirstbank.com containing information about the Bank, such as details of its business, financial results, shareholding pattern, compliance with the Corporate Governance requirements and contact details of the designated officials who are responsible for assisting and handling investor grievances.

The Bank also displays on its website, all official press releases and presentations to institutional investors or analysts made by the Bank.

All necessary information is regularly updated on the Bank's website: www.idfcfirstbank.com.

The National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') have their respective electronic platforms namely NSE Electronic Application Processing System ('NEAPS') and BSE Listing Centre Online Portal for submission of various filings / communications by listed companies. IDFC FIRST Bank ensures that the requisite compliances / communications are filed through these platforms.

The financial and other information filed by the Bank from time to time is also available on the website of the Stock Exchanges i.e. NSE and BSE.

The quarterly, half-yearly and annual results of IDFC FIRST Bank's performance and other news articles are usually published in the Business Line and Makkal Kural (in Chennai) and are also displayed on the Bank's website: www.idfcfirstbank.com under 'Investors' section.

COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

IDFC FIRST Bank has duly complied with all the mandatory Corporate Governance requirements as given under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations, to the extent applicable.

The Bank has also adopted and complied with the non-mandatory requirements as follows:

Separate Posts of Chairperson and the Managing Director or the Chief Executive Officer

The Bank has complied with the requirement of having separate person for the post of Chairperson and the Managing Director or the Chief Executive Officer. Mr. Sanjeeb Chaudhuri is the Part-Time Non-Executive Chairperson (Independent) of the Bank and Mr. V. Vaidyanathan is the MD & CEO of the Bank. Mr. Chaudhuri is paid fixed remuneration, sitting fees for attending Board and Committee meetings and reimbursement of expenses incidental thereto. The office of Non-Executive Chairperson of the Bank is maintained by the Bank at its expenses and all the expenses incurred in performance of his duties are also reimbursed by the Bank.

Audit Qualification

For the year under review, there were no audit qualifications with respect to Bank's financial statements. IDFC FIRST Bank strives to adopt the best practices to ensure a regime of financial statements with unmodified audit opinion.

Reporting of Internal Auditor

The Internal Auditor of the Bank reports to the MD & CEO of the Bank and the Audit Committee of the Board, in compliance with extant regulatory guidelines.

Shareholder Rights

Quarterly, half-yearly and annual financial results along with Investor Presentations thereon are uploaded on the Bank's website: www.idfcfirstbank.com.

There is no agreement under Regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations during FY 2024-25. Accordingly, there is no requirement for disclosing the same.

TOTAL FEES FOR STATUTORY AUDITORS OF THE BANK

During FY 2024-25: a] ₹ 2.40 crore was provided as Audit Fees to be allocated between Joint Statutory Auditors viz. M S K A & Associates, Chartered Accountants (Firm Registration No. 105047W) (Till Q1 FY 24-25), Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166) and M. P. Chitale & Co, Chartered Accountants (Firm Registration No: 101851W); b] ₹ 1.13 crore was paid/ provided for rendering other services such as LFAR, Tax Audit, RBI Certificates, Gold Loan Audit, Audit of Merged Financial statements etc.

The above fees exclude applicable taxes and out-of-pocket expenses.

GENERAL SHAREHOLDER INFORMATION

11th Annual General Meeting:

The day / date / time/ venue of the 11th AGM and matters related thereto will be decided by the Board in due course and the details thereof will be communicated to the relevant stakeholders. Relevant details shall also form part of 11th AGM Notice.

As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard 2, particulars of Director seeking appointment / re-appointment at the 11th AGM is given in the Annexure to the Notice of the AGM.

Financial Calendar

Financial year: The financial year of the Bank is from April 01 to March 31 of the following year.

➤ For the financial year ended March 31, 2025, results were announced on:

- July 27, 2024 for first quarter
- October 26, 2024 for second quarter and half year

- January 25, 2025 for third quarter and nine months
- April 26, 2025 for fourth quarter and full year

➤ For the financial year ending March 31, 2026, results will be announced latest by:

- Second week of August 2025 for the first quarter
- Second week of November 2025 for the second quarter and half year
- Second week of February 2026 for the third quarter and nine months
- Last week of May 2026 for the fourth quarter and full year

Dividend

The Board of Directors, in their meeting held on April 26, 2025 have proposed a dividend of ₹ 0.25 per equity share (Previous Year - Nil) amounting to ₹ 183.05 crore, subject to the approval of shareholders at the ensuing AGM. The date of dividend payment shall be included in the notice of the AGM.

In accordance with Regulation 43A of the Listing Regulations as amended from time to time, the Bank has formulated a Dividend Distribution Policy, which ensures a fair balance between rewarding its shareholders and retaining enough capital for the Bank's future growth.

The Dividend Distribution Policy is available on the Bank's website at www.idfcfirstbank.com under 'Investors' → 'Other Investor Information' → 'Corporate Governance - Know More' → 'Policies' section.

ANNUAL GENERAL MEETINGS

Details of the Annual General Meetings held in the last three (3) financial years have been given in **Table No. 12**.

Table No. 12: Annual General Meetings held in last three (3) financial years

Financial Year	Location of the Meeting	Day, Date & Time	Special Resolutions passed with requisite majority
FY 2023-24 10 th AGM	Through Video Conferencing: Deemed to be conveyed at the registered office of the Bank	Friday, August 30, 2024 at 04:00 pm	1. Offer and issue of Debt Securities on a Private Placement Basis.
FY 2022-23 9 th AGM	Through Video Conferencing: Deemed to be conveyed at the registered office of the Bank	Thursday, August 31, 2023 at 02:00 pm	1. Alteration of Articles of Association of the Bank. 2. Raising funds through issuance of securities of the Bank. 3. Offer and issue of Debt Securities on a Private Placement Basis.
FY 2021-22 8 th AGM	Through Video Conferencing: Deemed to be conveyed at the registered office of the Bank	Wednesday, August 05, 2022 at 02:00 pm	1. Re-appointment of Mr. Sanjeeb Chaudhuri (DIN: 03594427) as an Independent Director of the Bank 2. Offer and issue of Debt Securities on Private Placement Basis.

All the aforesaid AGM were held through Video Conferencing/ Other Audio Visual Means, in accordance with relevant circulars issued by MCA and SEBI, from time to time.



POSTAL BALLOT

Procedure for Postal Ballot

The Postal Ballot process is conducted in accordance with the provisions of Section 110 of the Companies Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time.

The Ministry of Corporate Affairs vide its relevant circulars, has permitted companies to conduct the Postal Ballot by sending the Notice in electronic form only.

Accordingly, the Postal Ballot procedure for Postal Ballot Notice dated May 30, 2024, October 26, 2024 and February 17, 2025 has been carried out as per the above provisions, as applicable and therefore, physical copy of the Notices along with Postal Ballot Form and pre-paid business reply envelope were not sent to the shareholders for the aforesaid Postal Ballots and shareholders were required to communicate their assent or dissent through the

remote electronic voting ('e-Voting') system only. The Bank published a notice in the newspaper informing the details of completion of dispatch of the aforesaid Postal Ballot Notice and other details.

The Bank had engaged the services of NSDL for Postal Ballot Notice dated May 30, 2024 and October 26, 2024 and KFin Technologies Limited ('KFin') for Postal Ballot Notice dated February 17, 2025 for providing e-voting facility to its members. Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date mentioned in the respective Postal Ballot Notices. The communication of the assent or dissent of the members took place through the process of remote e-voting only, in accordance with the SEBI Circular on e-voting facility provided by Listed Entities.

Details of Postal Ballot activities undertaken during FY 2024-25 and results thereof are given in **Table No. 13**.

Table No. 13 : Postal Ballot Outcome

Resolution	Date of Result	Votes - in favour		Votes - against	
		No. of votes	% votes	No. of votes	% votes
Postal Ballot Notice dated May 30, 2024 Special Resolution: i. To Issue, offer and allot equity shares on preferential basis.	Saturday June 29, 2024	3,92,85,40,851	99.76	95,62,321	0.24
Postal Ballot Notice dated October 26, 2024 Ordinary Resolution: i. Re-appointment of Mr. V. Vaidyanathan (DIN:00082596) as Managing Director and Chief Executive Officer of the Bank.	Tuesday, December 17, 2024	3,12,52,10,816	99.02	3,08,55,278	0.98
Special Resolution: i. Appointment of Mrs. Pankajam Sridevi (DIN:06783360) as an Independent Director of the Bank.		3,22,04,60,189	99.93	22,82,047	0.07
ii. Appointment of Mr. Uday Bhansali (DIN: 00363902) as an Independent Director of the Bank.		3,22,03,94,968	99.93	23,36,322	0.07
iii. Appointment of Mr. Sudhir Kapadia (DIN: 05307843) as an Independent Director of the Bank.		3,22,03,43,192	99.93	23,88,810	0.07
Postal Ballot Notice dated February 17, 2025 Ordinary Resolution: i. Alteration in the Authorized Share Capital and consequent amendment to the capital clause of the Memorandum of Association.	Wednesday, March 19, 2025	3,50,28,03,566	99.96	13,39,097	0.04
ii. Material related party transactions for dealing in securities (Treasury bills, Government Securities, and State Development Loans) with the related party.		3,42,71,95,641	99.82	62,78,359	0.18

Scrutinizer: Ms. Manisha Maheshwari (Membership No. FCS: 13272) of M/s. Bhandari & Associates, Practicing Company Secretaries was the Scrutinizer for conducting the aforesaid Postal Ballots e-Voting process in a fair and transparent manner.

The results of the aforesaid Postal Ballot were posted on the Bank's website www.idfcfirstbank.com and were communicated to the Stock Exchanges where the Bank shares are listed.

Subsequent to FY 2024-25, in accordance with the applicable provisions of the Companies Act, read with rules made thereunder and the General Circulars issued by the Ministry of Corporate Affairs, approval of the Members had been sought vide Postal Ballot Notice dated April 17, 2025 by way of e-Voting on the following Resolutions:

1. Re-classification of authorised share capital of the Bank and consequent amendment in the capital clause of the Memorandum of Association of the Bank.
2. Issuance, offer and allotment of Compulsorily Convertible Cumulative Preference Shares of face value of ₹ 10/- each on preferential basis.
3. Amendment to the Articles of Association of the Bank and approval of shareholders of the Bank to provide a right to Currant Sea Investments B.V. (or any of its assignees) to nominate 1 Non-Retiring Non-Executive Director.

The result of the aforesaid Postal Ballot is awaited as on the date of this Report and will be declared on or before May 20, 2025 along with the Scrutinizer's report and will be hosted on the Bank's website www.idfcfirstbank.com and on the website of KFintech at <https://evoting.kfintech.com/> and will also be communicated to the Stock Exchanges where the Bank's shares are listed.

Equity Shares

The equity shares of IDFC FIRST Bank are listed on BSE Limited and National Stock Exchange of India Limited.

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

National Stock Exchange of India Limited

Exchange Plaza, C/ 1, G Block, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051.

The annual listing fees for FY 2024-25 to aforesaid Stock Exchanges where the equity shares of Bank are listed, has been paid.

Share Transfer System

IDFC FIRST Bank has appointed KFin as its Registrar and Share Transfer Agent. All share transfers and related operations are conducted by KFin, which is registered with SEBI as a Category I Registrar.

In terms of the Listing Regulations, effective from April 01, 2019, securities of listed companies can only be transferred in demat form.

Further, in accordance with the SEBI Circular dated January 25, 2022, listed companies/ Registrars and Transfer Agents ('RTAs') are required to issue a 'Letter of Confirmation' when processing service requests such as issuance of duplicate securities certificates, renewal or exchange of securities certificates, endorsement, sub-division/ splitting/ consolidation of securities certificates/ folios,

and transmission/ transposition of securities. Accordingly, to avail these services, members must submit a duly completed and signed Form ISR-4, the format of which is available on the Bank's website.

In view of the above, members holding equity shares of the Bank in physical form are kindly requested to convert their holdings into dematerialized (demat) form by following the prescribed procedure.

Section 72 of the Companies Act provides that every holder of securities of a company may, at any time nominate, in the prescribed manner, any person to whom the securities shall vest in the event of death. Members are encouraged to avail themselves of the nomination facility. The relevant Nomination Form can be downloaded from the website of the Bank. In case equity shares are held in electronic form, members are requested to contact their Depository Participants for availing nomination facility.

The relevant forms can be downloaded from <https://www.idfcfirstbank.com/investors>.

IDFC FIRST Bank has a Stakeholders Relationship and Customer Service Committee which oversees and monitors complaints redressal mechanism and queries raised by shareholders, investors and customers, from time to time.

IDFC FIRST Bank's equity shares/ bonds are compulsorily traded in dematerialised mode.

As required by SEBI, Reconciliation of Share Capital Audit is conducted by a Practising Company Secretary on a quarterly basis, for the purpose, *inter-alia*, of reconciliation of the total admitted equity share capital with the depositories and in the physical form with the total issued/ paid-up equity share capital of the Bank. Certificates issued in this regard are filed with Stock Exchanges on a quarterly basis.

Unclaimed Shares lying in the Escrow Account

Pursuant to the SEBI Circular No. CIR/ CFD/ DIL/ 10/ 2010 dated December 16, 2010, erstwhile IDFC Limited had credited the unclaimed shares lying in the Escrow Account, allotted in the Initial Public Offer of the company during July – August 2005, into a Demat Suspense Account opened specifically for this purpose. Pursuant to the Demerger Scheme, the shareholders of erstwhile IDFC Limited as on the record date, i.e., October 05, 2015 were allotted one equity share of IDFC FIRST Bank for every one equity share held by them in erstwhile IDFC Limited. Accordingly, hundred shareholders who were holders of 28,453 shares lying in the Demat Suspense Account of erstwhile IDFC Limited were eligible and were allotted equity shares of IDFC FIRST Bank.

As on April 01, 2024, the Demat Suspense Account of IDFC FIRST Bank Limited held 798 equity shares of ₹ 10/- each, belonging to three shareholders.



Post merger of erstwhile IDFC Limited into IDFC FIRST Bank Limited, which became effective on October 1, 2024, an additional 2,165 equity shares of ₹ 10 each, belonging to five shareholders of erstwhile IDFC Limited, were credited to the Demat Suspense Account of the Bank. Further, pursuant to the allotment of equity shares by the Bank to the shareholders of erstwhile IDFC Limited in accordance with the prescribed share exchange ratio, 2,02,543 equity shares of ₹ 10 each, pertaining to one hundred and twenty-seven shareholders, arising from cases involving physical share certificates and rejected applications, were credited to the Demat Suspense Account of the Bank.

During FY 2024-25, the Bank processed a request from one shareholder, resulting in the transfer of 4,998 shares from the suspense account.

As on March 31, 2025, the Demat Suspense Account of IDFC FIRST Bank held a total of 2,00,508 equity shares of ₹ 10 each, belonging to one-hundred and thirty-four shareholders.

The voting rights on the outstanding shares shall remain frozen till the rightful owner claims their shares. The details of the shareholders whose equity shares are lying in the Demat Suspense Account are available on the Bank's website at <https://www.idfcfirstbank.com/investors>.

Table No. 14: Unclaimed/ Unpaid Dividend

Financial Year	IDFC FIRST Bank (₹ in crore)	erstwhile IDFC Limited (₹ in crore)	erstwhile Capital First Limited (₹ in crore)
2017-18	₹ 0.29	₹ 0.24	₹ 0.05
2018-19	No Dividend Declared	No Dividend Declared	Not applicable since merged with IDFC Bank in December 2018.
2019-20		₹ 0.67	
2020-21		No Dividend Declared	
2021-22		₹ 0.22	
2022-23		₹ 1.23	
2023-24		No Dividend Declared	
2024-25	The dividend for FY 2024-25 shall be declared at the 11 th AGM of the Bank	₹ 0.22	

During FY 2025-26, the Bank would be transferring unclaimed Dividend amount declared for the FY 2017-18 by erstwhile Capital First Limited ('eCFL'), erstwhile IDFC Limited and IDFC FIRST Bank. The Bank will send an intimation to concern shareholders, in respect of the shares on which the dividend was declared for FY 2017-18 and which had remained unpaid or unclaimed for seven consecutive years or more, requesting them to claim such dividend(s) and before the due date of its transfer to IEPF. Simultaneously, an advertisement to this effect will also be published in leading English and vernacular newspapers.

Shareholders who either have not received or have not encashed their dividend warrant(s) as specified above, are

Unclaimed/ Unpaid Dividend and Shares

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), any dividend(s) which has remained unclaimed/ unpaid for a period of seven years from the date of its transfer to the 'Unpaid Dividend Account' is required to be transferred to the IEPF established by the Central Government. Further, all the shares on which dividend(s) has not been claimed/ encashed for seven consecutive years or more, also needs to be transferred to the IEPF Account. After such transfer, no claim shall lie against the Bank. However, the investor may claim both the unclaimed dividend amount and the shares transferred to the IEPF Authority including all benefits accruing on such shares, from the IEPF Authority.

As on March 31, 2025, the amounts lying in the unclaimed/ unpaid dividend account with respect to the dividend(s) that were declared by erstwhile Capital First Limited, erstwhile IDFC Limited and the Bank are mentioned in

Table No. 14:

requested to write to KFin, mentioning the relevant Folio number(s)/ DP ID and Client ID, for credit of unclaimed dividend amount electronically to their bank account.

Further, all shares in respect of which dividend has not been claimed or paid for a period of seven consecutive years or more from the date they became due for payment are required to be transferred to the demat account of IEPF in the manner prescribed under the IEPF rules. Upon transfer of such shares, all benefits (e.g. bonus, split etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

In this connection, during FY 2024-25, IDFC FIRST Bank had sent intimation letters to shareholders in respect of the shares on which dividend declared by eCFL and IDFC Bank (now IDFC FIRST Bank) for FY 2016-17, had remained unpaid or unclaimed for seven consecutive years or more, requesting them to claim such dividend(s) and/or shares so as to avoid their transfer to the IEPF. Simultaneously, an advertisement to this effect was published in leading English and vernacular newspapers.

During FY 2024-25, the Bank has transferred ₹ 3,47,858 unclaimed dividend(s) declared by eCFL for FY 2016-17 to the IEPF Account. Further, 'Nil' underlying equity shares thereof were transferred to the IEPF account.

During FY 2024-25, the Bank has transferred ₹ 27,18,889.5 unclaimed dividend(s) declared by IDFC Bank (now IDFC FIRST Bank) for FY 2016-17 to the IEPF Account. Further, the Bank has also transferred underlying 1,95,416 equity shares on which dividend(s) had remained unpaid or

unclaimed for seven consecutive years or more to the IEPF account.

The dividend amount and shares transferred to the IEPF can be claimed by the concerned shareholders from the IEPF Authority after complying with the procedure prescribed under the IEPF rules. The details of the unclaimed dividends are also available on the Bank's website at <https://www.idfcfirstbank.com/investors> and the said details have also been uploaded on the website of the IEPF i.e. www.iepf.gov.in.

As on March 31, 2025, 18,04,927 equity shares are lying with the IEPF and the voting rights on the said equity shares shall remain frozen until the rightful owner claims the shares.

Distribution of Shareholding

The distribution of the shareholding of IDFC FIRST Bank's equity shares by size and by ownership (based on grouping of PAN) as on March 31, 2025 are given in **Table No. 15** and **Table No. 16** respectively. Top twenty equity shareholders of IDFC FIRST Bank as on March 31, 2025 are given in **Table No. 17**.

Table No. 15: Distribution of Shareholding as on March 31, 2025 (Total) (By Size)

SN	Category (Shares)	No. of Holders	% To Holders	No. of Equity Shares	% To Equity
1	1 - 5000	32,02,937	97.70	115,39,71,809	15.76
2	5001 - 10000	41,201	1.26	29,31,58,670	4.00
3	10001 - 20000	18,693	0.57	26,08,79,899	3.56
4	20001 - 30000	5,791	0.18	14,19,58,059	1.94
5	30001 - 40000	2,588	0.08	9,01,28,251	1.23
6	40001 - 50000	1,536	0.05	6,96,64,394	0.95
7	50001 - 100000	2,862	0.09	19,89,57,395	2.72
8	100001 - 200000	1,334	0.04	18,44,28,766	2.52
9	200001 and above	1,317	0.04	492,89,59,741	67.32
	TOTAL:	32,78,259	100.00	732,21,06,984	100.00

Table No. 16: Distribution of Shareholding as on March 31, 2025 (Total) (By Ownership)

SN	Category (Shares)	No. of Holders	No. of Equity Shares	% To Equity
1	Alternative Investment Fund	12	1,97,43,039	0.27
2	Banks	5	14,84,156	0.02
3	Bodies Corporates	4,762	18,66,23,354	2.55
4	Clearing Members	23	30,43,449	0.04
5	Foreign Nationals	2	13,100	0.00
6	Foreign Portfolio - Corp	536	188,02,61,914	25.68
7	Foreign Portfolio Investors	1	221	0.00
8	HUF	26,773	8,23,27,290	1.12
9	IEPF	1	18,04,927	0.02



SN	Category (Shares)	No. of Holders	No. of Equity Shares	% To Equity
10	Indian Financial Institutions	1	255	0.00
11	Insurance Companies	4	1,05,30,629	0.14
12	Mutual Funds	27	55,94,29,204	7.64
13	NBFC	13	4,40,430	0.01
14	Non-Resident Indian Non Repatriable	15,539	5,90,18,388	0.81
15	Non-Resident Indians	16,588	10,15,73,629	1.39
16	Overseas Corporate Bodies	1	105	0.00
17	President of India	1	66,65,70,000	9.10
18	Qualified Institutional Buyer	17	82,13,28,472	11.22
19	Resident Individuals	32,13,910	292,72,10,565	39.98
20	Trusts	43	7,03,857	0.01
	Total:	32,78,259	732,21,06,984	100.00

The detailed Shareholding Pattern of the Bank for the period ended March 31, 2025, as submitted to the stock exchanges, BSE and NSE, is available on the Bank's website at [Shareholding Pattern of IDFC FIRST Bank as on March 31, 2025](#) and the same can also be accessed through the respective websites of BSE and NSE.

Table No. 17: Top Twenty Equity Shareholders as on March 31, 2025

SN	Particulars	No. of Equity Shares	% to Equity
1	President Of India	66,65,70,000	9.10
2	Odyssey 44 A S	27,00,00,000	3.69
3	Life Insurance Corporation Of India	20,16,57,191	2.75
4	HDFC Life Insurance Company Limited	17,35,92,325	2.37
5	ICICI Prudential Life Insurance Company Limited	17,06,41,954	2.33
6	GQG Partners Emerging Markets Equity Fund	12,37,99,761	1.69
7	Ashish Dhawan	9,25,00,000	1.26
8	TATA Indian Opportunities Fund	7,45,00,000	1.02
9	V Vaidyanathan*	6,49,67,464	0.89
10	Ellipsis Partners Llc	6,25,05,000	0.85
11	Aditya Birla Sun Life Insurance Company Limited	6,09,29,051	0.83
12	Kotak Equity Arbitrage Fund	5,80,12,500	0.79
13	East Bridge Capital Master Fund I Ltd	5,74,52,858	0.78
14	Baobab Global Fund Ltd	5,74,35,232	0.78
15	Akash Bhanshali	5,62,54,727	0.77
16	Vanguard Total International Stock Index Fund	5,06,62,554	0.69
17	TATA Mutual Fund - Tata Small Cap Fund	4,99,50,000	0.68
18	Bajaj Allianz Life Insurance Company Ltd.	4,92,84,305	0.67
19	Kuwait Investment Authority - Fund No. 208	4,79,30,691	0.65
20	Vanguard Emerging Markets Stock Index Fund, A Series	4,57,06,718	0.62

* Including 50,93,860 equity shares held through Rukmani Social Welfare Trust, the total shareholding of Mr. Vaidyanathan in the Bank is 7,00,61,324 equity shares, representing 0.96% of the total equity share capital of the Bank as on March 31, 2025.

Dematerialisation of Equity Shares and Liquidity

The Bank's equity shares are compulsorily traded in dematerialised form on NSE and BSE and are available for trading on both the depositories in India i.e. National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on March 31, 2025, over 99.99% equity shares of IDFC FIRST Bank were held in dematerialised form. Details on the same are given in **Table No. 18**.

Table No. 18: Statement of Dematerialisation of Shares as on March 31, 2025

Category	No. of Equity Shares	% To Equity
NSDL	5,82,95,06,975	79.62
CDSL	1,49,25,28,298	20.38
Physical	71,711	β
TOTAL	7,32,21,06,984	100.00

β denotes negligible value

Bonds & Debentures

Pursuant to the provisions of Section 125 of the Companies Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, any matured debentures and interest accrued which remains unclaimed/ unpaid for a period of seven years from the date it became due for payment, is required to be transferred to the IEPF established by the Central Government. After such transfer, no claim shall lie against the Bank. However, the bondholders can claim the unpaid amount from the IEPF Authority by following the due process.

The bondholders are requested to visit the Bond Section on our website www.idfcfirstbank.com for any further information.

For any query related to Bond redemption/ interest payment kindly contact our Registrar and Transfer Agent, KFin Technologies Limited on Toll Free No.: 1800 309 4001 or send an e-mail at enward.ris@kfintech.com.

Private Placement Bonds

Private Placement bonds of IDFC FIRST Bank are listed and traded on NSE, as per their respective Information Memorandum/ Term Sheets. The trading details for Private Placement bonds can be obtained by sending an e-mail at bank.info@idfcfirstbank.com

The annual listing fees for FY 2024-25 to aforesaid Stock Exchanges where bonds of Bank are listed, have been paid.

Details of utilization of funds raised through preferential allotment or qualified institutions placement

During FY 2024-25, the Bank raised funds aggregating to ~ ₹ 3,200 crore through Preferential Issue on July 04, 2024, and the said funds have been utilized by the Bank for the purposes which was stipulated in the Placement Document.

Credit Ratings and Change/ Revisions in Credit Ratings

As on March 31, 2025, the Tier II Bonds of the Bank are rated CRISIL AA+, ICRA AA+ and IND AA+; the NCDs of the Bank are rated ICRA AA+, IND AA+, CARE AA+ and BWR AA+; the Infrastructure Bonds of the Bank are rated ICRA AA+ and IND AA+, the Bank Loan (transferred from Capital First Limited and Capital First Home Finance Limited) are rated as CARE AA+; Fixed Deposits of the Bank are rated as CRISIL AAA; and the Certificate of Deposits (CDs) of the Bank are rated CRISIL A1+.

The updated Credit Ratings are available on the website of the Bank at www.idfcfirstbank.com under 'Investors' → '[Other Investor Information](#)' section.

During FY 2024-25, the following revisions in credit rating took place:

ICRA: Long-term rating of ICRA AA+/Stable assigned to IDFC FIRST Bank's BASEL III Compliant Tier II Bonds of ₹ 3,000 crore.

Brickwork Ratings: Long-term rating assigned to IDFC FIRST Bank's Non-Convertible Debenture Program was reaffirmed at BWR AA+ and the outlook was revised from 'Rating Watch with Developing Implications' to 'Stable'.

CRISIL Ratings Limited: Rating 'CRISIL AAA/Stable' assigned to ₹ 1,60,000 crore Fixed Deposits of the Bank.

There is no change in aforesaid ratings till date of this report.

Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

The Bank does not have any Outstanding GDRs/ ADRs/ Warrants or any other convertible instruments as on date.

Commodity Price Risk or Foreign Exchange Risk and Commodity Hedging Activities

The Bank has a Board approved Foreign Exchange and Derivatives Policy, Market Risk Management Policy and Limit Management Framework which defines the risk control framework for undertaking foreign exchange transactions and for managing the risks associated with it. The Board has defined Net Overnight Open Position ('NOOP') Limit, Value at Risk ('VaR') limit to manage the Foreign exchange risk within the approved framework. The Bank uses derivatives including Forwards and Swaps for hedging its currency risk in its balance sheet and offers these products to customers and proprietary trading in due compliance with overall risk limits, control framework and applicable regulatory guidelines. The Bank does not offer commodity hedging products.

The management of these products is governed by the policies mentioned above. The Bank did not exceed any of the Board approved risk limits during the period under review.

**Plant Location**

As the Bank is engaged in the business of banking / financial services, the Bank does not have any plant location.

INVESTOR CORRESPONDENCE MAY BE ADDRESSED TO:**Mr. Satish Gaikwad**

General Counsel and Company Secretary
(Compliance Officer)

Corporate Office Address**IDFC FIRST Bank Limited**

IDFC FIRST Bank Tower (The Square), C-61, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051, Maharashtra, India.
Tel: +91 22 7132 5500

Registered Office Address**IDFC FIRST Bank Limited**

KRM Tower, 7th Floor, No. 1 Harrington Road, Chetpet,
Chennai 600 031, Tamil Nadu, India.
Tel: +91 44 4564 4000
Toll Free No.: 1800 266 0404
E-mail: bank.info@idfcfirstbank.com
Website: www.idfcfirstbank.com

Details of the Registrar and Share Transfer Agent**For Equity Shares****KFin Technologies Limited**

(Unit: IDFC FIRST Bank Limited)
Selenium Tower B, Plot 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad 500 032, Telangana, India.
Tel: +91 40 6716 2222/ 7961 1000
Toll Free: 1800 309 4001
E-mail: inward.ris@kfintech.com
Website: www.kfintech.com

For Certificate of Deposits, Bonds and Debentures issued on Private Placement basis**NSDL Database Management Limited**

4th Floor, One International Center, Tower 3,
Senapati Bapat Marg, Prabhadevi,
Mumbai 400 013, Maharashtra, India
Tel: +91 22 4914 2700
E-mail: sunilk@ndml.in
Website: www.ndml.in

Details of the Debenture Trustee**IDBI Trusteeship Services Limited**

Universal Insurance Building, Ground Floor,
Sir P.M. Road, Fort, Mumbai 400 001.
Tel: +91 22 4080 7000
E-mail : itsl@idbitrustee.com
Website: www.idbitrustee.com

**For and on behalf of the Board of Directors of
IDFC FIRST Bank Limited**

Sanjeeb Chaudhuri

Chairperson

DIN: 03594427

Date : April 26, 2025
Place : Mumbai

Corporate Governance Compliance Certificate

To,
The Members,
IDFC FIRST Bank Limited
KRM Tower, 7th Floor, No. 1,
Harrington Road, Chetpet,
Chennai - 600031

We have examined the compliance of conditions of Corporate Governance by **IDFC FIRST Bank Limited** ("the Bank") for the year ended on March 31, 2025, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Bank, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of Listing Regulations. The Bank entered into material related party transaction with Goldman Sachs (India) Capital Markets Private Limited, related party of the Bank, without obtaining prior approval of the shareholders as per Regulation 23 of Listing Regulations. However, the transaction was subsequently approved by the shareholders.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Bank to ensure the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Makarand M. Joshi & Co.**
Company Secretaries

ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6290/2024

Kumudini Bhalerao
Partner

FCS No. 6667
CP No. 6690

UDIN: F006667G000208792

Date : April 26, 2025
Place : Mumbai



Certificate of Non-Disqualification Of Directors

[Pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
IDFC FIRST Bank Limited
KRM Tower, 7th Floor
No. 1, Harrington Road
Chetpet, Chennai 600 031, Tamil Nadu

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **IDFC FIRST Bank Limited**, having CIN: L65110TN2014PLC097792 and having registered office at KRM Tower, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai 600 031 (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause 10(i) of Para-C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Bank and its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the financial year ended March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment
1.	Mr. Sanjeeb Chaudhuri	03594427	May 10, 2019
2.	Mr. Aashish Kamat	06371682	December 18, 2018
3.	Ms. Matangi Gowrishankar	01518137	January 20, 2024
4.	Mrs. Pankajam Sridevi	06783360	September 27, 2024
5.	Mr. Pravir Kumar Vohra	00082545	August 01, 2018
6.	Mr. Uday Bhansali	00363902	September 27, 2024
7.	Mr. Sudhir Kapadia	05307843	October 26, 2024
8.	Mr. S. Ganesh Kumar	07635860	April 30, 2021
9.	Mr. Pradeep Natarajan	10499651	June 01, 2024
10.	Mr. Vaidyanathan Vembu	00082596	December 19, 2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **Bhandari & Associates**

Company Secretaries

Unique Identification No.: P1981MH043700

Peer Review Certificate No.: 6157/2024

Manisha Maheshwari

Partner

FCS No.: 13272; C P No.: 11031

Mumbai | April 26, 2025

ICSI UDIN: F013272G000205552

CEO & CFO Certificate

We, V. Vaidyanathan, Managing Director & Chief Executive Officer and Sudhanshu Jain, Chief Financial Officer & Head - Corporate Centre of IDFC FIRST Bank Limited ('the Bank') hereby certify to the Board that:

- [a] We have reviewed financial statements and the cash flow statement for the year ended March 31, 2025 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- [b] There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's Code of Conduct.
- [c] We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- [d] We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.
- [e] We affirm that no personnel has been denied access to the Audit Committee of the Bank (in respect of matters involving alleged misconduct, if any).
- [f] We further declare that all Board members and Senior Management Personnel have affirmed compliance with the 'Code of Conduct for Board of Directors & Senior Management Personnel'.

For **IDFC FIRST Bank Limited**

Sudhanshu Jain
Chief Financial Officer &
Head - Corporate Centre

V. Vaidyanathan
Managing Director &
Chief Executive Officer
DIN: 00082596

Date: April 26, 2025
Place: Mumbai



Basel Pillar III Disclosures

as at March 31, 2025

Pillar 3 disclosures as at March 31, 2025 as per Basel III guidelines of Reserve Bank of India have been disclosed separately on the Bank's website under "Regulatory Disclosures" on the home page.

THE SECTION CONTAINS FOLLOWING DISCLOSURES:

1. Qualitative and Quantitative disclosures as at March 31, 2025

- Scope of Application
- Capital Adequacy
- Credit Risk - General Disclosures for all Banks
- Credit Risk – Disclosures for portfolios subject to the standardised approach
- Credit Risk Mitigation - Disclosures under standardised approaches
- Securitisation Exposures - Disclosures under standardised approach
- Market Risk in Trading Book
- Operational Risk
- Interest rate risk in the Banking Book ('IRRBB')
- General Disclosure for exposures related to Counterparty Credit Risk
- Disclosure requirements for remuneration
- Equities - Disclosure for Banking Book Positions

2. Leverage Ratio as at March 31, 2025

3. Reconciliation of leverage ratio exposure under common disclosure template as at March 31, 2025

4. Liquidity Coverage Ratio as at March 31, 2025

5. Disclosure on NSFR as at Mar 31, 2025

6. Capital Disclosure

- Composition of Capital & reconciliation requirements
- Main Features of Regulatory Capital Instruments March 31, 2025
- Terms and Conditions of Equity Shares

The link to this section is <https://www.idfcfirstbank.com/investors/regulatory-disclosures>.

Independent Auditor's Report

To the Members of IDFC FIRST Bank Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of IDFC FIRST Bank Limited ("the Bank"), which comprise the Balance Sheet as at March 31, 2025, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by Section 29 of the Banking Regulation Act, 1949, the circulars and guidelines issued by the Reserve Bank of India (the "RBI") from time to time, as applicable (the "RBI Guidelines") and the Companies Act, 2013 (the "Act") in the manner so required for banking companies and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of

the state of affairs of the Bank as at March 31, 2025, and its profit, and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How the key audit matters were addressed in our audit
Identification of non-performing advances (NPA) and provisions on advances	
Total Advances (net of provisions) as at March 31, 2025: ₹ 2,33,112.53 Crores	
Provision for NPA, Provision for specific assets and Restructuring provision: ₹ 3,534.34 crores as at March 31, 2025 (Refer to Schedule 9 – Advances, Accounting Policy 17.02 – Advances, Note 18.05 – Assets Quality)	
The RBI Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances ("IRAC") and other circulars and directives issued by the RBI from time to time pertaining to advances, prescribes the norms for identification and classification of performing and non-performing advances ("NPA") and the minimum provisions required for such advances.	Our audit procedures in respect of this area involved: Process understanding and testing of the design and operating effectiveness of internal controls, including, but not limited to: <ul style="list-style-type: none"> • Obtained an understanding of Management's process, systems / applications and controls implemented in relation to advances, identification, classification and provisioning of NPA, restructured advances, ISA and provisions thereon; • Tested key IT system / application controls including automated process, controls and system-based reconciliations pertain to the advances, NPA identification, classification and provision on advances; • Tested the design, implementation and operating effectiveness of key internal financial controls pertaining to the identification, classification and provisioning on NPA accounts, identified standard advances, computation of provisions on advances (including restructured and ISA) as per IRAC norms and Board approved policy;
The Bank is required to have a Board approved policy in place for NPA identification and classification of advances and provisioning thereon. The Bank is also expected to apply its judgement to determine the identification and provisioning required against NPA by applying quantitative as well as qualitative factors. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors.	



Key audit matters	How the key audit matters were addressed in our audit
<p>The provision on NPA is estimated based on its ageing and classification of NPAs, recovery estimates, nature of loan product, value of security and other qualitative factors and is subject to the minimum provisioning as per IRAC and Board approved policy in this regard.</p> <p>Additionally, the Bank also makes provisions on standard accounts where it estimates a possibility of eventual economic loss or prolonged delay in recovery which may lead to eventual economic loss i.e. Identified Standard Advances ("ISA"). Such advances are stated net of such provisions.</p> <p>Provisions in respect of restructured advances are made based on Management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels as per IRAC and other relevant RBI Guidelines.</p> <p>The Management relies on its automated IT systems to determine asset classification, income recognition and provisioning and for compliance with the applicable regulatory guidelines. Further, the Bank also employs the services of experts such as independent valuers, legal experts and other professionals to determine the valuation and enforceability of security taken against such advances.</p> <p>Since the identification of NPAs and provisioning for advances require a significant level of estimation and reliance on IT, and given its significance to the overall audit including possible observation by RBI which could result into disclosure in the financial statements, we have ascertained identification and provisioning for NPAs as a key audit matter.</p>	<ul style="list-style-type: none"> • Verified the governance process to the Audit Committee and Board of Directors pertaining to the reporting of NPA and provisioning thereon; and • Verified controls over the adequacy of disclosures made in the financial statements. <p>Performed other substantive procedures including the following, but not limited to:</p> <ul style="list-style-type: none"> • Selected samples for testing, based on quantitative and qualitative risk factors to test their conduct, security evaluation and its value, impairment indicators basis their financial strength or external factors if any. For the selected samples, tested accuracy of days past due computation, assets classification at borrower level and provisioning as per IRAC norms and Board approved policy; • Obtained and verified the accounts identified by Management i.e. accounts forming a part of credit watchlist, by obtaining Management's assessment on recoverability of these exposures and evaluating the appropriateness of provisions; • Considered the accounts reported by the Bank and other Banks as Special Mention Accounts ("SMA") in RBI's Central Repository of Information on Large Credits (CRILC) to identify stressed accounts; • Inquired with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needs to be factored in classification of account as NPA; • Discussed with the Management of the Bank on sectors where there is perceived credit risk and the steps taken by Management to mitigate the risks pertaining to identified stress sectors; • Selected and tested samples for accounts which are restructured as per IRAC norms; and • Assessed the appropriateness, accuracy and adequacy of related presentation and disclosures in accordance with the applicable accounting standards, IRAC and other requirements of RBI.
Information Technology	
<p>Information Technology (IT) systems and controls over financial reporting</p> <p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. Further, the Core Banking Solution ("CBS") and other IT systems linked to the CBS or working independently have an audit trail (edit log) that operated throughout the year without any tampering and such logs are retained as per statutory requirements for record retention.</p>	<p>Our audit procedures in respect of this area included, but were not limited to:</p> <ul style="list-style-type: none"> • For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of our audit. The team also assisted in testing the completeness and accuracy of the information produced by the Bank's IT systems where applicable. • Obtained an understanding of IT applications implemented in the Bank and verified design and operating effectiveness of controls over user access management, change management, segregation of duties, system interface controls, system application controls and Information Produced by Entity ("IPE") controls over key financial accounting and reporting systems. • Scoped in IT systems that are key for the overall financial reporting. • Verified the audit trail (edit log) on test check basis for identified accounting applications;

Key audit matters	How the key audit matters were addressed in our audit
<p>Further, IT applications have been made accessible on a remote basis.</p> <p>We have identified 'IT Systems and Controls' as a key audit matter considering the high level of automation, significant number of systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process, and the regulatory guidelines on automation.</p>	<ul style="list-style-type: none"> • Verified key controls, on a sample basis, for data migration operating over the information technology in relation to financial accounting and reporting systems, user acceptance test ("UAT") sign offs, incidents monitoring. • For a selected group of key controls over financial reporting systems, performed procedures to independently determine that these controls remained unchanged during the year or were changed by following the change management process. • Evaluated other areas including password policies, security configurations, controls over changes to applications and databases and controls to ensure that developers and production support did not have access to change applications, the operating system or databases in the production environment. • Inquired for data security controls in the context of staff working from remote locations during the year. • In addition, we have also relied on IS and other technology related audits conducted by the Internal Audit Department of the Bank, and also the audit of Internal Financial Control over Financial Reporting conducted by the Internal Audit Department of the Bank; • Verified compensating controls and performed alternate procedures, where necessary. • Critical areas for improvement, if any, as and when noticed are communicated to the Bank's Management and the adequacy of action taken by the Bank where necessary, is reviewed by us periodically as part of our audit procedures.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Bank's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Bank's Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements, and our Auditors' Report thereon, and the Pillar III Disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The Other Information is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Standalone Financial Statements does not cover the Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's Responsibilities Relating to Other Information'.

Responsibilities of management and those charged with governance for the Standalone Financial Statements

The Bank's Board of Directors and the Management are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 and provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by the RBI from time to time ("RBI Guidelines"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, the



Banking Regulation Act, 1949 and the RBI Guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors and the Management of the Bank are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors and the Management either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to the Standalone Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Management.
- Conclude on the appropriateness of the Board of Directors and the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the year ended March 31, 2025 and are therefore, the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The Standalone Financial Statements of the Bank for the previous year ended March 31, 2024 were audited by one continuing auditor and one predecessor auditor. The auditors have expressed unmodified opinion vide their report dated April 27, 2024 on such Standalone Financial Statements.

Our conclusion is not modified in respect of the above matter.

Report on other legal and regulatory requirements

1. The Standalone Balance Sheet and the Standalone Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act and relevant rules issued thereunder.
2. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - a. we have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b. the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - c. since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. During the course of our audit, we have visited 33 branches / asset centres.
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Standalone Financial Statements.
 - b. In our opinion, proper books of account as required by law relating to the preparation of the aforesaid Standalone Financial Statements have been kept by the Bank so far as it appears from our examination of those books.
 - c. The Standalone Balance Sheet, the Standalone Profit and Loss Account and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Standalone Financial Statements.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with the relevant rules issued thereunder, to the extent they

are not inconsistent with the guidelines prescribed by RBI.

- e. On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, the Bank is a banking company as defined under the Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Act do not apply.
- h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank has disclosed the impact of pending litigations as at March 31, 2025 on its financial position in its Standalone Financial Statements – Refer Schedule 12, Note 18.15(e) and Note 18.31 to the Standalone Financial Statements;
 - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 12 and Note 18.31 to the Standalone Financial Statements;
 - iii. There have been two instances of delays in transferring amounts to the Investor Education and Protection Fund (IEPF) by the Bank as detailed in Note 18.30 to the Standalone Financial Statements towards unpaid / unclaimed dividend due to technical error at the MCA site.
 - iv. a. The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 18.32 to the Standalone Financial Statements, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"),



with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 18.32 to the standalone financial statements, no funds (which are material either individually or in aggregate) have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures performed that have been considered reasonable

and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.

- v. The Board of Directors of the Bank have proposed final dividend for the year ended March 31, 2025, which is subject to approval of the members at the ensuing Annual General Meeting. The amount of proposed dividend is in accordance with Section 123 of the Act.
- vi. Based on our examination which included test checks, the Bank has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same operated throughout the year for all relevant transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Bank as per the statutory requirements for record retention.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
ICAI FRN: 104607WW100166

For **M. P. Chitale & Co**
Chartered Accountants
ICAI FRN: 101851W

Roshni Marfatia
Partner
Membership Number: 106548
UDIN: 25106548BMKSOL6375

Ashutosh Pednekar
Partner
Membership Number: 041037
UDIN: 25041037BMLWNW6539

Mumbai
April 26, 2025

Mumbai
April 26, 2025

Annexure A to the Independent Auditors' Report

of even date on the Standalone Financial Statements of IDFC FIRST Bank Limited

[Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of IDFC FIRST Bank Limited ("the Bank") as of March 31, 2025 in conjunction with our audit of the Standalone Financial Statements of the Bank for the year ended on that date.

Management's responsibility for internal financial controls

The Bank's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting with reference to the Standalone Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Standalone Financial Statements and their operating effectiveness. Our

audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to the Standalone Financial Statements.

Meaning of internal financial controls with reference to the Standalone Financial Statements

A Bank's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. The Bank's internal financial control with reference to standalone financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of Management and Directors of the Bank; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Standalone Financial Statements.



Inherent limitations of internal financial controls with reference to the Standalone Financial Statements

Because of the inherent limitations of the internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
ICAI FRN: 104607W/W100166

Roshni Marfatia
Partner
Membership Number: 106548
UDIN: 25106548BMKSOL6375

Mumbai
April 26, 2025

Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2025, based on the internal control with reference to the Standalone Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI") (the "Guidance Note").

For **M. P. Chitale & Co**
Chartered Accountants
ICAI FRN: 101851W

Ashutosh Pednekar
Partner
Membership Number: 041037
UDIN: 25041037BMLWNW6539

Mumbai
April 26, 2025

Balance Sheet

as at March 31, 2025

(₹ in Thousands)

	Schedule No.	As at March 31, 2025	As at March 31, 2024
CAPITAL AND LIABILITIES			
Capital	1	73,221,070	70,699,239
Employees stock options outstanding		1,487,179	589,257
Reserves and surplus	2	306,071,682	250,324,555
Deposits	3	2,520,652,454	2,005,763,123
Borrowings	4	389,748,374	509,355,743
Other liabilities and provisions	5	147,005,753	124,419,099
TOTAL		3,438,186,512	2,961,151,016
ASSETS			
Cash and balances with Reserve Bank of India	6	140,234,959	110,750,172
Balances with banks and money at call and short notice	7	10,738,587	14,051,948
Investments	8	807,155,219	747,103,933
Advances	9	2,331,125,270	1,945,923,662
Fixed assets	10	26,626,479	26,194,275
Other assets	11	122,305,998	117,127,026
TOTAL		3,438,186,512	2,961,151,016
Contingent liabilities	12	4,388,558,669	3,023,480,519
Bills for collection		37,709,339	36,243,957
Significant accounting policies and notes to accounts	17 & 18		

The schedules and the accompanying notes to accounts referred to above form an integral part of the Standalone Balance Sheet.

The Balance Sheet has been prepared in conformity with form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

For and on behalf of the Board of Directors of IDFC FIRST Bank Limited

Sundara Iyer Ganesh Kumar
Independent Director
DIN: 07635860

V. Vaidyanathan
Managing Director &
Chief Executive Officer
DIN: 00082596

Sudhanshu Jain
Chief Financial Officer &
Head Corporate Centre

Satish Gaikwad
General Counsel &
Company Secretary

As per our report of even date.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
(Firm Registration No: 104607W/W100166)

For **M. P. Chitale & Co**
Chartered Accountants
(Firm Registration No: 101851W)

Roshni Marfatia
Partner
(Membership No: 106548)

Ashutosh Pednekar
Partner
(Membership No: 041037)

Date : April 26, 2025
Place : Mumbai



Profit & Loss Account

for the year ended March 31, 2025

(₹ in Thousands)

	Schedule No.	Year ended March 31, 2025	Year ended March 31, 2024
I INCOME			
Interest earned	13	365,014,866	303,225,012
Other income	14	70,217,160	60,019,939
TOTAL		435,232,026	363,244,951
II EXPENDITURE			
Interest expended	15	172,095,194	138,717,458
Operating expenses	16	188,988,365	162,157,804
Provisions and contingencies	18.15 (e)	58,899,974	32,804,574
TOTAL		419,983,533	333,679,836
III NET PROFIT / (LOSS) FOR THE YEAR (I-II)		15,248,493	29,565,115
Balance in Profit and Loss Account brought forward from previous year		(6,878,408)	(25,558,523)
Additions on Amalgamation	18.01	12,735,537	-
IV AMOUNT AVAILABLE FOR APPROPRIATION		21,105,622	4,006,592
V APPROPRIATIONS :			
Transfer to statutory reserve	18.02 (b)	3,850,000	7,400,000
Transfer to investment reserve	18.02 (b)	-	490,000
Transfer to capital reserve	18.02 (b)	880,000	210,000
Transfer to special reserve	18.02 (b)	300,000	635,000
Transfer (from) / to investment fluctuation reserve	18.02 (b)	(1,000,000)	2,150,000
Dividend paid	18.28	-	-
Balance in Profit and Loss Account carried forward		17,075,622	(6,878,408)
TOTAL		21,105,622	4,006,592
VI EARNINGS PER SHARE	18.23		
(Face value ₹ 10 per share)			
Basic (₹)		2.09	4.32
Diluted (₹)		2.08	4.25
Significant accounting policies and notes to accounts	17 & 18		

The schedules and the accompanying notes to accounts referred to above form an integral part of the Standalone Profit and Loss Account.

For and on behalf of the Board of Directors of IDFC FIRST Bank Limited

Sundara Iyer Ganesh Kumar
Independent Director
DIN: 07635860

V. Vaidyanathan
Managing Director &
Chief Executive Officer
DIN: 00082596

Sudhanshu Jain
Chief Financial Officer &
Head Corporate Centre

Satish Gaikwad
General Counsel &
Company Secretary

As per our report of even date.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
(Firm Registration No: 104607W/W100166)

For **M. P. Chitale & Co**
Chartered Accountants
(Firm Registration No: 101851W)

Roshni Marfatia
Partner
(Membership No: 106548)

Ashutosh Pednekar
Partner
(Membership No: 041037)

Date : April 26, 2025
Place : Mumbai

Cash Flow Statement

for the year ended March 31, 2025

(₹ in Thousands)

	Schedule No.	Year ended March 31, 2025	Year ended March 31, 2024
A Cash flow from operating activities			
Profit after tax		15,248,493	29,565,115
Add: Provision for tax		3,752,716	8,988,116
Net profit before taxes		19,001,209	38,553,231
Adjustments for :			
Amortisation of premium / discount on investments		1,396,436	2,679,447
Profit on sale of fixed assets (net)	14 (IV)	(108,836)	(87,479)
Dividend from Subsidiary	14 (VI)	(451,980)	(703,079)
Amortisation of deferred employee compensation		924,921	218,105
Depreciation on fixed assets	16 (V)	8,204,137	6,183,220
Write back of provision for depreciation in value of investments	18.15 (e)	(1,420,337)	(1,019,468)
Provision for non performing advances including write off (net of recoveries)	18.15 (e)	52,997,248	26,065,444
Provision/ (Write back of provision) on standard assets and other contingencies	18.15 (e)	3,570,348	(1,229,518)
Adjustments for :			
Increase in investments (excluding subsidiaries, joint ventures and held to maturity investments)		(26,361,850)	(50,296,068)
Increase in advances		(438,198,856)	(452,163,284)
Increase in deposits		514,889,331	559,390,022
Increase in other assets		(6,758,006)	(8,085,654)
Increase in other liabilities and provisions		18,496,828	1,506,730
Direct taxes paid (net)		(2,235,182)	(7,731,989)
Net cash flow generated from operating activities (A)		143,945,411	113,279,660
B Cash flow from investing activities			
Dividend from Subsidiary		451,980	703,079
Increase in held to maturity investments		(25,916,707)	(87,232,324)
Purchase of fixed assets		(8,859,103)	(13,488,962)
Proceeds from sale of fixed assets		331,599	2,100,290
Net cash flow used in investing activities (B)		(33,992,231)	(97,917,917)
C Cash flow from financing activities			
Proceeds from issue of share capital including ESOPs (net of share issue expenses)		32,786,902	33,226,006
Proceeds from issue of Additional Tier II bonds		-	15,000,000
Net repayments in other borrowings		(119,607,369)	(77,765,177)
Net cash flow used in financing activities (C)		(86,820,467)	(29,539,171)



(₹ in Thousands)

	Schedule No.	Year ended March 31, 2025	Year ended March 31, 2024
D Effect of fluctuation in foreign currency translation reserve		49,465	-
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		23,182,178	(14,177,428)
Cash and cash equivalents at the beginning of the year		124,802,120	138,979,548
Cash and cash equivalents acquired on amalgamation	18.01	2,989,248	-
Cash and cash equivalents at the end of the year		150,973,546	124,802,120
Represented by :			
Cash and Balances with Reserve Bank of India	6	140,234,959	110,750,172
Balances with Banks and Money at Call and Short Notice	7	10,738,587	14,051,948
Cash and cash equivalents at the end of the year		150,973,546	124,802,120

For and on behalf of the Board of Directors of IDFC FIRST Bank Limited**Sundara Iyer Ganesh Kumar**Independent Director
DIN: 07635860**V. Vaidyanathan**Managing Director &
Chief Executive Officer
DIN: 00082596**Sudhanshu Jain**Chief Financial Officer &
Head Corporate Centre**Satish Gaikwad**General Counsel &
Company Secretary

As per our report of even date.

For **Kalyaniwalla & Mistry LLP**Chartered Accountants
(Firm Registration No: 104607W/W100166)For **M. P. Chitale & Co**Chartered Accountants
(Firm Registration No: 101851W)**Roshni Marfatia**Partner
(Membership No: 106548)**Ashutosh Pednekar**Partner
(Membership No: 041037)

Date : April 26, 2025

Place : Mumbai

Schedules

forming part of the Balance Sheet as at March 31, 2025

SCHEDULE 1 - CAPITAL

(₹ in Thousands)

	As at March 31, 2025	As at March 31, 2024
Authorised Capital		
12,962,000,000 (Previous Year - 7,500,000,000) equity shares of ₹ 10 each	129,620,000	75,000,000
103,800,000 (Previous Year - 3,800,000) preference shares of ₹ 100 each	10,380,000	380,000
Equity Share Capital		
Issued, Subscribed, Called up and Paid-up capital		
7,322,106,984 (Previous Year - 7,069,923,853) equity shares of ₹ 10 each, fully paid up	73,221,070	70,699,239
TOTAL	73,221,070	70,699,239

SCHEDULE 2 - RESERVES AND SURPLUS

(in Thousands)

	As at March 31, 2025	As at March 31, 2024
I Statutory reserves		
Opening balance	23,192,951	15,792,951
Additions on amalgamation	24,694,388	-
Additions during the year {refer note 18.02 (b)}	3,850,000	7,400,000
Deduction during the year	-	-
Closing balance	51,737,339	23,192,951
II Capital reserves		
Opening balance	7,675,100	7,465,100
Additions on amalgamation	6,684	-
Additions during the year {refer note 18.02 (b)}	880,000	210,000
Deduction during the year	-	-
Closing balance	8,561,784	7,675,100
III Share premium		
Opening balance	201,833,503	173,125,517
Additions on amalgamation	25,220,709	-
Additions during the year	28,680,453	29,116,585
Deduction during the year (share issue expenses)	(137,523)	(408,599)
Deduction on amalgamation	(90,281,773)	-
Closing balance	165,315,369	201,833,503
IV General reserve		
Opening balance	7,942,897	6,882,161
Additions on amalgamation	6,729,728	-
Additions during the year {refer note 18.02 (b)}	4,927,609	1,060,736
Deduction during the year	-	-
Closing balance	19,600,234	7,942,897



Schedules

forming part of the Balance Sheet as at March 31, 2025

(in Thousands)

	As at March 31, 2025	As at March 31, 2024
V Amalgamation reserve		
Opening balance	(2,317,951)	(2,317,951)
Additions during the year	-	-
Deduction on amalgamation {refer note 18.01}	2,317,951	-
Closing balance	-	(2,317,951)
VI Special reserve		
Opening balance	7,035,000	6,400,000
Additions on amalgamation	26,422,300	-
Additions during the year {refer note 18.02 (b)}	300,000	635,000
Deduction during the year	-	-
Closing balance	33,757,300	7,035,000
VII Investment fluctuation reserve		
Opening balance	4,885,000	2,735,000
Additions during the year {refer note 18.02 (b)}	3,810,000	2,150,000
Deduction during the year {refer note 18.02 (b)}	(1,000,000)	-
Closing balance	7,695,000	4,885,000
VIII Investment reserve account		
Opening balance	6,625,000	6,135,000
Additions during the year	-	490,000
Deduction during the year {refer note 18.02 (b)}	(6,625,000)	-
Closing balance	-	6,625,000
IX Cash flow hedge reserve		
Opening balance	331,463	-
Additions during the year {refer note 18.02 (b)}	241,690	331,463
Deduction during the year {refer note 18.02 (b)}	(20,846)	-
Closing balance	552,307	331,463
X Available for sale reserve		
Opening balance	-	-
Additions during the year {refer note 18.02 (b)}	1,727,262	-
Deduction during the year	-	-
Closing balance	1,727,262	-
XI Foreign currency translation reserve		
Opening balance	-	-
Additions during the year {refer note 18.02 (b)}	49,465	-
Deduction during the year	-	-
Closing balance	49,465	-
XII Balance in Profit and Loss Account	17,075,622	(6,878,408)
GRAND TOTAL	306,071,682	250,324,555

Schedules

forming part of the Balance Sheet as at March 31, 2025

SCHEDULE 3 - DEPOSITS

(₹ in Thousands)

	As at March 31, 2025	As at March 31, 2024
A I Demand deposits		
(i) From banks	3,953,988	6,998,587
(ii) From others	193,573,939	178,375,484
TOTAL	197,527,927	185,374,071
II Savings bank deposits	984,842,227	762,308,119
III Term deposits		
(i) From banks	127,123,088	75,496,229
(ii) From others	1,211,159,212	982,584,704
TOTAL	1,338,282,300	1,058,080,933
GRAND TOTAL	2,520,652,454	2,005,763,123
B I Deposits of branches in India	2,519,742,825	2,005,763,123
II Deposits of branches outside India	909,629	-
GRAND TOTAL	2,520,652,454	2,005,763,123

Out of total deposits ₹19,804.58 crore (Previous Year ₹16,682.02 crore), are lien marked including lien marked as collateral against fund and non-fund based exposure.

SCHEDULE 4 - BORROWINGS

(₹ in Thousands)

	As at March 31, 2025	As at March 31, 2024
I Borrowings in India		
(i) Reserve Bank of India	58,600,000	70,000,000
(ii) Other banks	41,175,141	19,337,410
(iii) Other institutions and agencies	282,221,505	416,826,507
TOTAL	381,996,646	506,163,917
II Borrowings outside India	7,751,728	3,191,826
GRAND TOTAL	389,748,374	509,355,743

Secured borrowings included in I and II above are ₹Nil (Previous Year ₹Nil) except borrowings of ₹6,803.84 crore (Previous Year ₹17,089.24 crore) under repurchase transactions (including tri - party repo), transactions under Liquidity Adjustment Facility and Marginal Standing Facility.

During the year ended March 31, 2025, the Bank has raised Basel III compliant Tier II bond amounting to ₹Nil (Previous Year ₹1,500.00 crore).



Schedules

forming part of the Balance Sheet as at March 31, 2025

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in Thousands)

	As at March 31, 2025	As at March 31, 2024
I Bills payable	13,991,159	10,150,417
II Inter-office adjustments (net)	-	-
III Interest accrued	18,249,384	17,548,247
IV Contingent provision against standard assets	12,784,571	8,515,315
V Deferred tax liabilities (net)	-	-
VI Derivative liability (MTM)	15,928,199	10,538,282
VII Others (including provisions)	86,052,440	77,666,838
GRAND TOTAL	147,005,753	124,419,099

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in Thousands)

	As at March 31, 2025	As at March 31, 2024
I Cash in hand (including foreign currency notes)	7,622,026	10,159,665
II Balances with Reserve Bank of India :		
(i) In current accounts	99,182,933	97,580,507
(ii) In other accounts	33,430,000	3,010,000
GRAND TOTAL	140,234,959	110,750,172

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(₹ In Thousands)

	As at March 31, 2025	As at March 31, 2024
I In India		
(i) Balance with banks		
(a) In current accounts	2,454,720	1,832,064
(b) In other deposit accounts	-	-
(ii) Money at call and short notice		
(a) With banks	-	-
(b) With other institutions	4,589,831	6,565,356
TOTAL	7,044,551	8,397,420
II Outside India		
(i) In current accounts	3,266,661	561,501
(ii) In other deposit accounts	-	-
(iii) Money at call and short notice	427,375	5,093,027
TOTAL	3,694,036	5,654,528
GRAND TOTAL	10,738,587	14,051,948

Schedules

forming part of the Balance Sheet as at March 31, 2025

SCHEDULE 8 - INVESTMENTS

(₹ in Thousands)

	As at March 31, 2025	As at March 31, 2024
I Investments in India in :		
(i) Government securities	725,695,218	695,729,352
(ii) Other approved securities	-	-
(iii) Shares #	7,938,984	4,905,114
(iv) Debentures and bonds	31,956,298	28,130,728
(v) Subsidiaries and / or joint ventures *	2,125,228	2,125,228
(vi) Others ^	39,413,577	16,193,990
TOTAL	807,129,305	747,084,412
II Investments outside India in :		
(i) Government securities (including local authorities)	-	-
(ii) Subsidiaries and / or joint ventures abroad	-	-
(iii) Others (Shares)	25,914	19,521
TOTAL	25,914	19,521
GRAND TOTAL	807,155,219	747,103,933
III Investments in India :		
(i) Gross value of investments	809,842,003	749,632,651
(ii) Aggregate of provisions for depreciation	(2,712,698)	(2,548,239)
(iii) Net investment	807,129,305	747,084,412
IV Investments outside India :		
(i) Gross value of investments	24,411	19,521
(ii) Aggregate of provisions for depreciation	1,503	-
(iii) Net investment	25,914	19,521
GRAND TOTAL	807,155,219	747,103,933

Includes investments in associates.

* Dividend received from pre - acquisition profits is reduced from cost of investments as per AS - 13 Accounting for Investments.

^ Includes investments in venture capital funds / alternative investment funds, security receipts, certificate of deposits and pass through certificates.



Schedules

forming part of the Balance Sheet as at March 31, 2025

SCHEDULE 9 - ADVANCES

(₹ in Thousands)

	As at March 31, 2025	As at March 31, 2024
A (i) Bills purchased and discounted	34,064,241	22,991,545
(ii) Cash credits, overdrafts and loans repayable on demand	410,337,393	323,092,439
(iii) Term loans	1,886,723,636	1,599,839,678
TOTAL	2,331,125,270	1,945,923,662
B (i) Secured by tangible assets *	1,301,943,321	1,051,948,197
(ii) Covered by bank / government guarantees \$	50,255,835	22,399,895
(iii) Unsecured	978,926,114	871,575,570
TOTAL	2,331,125,270	1,945,923,662
C I Advances in India		
(i) Priority sector	714,632,429	639,375,033
(ii) Public sector	-	-
(iii) Banks	478,699	2,278,337
(iv) Others	1,610,744,278	1,304,270,292
TOTAL	2,325,855,406	1,945,923,662
C II Advances outside India		
(i) Due from banks	-	-
(ii) Due from others :		
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	2,564,250	-
(c) Others	2,705,614	-
TOTAL	5,269,864	-
GRAND TOTAL	2,331,125,270	1,945,923,662

The above advances are net of provisions of ₹ 3,534.34 crore (Previous Year ₹ 2,866.93 crore).

Net of borrowings under Inter Bank Participation Certificate (IBPC) of ₹ 6,050.00 crore (Previous Year ₹ 7,775.00 crore).

* Includes advances against book debts

\$ Includes advances against LCs issued by banks

Schedules

forming part of the Balance Sheet as at March 31, 2025

SCHEDULE 10 - FIXED ASSETS

(₹ in Thousands)

	As at March 31, 2025	As at March 31, 2024
I Premises (including land)		
Gross block		
At cost at the beginning of the year	294,907	2,835,547
Additions during the year	-	-
Deductions during the year	(38,806)	(2,540,640)
TOTAL	256,101	294,907
Depreciation		
As at the beginning of the year	107,640	702,908
Charge for the year	4,733	30,910
Deductions during the year	(16,599)	(626,178)
Depreciation to date	95,774	107,640
Net block of premises (including land)	160,327	187,267
IA Premises under construction	-	-
II Other fixed assets (including furniture and fixtures) (refer note 18.26)		
Gross block		
At cost at the beginning of the year	49,938,292	35,747,902
Additions during the year	9,133,186	14,683,262
Deductions during the year	(1,352,261)	(492,872)
TOTAL	57,719,217	49,938,292
Depreciation		
As at the beginning of the year	24,876,506	19,118,719
Charge for the year	8,199,404	6,152,309
Deductions during the year	(1,151,706)	(394,522)
Depreciation to date	31,924,204	24,876,506
Net block of other fixed assets (including furniture and fixtures)	25,795,013	25,061,786
III Leased Assets		
Gross block		
At cost at the beginning of the year	-	-
Additions during the year	-	-
Deductions during the year	-	-
TOTAL	-	-
Depreciation		
As at the beginning of the year	-	-
Charge for the year	-	-
Deductions during the year	-	-
Depreciation to date	-	-
Net block of leased assets	-	-
IV Capital Work-In-Progress (including capital advances and leased assets) net of provisions	671,139	945,222
GRAND TOTAL	26,626,479	26,194,275



Schedules

forming part of the Balance Sheet as at March 31, 2025

SCHEDULE 11 - OTHER ASSETS

(₹ in Thousands)

	As at March 31, 2025	As at March 31, 2024
I Inter-office adjustments (net)	-	-
II Interest accrued	36,982,875	31,639,088
III Tax paid in advance / tax deducted at source (net of provisions)	5,011,061	5,101,738
IV Stationery and stamps	249	197
V Non banking assets acquired in satisfaction of claims	-	-
VI Deferred tax assets (net)	8,771,746	10,926,709
VII Derivative assets (MTM)	15,911,966	11,727,923
VIII Others ^	55,628,101	57,731,371
GRAND TOTAL	122,305,998	117,127,026

^ Includes Rural Infrastructure Development Fund of ₹736.69 crore (Previous Year ₹926.24 crore)

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ in Thousands)

	As at March 31, 2025	As at March 31, 2024
I Claims against the bank not acknowledged as debts	1,008,136	1,244,623
II Liability for partly paid investments	159,236	149,779
III Liability on account of outstanding forward contracts	2,327,834,212	1,517,459,338
IV Liability on account of outstanding derivative contracts :		
(a) Interest rate swaps, currency swaps, forward rate agreement and interest rate futures	1,733,490,372	1,234,160,301
(b) Foreign currency options	33,013,577	20,408,202
TOTAL (a+b)	1,766,503,949	1,254,568,503
V Guarantees given on behalf of constituents		
(a) In India	204,241,330	183,777,608
(b) Outside India	-	-
VI Acceptances, endorsements and other obligations	72,363,619	56,852,771
VII Other items for which the bank is contingently liable	16,448,187	9,427,897
GRAND TOTAL	4,388,558,669	3,023,480,519

Schedules

forming part of Profit and Loss Account for the year ended March 31, 2025

SCHEDULE 13 - INTEREST EARNED

(₹ in Thousands)

	Year ended March 31, 2025	Year ended March 31, 2024
I Interest / discount on advances / bills	308,345,172	259,158,872
II Income on investments	53,173,888	41,176,915
III Interest on balances with Reserve Bank of India and other inter-bank funds	1,145,506	936,439
IV Others	2,350,300	1,952,786
GRAND TOTAL	365,014,866	303,225,012

SCHEDULE 14 - OTHER INCOME

(₹ in Thousands)

	Year ended March 31, 2025	Year ended March 31, 2024
I Commission, exchange and brokerage	62,068,949	52,881,116
II Profit / (loss) on sale of investments (net)	3,164,086	2,026,227
III Profit / (loss) on revaluation of investments (net)	1,642,155	27,959
IV Profit / (loss) on sale of land, buildings and other assets (net)	108,836	87,479
V Profit / (loss) on exchange / derivative transactions (net)	2,017,614	3,360,940
VI Income earned by way of dividends etc. from subsidiaries / companies and / or joint venture abroad / in India	451,980	703,079
VII Income earned by way of lease finance, lease management fee, overdue charges and interest on lease rent receivables	-	-
VIII Miscellaneous income	763,540	933,139
GRAND TOTAL	70,217,160	60,019,939

SCHEDULE 15 - INTEREST EXPENDED

(₹ in Thousands)

	Year ended March 31, 2025	Year ended March 31, 2024
I Interest on deposits	139,996,055	101,608,017
II Interest on borrowings from Reserve Bank of India / inter-bank borrowings	6,195,993	2,099,910
III Others	25,903,146	35,009,531
GRAND TOTAL	172,095,194	138,717,458



Schedules

forming part of Profit and Loss Account for the year ended March 31, 2025

SCHEDULE 16 - OPERATING EXPENSES

(₹ in Thousands)

	Year ended March 31, 2025	Year ended March 31, 2024
I Payments to and provisions for employees	57,099,009	48,925,300
II Rent, taxes and lighting	7,706,330	6,451,508
III Printing and stationery	1,169,109	1,191,255
IV Advertisement and publicity	4,681,788	4,069,701
V (a) Depreciation on Bank's property other than leased assets	8,204,137	6,183,220
(b) Depreciation on leased assets	-	-
VI Directors' fees, allowance and expenses	47,669	42,815
VII Auditors' fees and expenses	36,981	38,243
VIII Law charges	845,872	445,686
IX Postage, telegrams, telephones etc.	1,735,639	1,684,985
X Repairs and maintenance	1,996,193	1,864,995
XI Insurance	2,806,921	2,097,775
XII Other expenditure	102,658,717	89,162,321
GRAND TOTAL	188,988,365	162,157,804

Schedules

forming part of Financial Statements as at and for the year ended March 31, 2025

17 Significant accounting policies forming part of the financial statements for the year ended March 31, 2025

A Background

IDFC FIRST Bank Limited (The "Bank") was incorporated on October 21, 2014, as a Company under the Companies Act, 2013 and had commenced its banking operations on October 01, 2015, after receiving universal banking license from the Reserve Bank of India (The "RBI") on July 23, 2015. The Bank provides a complete suite of banking and financial services including retail banking, wholesale banking, digital banking, and treasury operations. The Bank is primarily governed by the Banking Regulation Act, 1949. During the current year, the Bank has commenced overseas operations in Offshore Banking Unit at International Financial Service Centre Banking Unit (IBU), Gujarat International Finance Tec - City (GIFT City), Gandhinagar, India.

The Bank's shares are listed on National Stock Exchange of India Limited and BSE Limited.

B Basis of preparation

The financial statements have been prepared and presented based on historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with the requirements prescribed under Section 29 and Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements are in conformity with Generally Accepted Accounting Principles in India ('Indian GAAP'), circulars and guidelines issued by the RBI from time to time, the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with para 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India.

C Use of estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities, disclosure of contingent liabilities as of the date of the financial statements and revenues and expenses during the reporting period. The Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates

is recognised prospectively in the current and future periods.

D Significant accounting policies :

17.01 Investments

Classification and Valuation of the Bank's investments is carried out in accordance with the RBI guidelines and Fixed Income Money Market and Derivatives Association ('FIMMDA') and Financial Benchmark India Private Limited ('FBIL') guidelines respectively, prescribed in this regard from time to time.

Classification :

In accordance with the RBI guidelines on investment classification and valuation; Investments are classified into following categories :

- Held to Maturity ('HTM')
- Available for Sale ('AFS')
- Fair Value through Profit and Loss ('FVTPL') including sub - category Held for Trading ('HFT') and
- Investment in Subsidiaries, Associates and / or Joint Ventures

However, for disclosure in the Balance Sheet, Investments in India are classified under six categories - (i) Government securities, (ii) Other approved securities, (iii) Shares, (iv) Debentures and bonds, (v) Investment in subsidiaries and / or joint ventures and (vi) Others.

Investments made outside India are classified under three categories - (i) Government securities (including local authorities), (ii) Subsidiaries and / or joint ventures abroad and (iii) Others.

Transfer of security between categories :

- Transfer of securities between categories of investments is accounted as per the RBI guidelines. Bank cannot reclassify investments between categories (viz. HTM, AFS and FVTPL including reclassification from / to HFT) without the approval of the Board of Directors. Further, reclassification shall also require prior approval of the Department of Supervision (DoS), RBI.
- Transfer of scrip from HTM to AFS is made at fair value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value shall be recognised in AFS Reserve.
- Transfer of scrip from HTM to FVTPL is made at fair value. Any gain or loss arising from a difference



Schedules

forming part of Financial Statements as at and for the year ended March 31, 2025

between the revised carrying value and the previous carrying value shall be recognised in Profit and Loss Account.

- Transfer of scrip from AFS to HTM is made at fair value. The cumulative gain / loss previously recognised in the AFS Reserve shall be withdrawn therefrom and adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value.
- Transfer of scrip from AFS to FVTPL is continuing to be at fair value. The cumulative gain or loss previously recognised in AFS Reserve shall be withdrawn therefrom and recognised in the Profit and Loss Account.
- Transfer of scrip from FVTPL to AFS and HTM is made at carrying value. The carrying amount representing the fair value at the reclassification date remains unchanged.

Basis of classification and accounting :

- Securities are acquired with an intention and objective of holding it to maturity and terms of the security gives rise to cash flows that are solely payments of principal and interest (SPPI criteria test) then it shall be classified under HTM.
- Securities that fulfil the SPPI criteria test and are acquired with the objective of collecting contractual cash flows and selling securities shall be classified under AFS. Further on initial recognition, the Bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading under AFS.
- Securities acquired with the intention to trade i.e. to take advantage of price and interest rate movements in the short term through active buying and selling will be classified under FVTPL - 'HFT'.
- All investments in subsidiaries, associates, and joint ventures is held in a distinct category for such investments separate from the other investment categories.

Cost of acquisition :

- Costs such as brokerage and commission pertaining to investments paid at the time of acquisition are charged to the Profit and Loss Account.
- Cost of investments is computed based on First in First Out Method (FIFO) for all categories of investments including short sales.
- Broken period interest paid to the seller as part of

cost and to be treated as an item of expenditure under Profit and Loss Account in respect of investments in securities.

Initial recognition :

All investments are measured at fair value on initial recognition. Unless facts and circumstances as mentioned in the RBI guidelines suggest that fair value is materially different from the acquisition cost, it is presumed that the acquisition cost is the fair value.

Day - 1 gains / losses :

Day - 1 gains / losses arising due to difference between fair value and acquisition cost on the date of initial recognition are accounted for under :

- Day - 1 gains / losses on level 1 / level 2 instruments are recognised in the Profit and Loss Account under "Schedule 14 - Other Income" within the subhead 'Profit / (loss) on revaluation of investments (net)'.
- Day - 1 gains on level 3 instruments are deferred. In the case of debt instruments, the Day - 1 gains are amortised on a straight - line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gains are set aside as a liability until the security is listed or derecognised.
- Day - 1 losses on level 3 instruments is recognised immediately in the Profit and Loss Account.

Valuation :

Investments classified under HTM category are carried at their acquisition cost and not marked to market. Any premium or discount on acquisition of debt securities held under HTM, AFS or FVTPL including HFT category is amortised over the remaining maturity period of the security on a straight line method basis excluding STRIPS. Such amortisation is adjusted against interest income under the head "Income on Investments" as per the RBI guidelines.

Investments classified under AFS are fair valued and net appreciation / depreciation across all performing investments, net of taxes, if any, is directly credited or debited to AFS Reserve without routing through Profit and Loss Account.

Investments classified under FVTPL (including HFT category) are fair valued and net gain / loss arising on such valuation is directly credited or debited to Profit and Loss Account.

- The market value of quoted government

Schedules

forming part of Financial Statements as at and for the year ended March 31, 2025

securities which qualify for determining the Statutory Liquidity Ratio ('SLR') included in the AFS and FVTPL including sub - category HFT categories is computed as per the prices published by Financial Benchmarks India Private Limited ('FBIL').

- Special bonds such as oil bonds, DISCOM bonds, fertilizer bonds, etc. that do not qualify for SLR are valued using the prices published by FBIL or as per the extant FIMMDA / RBI guidelines.
- Traded bond investments are valued based on the trade / quotes on the recognised stock exchanges, or prices / yields published by Primary Dealers Association of India ('PDAI') jointly with FIMMDA / FBIL, periodically. The valuation of other unquoted fixed income securities (viz. Central Government securities, State Government securities, Other approved securities, Bonds and Debentures) and preference shares, wherever linked to the YTM rates, is done with a mark - up (reflecting associated credit and liquidity risk) over the YTM rates for government securities published by FIMMDA / FBIL. For Tax - free bonds, the valuation is done after grossing up the coupon in line with FIMMDA / FBIL guidelines.
- Traded equity investments are valued at the closing price as available on National Stock Exchange (NSE). In case the equity script is not listed on NSE, then closing price as available on BSE is considered. In case the script is not listed in either NSE or BSE then closing from the exchange on which the script is listed shall be considered.
- Unquoted equity shares are valued at the break - up value, if the latest Balance Sheet is available (which should not be more than 18 months prior to the date of valuation) or at ₹1 as per the RBI guidelines in case the latest Balance Sheet is not available.
- Units of mutual funds are valued at the latest repurchase price / Net Asset Value ('NAV') declared by the mutual fund.
- The valuation of discounted instruments such as Treasury Bills, Commercial Papers, Certificate of Deposits is reckoned at carrying cost, while STRIPS are valued as per the prices published by FBIL / FIMMDA, in line with FIMMDA / Market Risk Management Policy. The accretion of discount on discounted money market securities (CP / CD / T-Bill) is computed basis the straight - line method while the STRIPS is reckoned as per constant yield method.
- Security receipts ('SR') are valued at the lower of realisation value and Net Asset Value ('NAV') considering as per the Net Asset Value provided by the Asset Reconstruction Companies ('ARC's).
- Investments in Units of Venture Capital Funds ('VCF') / Alternate Investment Fund ('AIF') are valued in accordance with the RBI guidelines. Units of VCF / AIF held under AFS / FVTPL (Including HFT) category are marked to market based on the NAV provided by VCF / AIF based on the latest financial statements. Valuation is based on audited financial statements at least, once in a year. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1.
- The Banks does not make investments in any scheme of AIF which has downstream investments (excluding investment in equity shares but including all other investments including investments in hybrid instruments) either directly or indirectly in a debtor company of the Bank. If the Bank has already invested into such schemes having downstream investment in their debtor companies as on the date of RBI circular including investment in subordinate units of an AIF scheme, Bank made a 100 percent provision on such investments. As clarified by the RBI, provisioning will be required only to the extent of investment by the Bank in AIF scheme which is further invested by the AIF in the debtor company, and not on the entire investment of the Bank in the AIF scheme.
- Pass Through Certificates ('PTCs') and Priority Sector PTCs are valued as per extant RBI guidelines.
- Loans converted into equity instruments which are acquired as a part of resolution plan, are recognised and valued, in accordance with the RBI guidelines.

Investments in Subsidiaries, Associates or Joint Ventures are separately categorised in accordance with RBI guidelines and held at acquisition cost. Any premium or discount on acquisition of debt securities of subsidiaries, associate and joint venture is amortised over the remaining maturity of instrument. The Bank assesses these investments for impairment on a quarterly basis to determine any permanent diminution in value considering the parameters as detailed in extant RBI Master Direction on Investments and if any provisions are made as per the extant RBI guidelines.



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Dividend received from pre - acquisition profits is reduced from cost of investments as per AS - 13 - Accounting for Investments.

Investments classified under AFS and FVTPL including HFT categories are marked to market as per the extant RBI guidelines. Book value of the individual securities does not undergo any change after the marked to market.

Securities are valued script wise and depreciation / appreciation is aggregated for each category of investment in their respective classifications. Net depreciation / appreciation, if any, compared to the acquisition cost, for FVTPL including HFT categories, is charged to the Profit and Loss Account.

Non - performing investments ('NPI') are identified and depreciation / provision is made thereon based on the RBI guidelines. Interest on non - performing investments is recognised on cash basis. Marked to Market appreciation in the security are ignored.

Once an investment is classified as an NPI, these securities are segregated from rest of the portfolio and not considered for netting valuation gains and losses.

Irrespective of the category (i.e. HTM, AFS or FVTPL (including HFT)) in which the investment has been placed, the provision for impairment are recognised in the Profit and Loss Account.

As a prudent risk measure, specific provision against identified investments are made based on management's assessment of impairment based on qualitative factors, subject to minimum provision determined as per FBIL / RBI valuation guidelines. These provisions are netted off from carrying value of such investments. Further, interest on such identified investments is recognised on cash basis.

Bonds and debentures are classified as other receivables under other assets on maturity date and disclosed under "Schedule - 11 : Other Assets"

Investment fluctuation reserve ('IFR') :

As per the RBI guidelines, the Bank is required to create an Investment Fluctuation Reserve ('IFR'). An amount not less than the lower of net profit on sale of investments in the AFS and FVTPL (including HFT) portfolio during the year or net profit for the year less mandatory appropriations shall be transferred to the IFR, until the amount of IFR is at least 2 percent of the AFS and FVTPL (including HFT) portfolio, on a continuing basis.

Further, the Bank may, at its discretion, draw down the balance available in IFR in excess of 2 percent of its AFS and FVTPL (including HFT) portfolio, for credit to the balance of profit / loss as disclosed in the Profit and Loss Account at the end of any accounting year. In the event the balance in the IFR is less than 2 percent of the AFS and FVTPL (including HFT) investment portfolio, a draw down is permitted subject to the following conditions :

- (a) The drawn down amount is used only for meeting the minimum Common Equity Tier 1 / Tier 1 capital requirements by way of appropriation to free reserves or reducing the balance of loss and
- (b) The amount drawn down shall not be more than the extent, the MTM provisions / losses made during the aforesaid year exceed the net profit on sale of investments during that year.

IFR is eligible for inclusion in Tier II capital.

Short sales :

The Bank undertakes short sale transactions in Central Government dated securities in accordance with the RBI guidelines and these are shown under "Schedule 8 - Investments". The short sale position is categorised under HFT category and netted off from HFT investments. The short position is marked to market along with other securities in that category and gain / loss, if any, is charged to the Profit and Loss Account. Profit / loss on settlement of the short position is recognised in the Profit and Loss Account.

Repurchase and reverse repurchase transactions :

In accordance with the RBI guidelines, Repurchase ('Repo') and Reverse repurchase ('Reverse Repo') transactions in government securities and corporate debt securities, including transactions conducted under Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are reflected as collateralised borrowing and lending transactions respectively. Balances held under Standing Deposit Facility ('SDF') are reported under "Schedule 6 - Cash and balances with Reserve Bank of India". Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions are accounted as interest income.

As per the RBI circular RBI/2022-23/55 DOR.ACC. REC.No.37/21.04.018/2022-23 dated May 19, 2022, reverse repos with banks and other institutions having original tenors more than 14 days are classified under "Schedule 9 - Advances".

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17.02 Advances

In accordance with the RBI guidelines, advances are classified as performing and non - performing. Non - Performing Advances ('NPA') are further classified as Sub - Standard, Doubtful and Loss Assets in accordance with the RBI guidelines on Income Recognition and Asset Classification ('IRAC'). In addition, based on extant environment or specific information on risk of possible slippages or current pattern of servicing, the Bank makes provision on specific advances which are classified as standard advances as these are not non - performing advances ('identified standard advances'). Advances are stated net of provisions against NPA, specific provisions against identified advances, claims received from Export Credit Guarantee Corporation, provisions for non - performing funded interest term loan, net of direct assignment and provisions in lieu of diminution in the fair value of restructured asset.

The Bank may transfer advances through inter - bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified as due from banks under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

The Bank makes general provisions on all standard advances and restructured advances based on the rates under each category of advance as prescribed by the RBI. In addition, the Bank makes provisions for standard assets in stressed sectors, at rates higher than the regulatory minimum, based on evaluation of risk and stress as per the Board approved policy. The provision on standard advances is not reckoned for arriving at net NPAs. The provision against standard advances (other than provision against identified advances) is shown separately as "Contingent Provisions against Standard Assets" under "Schedule 5 - Other Liabilities".

In case of corporate loans, specific loan loss provisions in respect of identified advances and non - performing advances are made based on the management's assessment of the degree of impairment, subject to the minimum provisioning level prescribed by the RBI. The Bank can provide additional specific provision on standard advances at higher than prescribed

rates as a prudent risk measure. These provisions are reviewed and reassessed at least once in a year. Provision on / write - off of homogeneous retail loans and advances, subject to minimum provisioning requirement of the RBI, is assessed on the basis of ageing of loans as prescribed in the Board approved policy of the Bank. Provision due to diminution in the fair value of restructured / rescheduled loans and advances is made in accordance with the applicable RBI guidelines.

Non - performing and restructured loans are upgraded to standard as per the extant RBI guidelines.

Under the Large Exposure Framework, the sum of all exposure values of the Bank to a counterparty or a group of connected counterparties is considered as a 'Large Exposure', if it is equal to or more than 10 percent of the Bank's eligible capital base (i.e. Tier 1 capital).

In line with RBI guidelines on enhancing credit supply for Large Borrowers through Market Mechanism dated August 25, 2016, the Bank's incremental exposures from FY 2018-19 onwards to the specified borrowers exceeding the Net Permitted Lending Limits ('NPLL') shall attract prudential measures. Incremental Exposure of the Banking System to a specified borrower beyond NPLL shall be deemed to carry higher risk which shall be recognised by way of additional standard asset provisioning and higher risk weights.

Further, the RBI has issued guidelines on "Prudential Framework for Resolution of Stressed Assets dated June 07, 2019" with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets. The Banks Board approved Recovery Policy covers resolution requirements detailed in these guidelines.

The Bank is required to make an additional provisioning for the delayed implementation of Resolution Plan ('RP') as under :

- (a) Additional provision of 20% of total outstanding if RP is implemented beyond 180 days from the end of the review period.
- (b) Additional provision of 15% of total outstanding if RP is implemented beyond 360 days from the end of the review period.

The additional provisions shall be made over and above the higher of the following, subject to the total provisions held being capped at 100% of total outstanding :

- (a) The provisions already held; or,



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- (b) The provisions required to be made as per IRAC norms.

In the event of substantial erosion in value of loan and remote possibility of collection, non - performing loans with adequate provisions are evaluated for technical / prudential write - off based on Bank's policy and the RBI guidelines. Such write - off does not have an impact on the Bank's legal claim against the borrower. The Bank may also write - off non - performing loans on One Time Settlement ('OTS') with the borrower or otherwise. Amounts recovered from borrowers against debts written-off is recognised in the Profit and Loss Account under "Provisions and Contingencies".

Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

In respect of borrowers classified as wilful defaulters, the Bank makes accelerated provisions as per the extant RBI guidelines.

Unhedged foreign currency exposure :

Provision for Unhedged Foreign Currency Exposure of borrowers is made as per the RBI guidelines and disclosed under Contingent Provision against Standard Assets.

Country risk :

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country as per the RBI guidelines). The countries are categorised into seven risk categories as mentioned in the ECGC guidelines namely Insignificant, Low, Moderately Low, Moderate, Moderately High, High and Very High and provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the funded exposure (net) of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure.

17.03 Revenue recognition

Interest income :

Interest income is recognised on accrual basis in the Profit and Loss Account, except in the case of Non - Performing Assets ('NPAs') and identified standard advances, where it is recognised upon realisation. The unrealised interest booked in respect of NPAs and identified standard advances and any other

facility given to the same borrower is reversed to the Profit and Loss Accounts and subsequent interest income is accounted into interest suspense.

The unrealised interest represented by Funded Interest Term Loan ('FITL') is reversed in Profit and Loss Account with the corresponding credit in Sundry Liabilities Account - Interest Capitalisation Account. Interest income is booked in Profit and Loss Account upon realisation, by debiting the Sundry Liabilities Account.

Subvention income on loans is recognised as income over the tenor of the loan agreements. The unamortised balance is disclosed as part of other liabilities. On foreclosure, balance unamortised subvention income is recognised in the Profit and Loss Account. Income on retained interest in the assigned asset, if any, is accounted on accrual basis except in case of NPAs wherein interest income is recognised on receipt basis as per the RBI guidelines.

Interest income on coupon bearing securities is recognised over the tenure of the instrument on a straight line method and on non - coupon bearing securities over the tenure on yield basis. Any premium or discount on acquisition of debt securities (securities meeting SPPI criteria) held under HTM, AFS or FVTPL category is amortised over the remaining maturity period of the security on a straight line method basis and STRIPS on constant yield basis.

Dividend on equity shares, preference shares, alternative investment funds and on mutual fund units is recognised as income when the right to receive the dividend is established.

Fees and charges :

Loan originating fees, when it becomes due, is recognised upfront as income. Arrangership / Syndication fee is accounted on completion of the agreed service and when right to receive is established. Fee and commission income is recognised as income when due and reasonable right of recovery is established and can be reliably measured.

Commission received on guarantees and letter of credit issued is recognised on straight line basis over the period of the contract or the period for which commission is received.

Fee on rescheduling of outstanding debt is recognised on accrual basis over the period of time covered by the rescheduled extension period.

Underwriting commission earned to the extent not reduced from the cost of the securities is recognised

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as fees on closure of issue.

All other fees and charges are recognised as and when they become due and revenue can be reliably measured and reasonable right of recovery is established.

Investments :

Profit / loss on sale of investments under the HTM categories are recognised in the Profit and Loss Account. Further the profit on sale of investments in HTM categories is appropriated to the Capital Reserve Account (net of taxes and amount required to be transferred to Statutory Reserves) in accordance with the RBI guidelines.

Profit / loss on sale of investments under the AFS and FVTPL including HFT categories are recognised in the Profit and Loss Account.

Upon sale or maturity of a debt instrument in AFS category, the accumulated gain / loss for that security in the AFS Reserve transferred from the AFS Reserve and recognised in the Profit and Loss Account under Schedule 14 – Other Income.

Profit from sale of investment in Subsidiary, Associate, or Joint Venture is first recognised in the Profit and Loss Account and then appropriated below the line from Profit and Loss Account to the Capital Reserve Account. The amount so appropriated is net of taxes and the amount required to be transferred to Statutory Reserves.

In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments is not transferred from AFS Reserve to the Profit and Loss Account. Instead, such gain or loss is transferred from AFS Reserve to the Capital Reserve

Exchange gain or loss arising on account of revaluation of monetary assets and liabilities (other than IBU) is recognised in the Profit and Loss Account as per the revaluation rates published by Foreign Exchange Dealers' Association of India ('FEDAI').

Other operating income :

Gain / loss on sell down of loans is recognised in line with the extant RBI guidelines.

Securitisation transactions :

The Bank enters into sale of retail loans through Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the SPV. The Bank also provides credit enhancement in the form of cash collaterals and / or by subordination of cash flows to Senior Pass

- Through Certificate holders. In respect of credit enhancements provided or recourse obligations accepted by the Bank, appropriate disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 and the relevant provision of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021.

In accordance with the RBI guidelines on Securitisation of Standard Assets dated September 24, 2021, the profit, loss or premium on account of securitisation of assets at the time of sale is computed as the difference between the sale consideration and the book value of the securitised asset.

Any resultant profit, loss or premium realised on account of securitisation is recognised to the Profit and Loss Account in the period in which the sale is completed.

In case of Non - Performing Assets sold to Securitisation Company ('SC') / Reconstruction Company ('RC') for cash, excess provision is reversed to Profit and Loss Account. Any loss arising on account of sale is recognised in the Profit and Loss Account in the year in which the sale occurs. If sale is against issuance of Security Receipts (SRs) by SC / RC, the SR is recognised at lower of redemption value of SRs and net book value of underlying loan sold. On realisation, the proceeds are reduced against the carrying value of SRs and surplus, if any, is recognised in the Profit and Loss Account.

In cases of investments in SRs by more than 10 percent of the SRs backed by the assets sold and issued under the scheme of securitisation, provisioning requirement on SRs will be higher of provisioning rate required in terms of net asset value declared by the SCs / RCs or provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books.

Direct assignments :

Assets transferred through direct assignment of cash flows are de - recognised in the Balance Sheet when they are sold (true sale criteria being fully met with) and consideration is received by the Bank.

Profit / premium arising on account of sale of standard asset, being the difference between the sale consideration and book value, is amortised over the residual life of the loan. Any loss arising on account of sale is recognised in the Profit and Loss Account in the year in which the sale occurs. In case of gain on sale of non - performing assets, the excess



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provision shall not be reversed but will be utilised to meet the shortfall / loss on account of sale of other non - performing financial assets and shortfall if any is charged to the Profit and Loss Account.

17.04 Priority sector lending certificates ('PSLCs')

The Bank enters into transactions for the purchase or sale of Priority Sector Lending Certificates ('PSLCs'). In case of a purchase transaction, the Bank buys the fulfilment of priority sector obligation and in case of a sale transaction, the Bank sells the fulfilment of priority sector obligation through the RBI trading platform without any transfer of underlying risk or loan assets. Fees paid for purchase of the PSLCs is recorded as 'Other Expenditure' and fees received for the sale of PSLCs is recorded as 'Miscellaneous Income' in Profit and Loss Account. These are amortised on straight line basis over the tenor of the certificate.

17.05 Transactions involving foreign exchange

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing exchange rates notified by FEDAI relevant to the Balance Sheet date. The resulting gain or loss on revaluation are included in the Profit and Loss Account in accordance with the RBI / FEDAI guidelines. All outstanding forward exchange contracts are revalued based on the forward rates notified by FEDAI for specified maturities and at interpolated rates for contracts of interim maturities. The forward exchange contracts of longer maturities (i.e. greater than or equal to 2 years) where exchange rates are not notified by FEDAI are revalued at the forward exchange rates implied by the swap curves in respective currencies. The resultant gains or losses are recognised in the Profit and Loss Account.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are valued and disclosed at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

The financial statements of IBU branch which are in the nature of non - integral overseas operations are translated on the following basis : (a) Income and expenses are translated at the rates prevailing on the date of the transactions and (b) All assets and liabilities (both monetary and non - monetary as well as contingent liabilities) are translated at closing rate notified by FEDAI as at Balance Sheet date.

The exchange difference arising out of year end translation is debited or credited as "Foreign Currency Translation Reserve" forming part of "Reserves and Surplus".

17.06 Accounting for derivative transactions

Derivative transactions comprises of forward contracts, futures, swaps and options. The Bank undertakes derivative transactions for trading and hedging Balance Sheet assets and liabilities. All trading transactions are marked to market and resultant gain or loss is recognised in the Profit and Loss Account.

Foreign exchange contracts and derivative contracts are classified as assets when the fair value is positive (positive marked to market value) or as liabilities when the fair value is negative (negative marked to market value).

For hedge transactions, the Bank identifies the hedged item (asset or liability) and assesses the effectiveness at the inception as well as at each reporting date. Funding swaps are accounted in accordance with FEDAI guidelines / AS-11 - The Effects of Changes in Foreign Exchange Rates.

Hedge swaps and funding swaps are accounted for on accrual basis except in case of a swap designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases swaps are marked to market with the resultant gain or loss recorded as an adjustment to the market value of the designated asset or liability.

Hedge transactions are accounted for as per the guidance note issued by ICAI on accounting for derivative contracts. In case of a fair value hedge, the changes in the fair value of the hedging instruments and hedged items are recognised in the Profit and Loss Account and in case of cash flow hedges, the changes in fair value of effective portion are recognised in Reserves and Surplus under 'Cash Flow Hedge Reserve'. Any resultant profit or loss on termination of hedge swaps is amortised over the life of the swap or underlying liability whichever is shorter. Upon ineffectiveness of hedge on re - assessment or termination of underlying, the Bank shall de - designate the derivative as trade.

Premium / discount on currency swaps undertaken to hedge foreign currency assets and liabilities and funding swaps is recognised as interest income / expense on accrual basis and is amortised on a pro-rata basis over the underlying swap period.

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Premium in option transaction is recognised as income / expense on expiry or early termination of the transaction. Marked to Market gain / loss (adjusted for premium received / paid on options contracts) is recorded as other income. The amounts received / paid on cancellation of option contracts are recognised as realised gain / loss on options. Pursuant to the RBI guidelines, any receivables under derivative contracts which remain overdue for more than 90 days and Marked to Market gains on all derivative contracts with the same counter parties are reversed in Profit and Loss Account.

Currency futures contracts are marked to market using daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. All open positions are marked to market based on the settlement price and the resultant marked to market profit / loss settled with the exchange. Charges receivable / payable on cancellation / termination of foreign exchange forward contracts is recognised as income / expense on the date of cancellation / termination under 'Other Income'.

Valuation of Exchange Traded Currency Options is carried out on the basis of the daily settlement price of each individual option provided by the exchange and valuation of Interest Rate Futures is carried out on the basis of the daily settlement price of each contract provided by the exchange.

As per the RBI guidelines on 'Prudential Norms for Off Balance Sheet Exposures of Banks' a general provision is made on the current gross MTM gain of the contract for all outstanding interest rate and foreign exchange derivative transactions. For provisioning purpose, the exposure for all the counterparties with whom the Bank has bilateral agreement in place / Qualified Central Counter Party ('QCCP'), is reckoned as net positive MTM adjusted for collateral, if any, at the counterparty level. The exposure under standard provisioning for remaining counterparties is computed as the gross positive MTM at deal level and adjusted for collateral at the counterparty level.

17.07 Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on

assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets.

The Bank believes that the useful life of assets assessed, pursuant to the Companies Act, 2013, taking into account changes in environment, changes in technology, the utility and efficacy of the asset in use, fairly reflects its estimate of useful lives of the fixed assets.

Capital work - in - progress includes cost of fixed assets that are not ready for their intended use and also include advances paid to acquire fixed assets.

Depreciation is charged over the estimated useful life of a fixed asset on a straight line basis. The rates of depreciation for fixed assets, which are not lower than the rates prescribed in Part C of Schedule II of the Companies Act, 2013, are given below :

Asset	Estimated Useful Life
Building – RCC Frame	60 Years
Building – Other than RCC Frame	30 Years
Computers – Desktops, Laptops, End User Devices	3 Years
Computers – Server & Network	6 Years
Vehicles	4 Years
Furniture	10 Years
Office Equipment	5 Years
Leasehold Improvements	Over the extended period of lease
Others (Including Software and System Development)	5 years

Depreciation on vehicles and mobile phones is higher than the rates prescribed under the Schedule II of the Companies Act, 2013, based on the internal assessment of the useful life of these assets.

Fixed assets individually costing less than ₹5,000 are fully depreciated in the year of installation.

Depreciation on assets sold during the year is recognised on a pro - rata basis to the Profit and Loss Account till the date of sale. The gain / loss on sale of fixed assets is recognised to Profit and Loss Account. Profit on sale of premises net of taxes and transfer to Statutory Reserve is appropriated to Capital Reserve as per the RBI guidelines.



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17.08 Income tax

Income tax expense is the aggregate amount of current tax and deferred tax charge. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and considering the material principles set out in Income Computation and Disclosure Standards to the extent applicable and as per AS-22 - Accounting for Taxes on Income respectively.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Current tax assets and liabilities and deferred tax assets and liabilities are off - set when they relate to income taxes levied by the same taxation authority, when the Bank has a legal right to off - set and when the Bank intends to settle on a net basis.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably / virtually certain to be realised. The impact of changes in the deferred tax assets / liabilities is recognised in the Profit and Loss Account.

17.09 Employees stock option scheme

The Bank has formulated Employees Stock Option Scheme - IDFC FIRST Bank Limited ESOS - 2015 ('the Scheme') in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ['SEBI (SBEB & SE) Regulations']. The scheme provides for the grant of options to acquire equity shares of the Bank to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.

The Bank follows the intrinsic value method to account for its stock - based employee compensation plans (for employees other than Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff). Intrinsic value is the amount by

which the quoted market price of the underlying share on the date, prior to the date of the grant, exceeds the exercise price on the options. The quoted market price is the closing price on the stock exchange with highest trading volume of the underlying shares, immediately prior to the grant date. Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the grant price as determined under the option plan. Compensation cost is amortised over the vesting period on a straight line method with a corresponding credit to Employee Stock Options Reserve. In case the vested stock options get lapsed / cancelled / expire unexercised, the balance in stock options outstanding is transferred to the general reserve. In case the unvested stock options get lapsed / cancelled, the balance in stock option outstanding account is transferred to the Profit and Loss Account.

Further, the Bank recognises fair value of share - linked instruments on the date of grant as an expense for all instruments granted after the accounting period ending March 31, 2021 for Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff as required in the RBI clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff. The fair value of the stock - based compensation is estimated on the date of grant using Black - Scholes model and the inputs used in the valuation model include assumptions such as the stock price, volatility, risk free interest rate, exercise price, time to maturity / expected life of options, expected dividend yield. The cost of stock options is recognised as compensation expense over the vesting period.

17.10 Employee benefits

Provident fund, superannuation fund and pension fund :

The Bank makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Bank make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's basic salary. The Bank has no further obligations under the plan beyond its monthly contributions. Contributions to provident fund are charged to the Profit and Loss Account.

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Gratuity :

The gratuity scheme of the Bank is a defined benefit scheme covering all eligible employees. The defined gratuity benefit plans are valued by an independent actuary as at the Balance Sheet date using the projected unit credit method as per the requirement of AS-15, Employee Benefits, to determine the present value of the defined benefit obligation and the related service costs. The actuarial calculations entail assumptions about discount rate, expected rate of return on plan assets, salary escalation rate, demographics assumptions include retirement age, mortality, leaving service, disability. Actuarial gains and losses are recognised in the Profit and Loss Account for the year.

Compensated absences :

Any unavailed privilege leave to the extent encashable is paid to the employees and charged to the Profit and Loss Account for the year based on encashment of leaves.

17.11 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

A disclosure of contingent liability is made when there is :

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non - occurrence of one or more

uncertain future events not within the control of the Bank; or

- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

17.12 Earnings per share

The Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share. Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares and weighted average number of dilutive potential equity shares outstanding during the year, except where the results are anti - dilutive.

17.13 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Amounts due under the operating leases, including cost escalation, are charged on a straight line method over the lease term in the Profit and Loss Account. Initial direct costs incurred specifically for operating leases are recognised as expenses in the Profit and Loss Account in the year in which they are incurred.

17.14 Reward Points

The Bank grants reward points in respect of certain cards. The Bank estimates the probable redemption of such loyalty / reward points using an actuarial method at the Balance Sheet date by employing an



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independent actuary which includes assumptions such as redemption rate, lapse rate, discount rate, value of reward points. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary as at the Balance Sheet date and included under "Schedule 5 - Other liabilities and provisions".

17.15 Share issue expenses

Share issue expenses are adjusted from Securities Premium Account in terms of Section 52 of the Companies Act, 2013.

17.16 Segment reporting

As per the RBI guidelines, business segments are divided under a) Treasury b) Corporate and Wholesale Banking c) Retail Banking and d) Other Banking Business.

Further, the RBI vide its circular dated April 07, 2022, for the purpose of disclosure under AS-17, Segment reporting, had prescribed for reporting of 'Digital Banking' as a sub - segment under Retail Banking.

Business segments are identified and reported considering the target customer segment, the nature of products, internal business reporting system, transfer pricing policy approved by Asset Liability Committee ('ALCO'), the guidelines prescribed by the RBI.

17.17 Impairment of assets

The Bank assesses at each Balance Sheet date

whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

17.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with the RBI, Central Bank Digital Currency ('CBDC'), balances with other banks and money at call and short notice.

17.19 Corporate social responsibility

Amount spent towards corporate social responsibility, in accordance with Companies Act, 2013, are recognised in the Profit and Loss Account. Further, any amount spent in excess of the mandatory CSR contribution is carried forward in the "CSR Pre - Spent Account", as the said amount can be set - off against the required 2% CSR expenditure up to the immediately succeeding three financial years.

17.20 Accounting for dividend

As per AS-4, the Bank does not account for proposed dividend as a liability through appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of shareholders. However, the Bank reckons proposed dividend in determining capital funds in computing the capital adequacy ratio.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

18. Notes forming part of the Financial Statements as at and for the year ended March 31, 2025

Amounts in notes forming part of the financial statements for the year ended March 31, 2025 are denominated in ₹ crore.

18.01 Amalgamation of IDFC Limited

The Board of Directors of the Bank at its meeting held on July 03, 2023, had inter - alia, approved a composite scheme of amalgamation which envisages (i) amalgamation of (a) erstwhile IDFC Financial Holding Company Limited ("eIDFC FHCL") into and with erstwhile IDFC Limited ("eIDFC Limited"); and (b) eIDFC Limited into and with IDFC FIRST Bank Limited and their respective shareholders; and (ii) reduction of securities premium account of the Bank ("Scheme") pursuant to the provisions of Sections 230 to 232 of the Companies Act read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("CAA Rules") and the other applicable provisions of the Companies Act and other applicable laws including the rules and regulations thereunder.

The Hon'ble NCLT, in accordance with Sections 230 to 232 of the Companies Act and rules thereunder, had vide its order dated September 25, 2024, sanctioned the Scheme. Upon receipt of all requisite approvals, the Bank had filed the certified order of NCLT sanctioning the Scheme in form INC - 28 with Registrar of Companies on October 01, 2024, and accordingly, the Scheme has become effective on October 01, 2024 (Effective Date). As per the Scheme, the Appointed Date for the amalgamation of eIDFC Limited with and into the Bank is October 01, 2024, being opening of business hours on the Effective Date.

In terms of the Scheme, the Bank has issued and allotted 2,479,975,876 equity shares to the shareholders of eIDFC Limited as on October 10, 2024, being the record date fixed by the Board of Directors as per the Scheme, in accordance with the Share Exchange Ratio i.e. 155 fully paid - up equity shares of face value of ₹ 10/- each of IDFC FIRST Bank Limited for every 100 fully paid - up equity shares of face value of ₹ 10/- each of eIDFC Limited. Pursuant to the Scheme, 2,646,438,348 equity shares held by eIDFC Limited in the Bank stood cancelled, and hence there was a corresponding reduction of 166,462,472 equity shares in the paid - up share capital of the Bank. Consequent to the amalgamation becoming effective, the authorized share capital of the Bank automatically stood increased to ₹ 22,905.10 crore (21,867,100,000 equity shares of ₹ 10/- each and 103,800,000 preference shares of ₹ 100/- each).

In compliance with Section 12(1)(i) of the Banking Regulation Act, 1949, the authorized share capital of the Bank has been reduced from 21,867,100,000 Equity Shares of ₹ 10/- each and 103,800,000 Preference Shares of ₹ 100/- each to 12,962,000,000 Equity Shares of ₹ 10/- each and 103,800,000 Preference Shares of ₹ 100/- each, with consequent amendment to the Capital Clause (Clause V) of the Memorandum of Association of the Bank ("MOA"). The same has been approved by the shareholders of the Bank through Postal Ballot on March 19, 2025.

The amalgamation has been accounted for under the 'pooling of interest' method as prescribed in Accounting Standard - 14 "Accounting for Amalgamations" ("AS - 14"). All assets and liabilities of eIDFC Limited have been recognised by the Bank at their carrying amounts as on the effective date except for adjustments to bring about uniformity of accounting policies as required under AS-14.

The share capital of ₹ 2,479.98 crore issued by the Bank as consideration pursuant to the Scheme has been adjusted against the corresponding share capital of amalgamating company (eIDFC Limited) of ₹ 1,599.98 crore and the difference has been debited to Merger Adjustment Account. Further, excess of cost over face value of investment in shares of the Bank by amalgamating Company (eIDFC Limited) of ₹ 7,904.31 crore has been debited to Merger Adjustment Account. Further, to bring the uniformity in accounting policies, the Bank has debited an amount of ₹ 12.07 crore to Merger Adjustment Account. Consequently, as a result of these adjustments the Bank has recognised a debit balance of ₹ 8,796.38 crore in the Merger Adjustment Account. As mentioned in the composite scheme of amalgamation, the securities premium available with the Bank after consolidation of securities premium of the amalgamating Company (eIDFC Limited) has been reduced against negative balance in Amalgamation Reserve of ₹ 231.80 crore and debit balance in Merger Adjustment Account of ₹ 8,796.38 crore.



Notes

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Summarized values of assets and liabilities taken over in accordance with the terms of the Scheme are as detailed below:

Particulars	(₹ in crore)
Assets taken over	
Balances with banks and money at call and short notice	298.93
Investments	305.69
Other assets	37.71
Total Assets (A)	642.33
Liabilities taken over	
Other liabilities	24.24
Total Liabilities (B)	24.24
Net Assets (A-B)	618.09

18.02 Regulatory capital

(a) Composition of regulatory capital

As per Basel III guidelines, the minimum regulatory Capital to Risk Weighted Assets Ratio (CRAR) to be maintained by the Bank as on March 31, 2025 is 9.00% [11.50% including Capital Conservation Buffer (CCB) of 2.50%] with minimum Common Equity Tier 1 (CET1) of 5.50% (8.00% including CCB).

The capital adequacy ratio of the Bank, calculated as per the RBI guidelines (under Basel III) is set out below :

	(₹ in crore)	
Particulars	March 31, 2025	March 31, 2024
Common Equity Tier 1 capital (CET 1)	36,427.76	30,940.07
Additional Tier 1 capital	-	-
Tier 1 capital	36,427.76	30,940.07
Tier 2 capital	6,380.53	6,366.46
Total Capital	42,808.29	37,306.53
Total Risk Weighted Assets (RWA)	2,76,473.07	2,31,576.73
Common equity Tier 1 capital ratio (%)	13.17%	13.36%
Tier 1 capital ratio (%)	13.17%	13.36%
Tier 2 capital ratio (%)	2.31%	2.75%
Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	15.48%	16.11%
Leverage Ratio (%)	9.56%	9.46%
Percentage of the shareholding of :		
(a) Government of India	9.10%	3.70%
(b) State Government	Nil	Nil
Amount of paid - up equity capital raised during the year *	3,200.00	3,000.00
Amount of non-equity Tier 1 capital raised during the year; of which		
Basel III compliant perpetual non cumulative preference shares	-	-
Basel III compliant perpetual debt instruments	-	-
Amount of Tier 2 capital raised during the year; of which		
Basel III compliant debt capital instrument #	-	1,500.00
Basel III compliant preference share capital instruments	-	-

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

- * During the year ended March 31, 2025, the Bank raised additional capital aggregating to ₹3,200.00 crore (rounded off) through issuance of 396,874,600 equity shares of face value of ₹10/- each on a preferential basis, at the price of ₹80.63 per equity share (including securities premium of ₹70.63 per equity share).

During the year ended March 31, 2024, the Bank raised additional capital aggregating to ₹3,000.00 crore (rounded off) from qualified institutional buyers through issuance of 332,409,972 equity shares, fully paid-up, at the price of ₹90.25 per equity share (including securities premium of ₹80.25 per equity share).

- # During the year ended March 31, 2025, the Bank has raised Basel III compliant Tier II bond amounting to ₹Nil (Previous Year ₹1,500.00 crore).

In terms of composite scheme of amalgamation, the Bank has issued and allotted 2,479,975,876 equity shares to the shareholders of eIDFC Limited as on October 10, 2024, being the record date fixed by the Board of Directors as per the Scheme, in accordance with the Share Exchange Ratio i.e. 155 fully paid - up equity shares of face value of ₹10/- each of IDFC FIRST Bank Limited for every 100 fully paid - up equity shares of face value of ₹10/- each of eIDFC Limited. Pursuant to the Scheme, 2,646,438,348 equity shares held by eIDFC Limited in the Bank stands cancelled, and hence there is a corresponding reduction of 166,462,472 equity shares in the paid - up share capital of the Bank.

During the year ended March 31, 2025 and March 31, 2024, the Bank has issued 21,771,003 and 119,392,065 equity shares respectively, of face value of ₹10/- per equity share pursuant to the exercise of options under the Employee Stock Option Scheme.

The Board of Directors at its meeting held on April 26, 2025, proposed a dividend of ₹0.25 per share (Previous Year ₹Nil), subject to approval of the shareholders at the ensuing Annual General Meeting. Effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratio as at March 31, 2025.

In accordance with the RBI guidelines, banks are required to make Pillar 3 disclosures under the Basel III framework. The Bank has made these disclosures which are available on its website at the link: <http://www.idfcfirstbank.com/investors/regulatory-disclosures.html>. These disclosures have not been subjected to audit by the Joint Statutory Auditors of the Bank.

(b) Draw down from reserves

As per the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 ("Master Direction on Investment"), dated September 12, 2023 which is applicable to Banks from April 01, 2024, the Bank has drawn from Investment Fluctuation Reserve an amount of ₹100.00 crore (Previous Year ₹Nil), being excess of 2% of its AFS and FVTPL (Including HFT) portfolio as at March 31, 2025.

Reserves and Surplus

i. Statutory Reserve

As mandated by the Banking Regulation Act, 1949, all banking companies incorporated in India shall create a reserve fund, out of the balance of profit of each year as disclosed in the Profit and Loss Account and before any dividend is declared and transfer a sum equivalent to not less than twenty five percent of such profit. During the year, the Bank has transferred an amount of ₹385.00 crore (Previous Year ₹740.00 crore) to Statutory Reserve Account.

ii. Investment Reserve Account (IRA)

During the year ended March 31, 2025, the Bank implemented the Master Direction on Investment. Consequent to the transition provision, the Bank has transferred an amount of ₹381.00 crore and balance of ₹281.50 crore from IRA to Investment Fluctuation Reserve and General reserve, respectively.



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

iii. Investment Fluctuation Reserve (IFR)

As per the Master Direction on Investment, the banks are required to create an IFR until the amount of IFR is at least 2 percent of the AFS and FVTPL (including HFT) portfolio, on a continuing basis, by transferring to the IFR an amount not less than the lower of the net profit on sale of investments during the year or net profit for the year, less mandatory appropriations. Consequent to transition the Bank has transferred ₹381.00 crore from IRA to the IFR and subsequently drawn an amount of ₹100.00 crore.

iv. Capital Reserve

As per RBI Guidelines, profit on sale of investments in the 'Held to Maturity' category is recognised in the Profit and Loss Account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit / loss on sale of investments in 'Available for Sale' and 'Held for Trading' categories is recognised in the Profit and Loss Account. Profit on sale of premises net of taxes and transfer to Statutory Reserve is also appropriated to Capital Reserve as per the RBI guidelines. Accordingly, the Bank has appropriated ₹88.00 crore (Previous Year ₹21.00 crore) to Capital Reserve.

v. Special Reserve

As per the provisions under Section 36(1)(viii) of Income Tax Act, 1961, specified entities like banks are allowed deduction in respect of any special reserve created and maintained, i.e. an amount not exceeding twenty percent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" is carried to such reserve account. This would be applicable till the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid - up share capital and general reserves of the entity. During the year, the Bank has transferred an amount of ₹30.00 crore (Previous Year ₹63.50 crore) to Special Reserve.

vi. Cash Flow Hedge Reserve

During the year ended March 31, 2025, the Bank has terminated hedge contracts and recognised the gain of ₹57.31 crore, to be amortised over the balance period of the hedging instrument. Out of this, ₹2.08 crore has been released to Profit and Loss Account and balance of ₹55.23 crore is held in Cash Flow Hedge Reserve as at March 31, 2025.

vii. General Reserve

During the year ended March 31, 2025, the Bank implemented the Master Direction on Investment. Consequent to the transition provision, the Bank has accounted net gain of ₹209.83 crore (post tax) and transferred from IRA an amount of ₹281.50 crore.

viii. Available for Sale Reserve

During the year ended March 31, 2025, the Bank implemented the Master Direction on Investment. Consequent to the transition provision, the Bank has recognized net gain of ₹322.64 crore (post tax) to Available for Sale Reserve (AFS). Subsequently, during the year, there has been a net reduction of ₹149.92 crore (post tax) on account of MTM on the designated AFS securities.

ix. Foreign Currency Translation Reserve

As at March 31, 2025, the Bank has recognised ₹4.95 crore (Previous Year ₹Nil) as Foreign Currency Translation Reserve on account of translation of foreign currency assets and liabilities of non - integral foreign operations.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

18.03 Asset liability management

(a) Maturity pattern of certain items of assets and liabilities

A maturity pattern of certain items of assets and liabilities as at March 31, 2025 :

(₹ in crore)

Particulars	Day 1	2 days to 7 days	8 days to 14 days	15 days to 30 days	31 days to 2 months	Over 2 months to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	3,504.52	8,951.40	4,412.46	8,306.49	10,363.45	10,227.13	21,278.08	61,060.41	71,580.11	51,948.98	432.22	252,065.25
Advances	704.07	6,470.44	3,627.03	6,911.89	6,839.45	7,268.60	18,962.38	30,117.62	84,391.42	22,653.11	45,166.52	233,112.53
Investments	23,350.03	8,535.65	965.92	1,942.23	2,098.51	4,502.75	4,373.37	10,913.53	14,123.45	7,256.76	2,653.32	80,715.52
Borrowings	-	7,313.23	284.25	1,289.95	4,910.43	2,571.85	2,213.68	8,885.86	9,956.20	1,549.39	-	38,974.84
Foreign Currency assets	329.71	130.35	187.70	90.05	173.90	360.17	334.66	289.94	123.76	52.48	99.14	2,171.86
Foreign Currency liabilities	23.33	128.75	82.32	342.79	2,475.97	1,455.03	734.83	1,310.72	1,200.62	459.11	-	8,213.47

A maturity pattern of certain items of assets and liabilities as at March 31, 2024 :

(₹ in crore)

Particulars	Day 1	2 days to 7 days	8 days to 14 days	15 days to 30 days	31 days to 2 months	Over 2 months to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	973.18	7,342.77	6,943.01	4,677.01	5,862.98	9,609.54	18,952.24	36,912.97	107,191.60	1,621.34	489.67	200,576.31
Advances	444.05	6,231.21	2,231.84	4,087.86	6,777.15	3,877.98	18,255.23	25,986.97	72,663.03	16,795.27	37,241.78	194,592.37
Investments	18,649.54	20,285.49	1,022.93	1,099.33	1,103.05	2,520.44	3,368.00	6,586.27	17,299.48	185.52	2,590.34	74,710.39
Borrowings	-	17,090.74	51.97	975.00	841.97	191.04	6,435.21	4,441.34	17,658.71	3,249.59	-	50,935.57
Foreign Currency assets	568.74	17.16	7.79	111.68	88.92	434.61	274.72	123.72	129.68	6.73	85.90	1,849.65
Foreign Currency liabilities	11.33	69.25	79.98	167.23	15.59	303.63	1,753.27	403.86	1,567.20	400.93	-	4,772.27

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors. Maturity profile of foreign currency assets and liabilities is excluding off Balance Sheet items.

(b) Liquidity Coverage Ratio

Qualitative disclosure

Liquidity risk management of the Bank is undertaken by the Balance Sheet Management Group (BSMG) under the central oversight of the Asset Liability Management Committee (ALCO) in accordance with the Board approved policies. The Bank has adopted the Basel III framework on liquidity standards as prescribed by RBI for reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold as per the transition plan is embedded into the Limit Management Framework of the Bank with appropriate cushion to ensure maintenance of adequate liquidity buffers. Risk department computes the LCR and reports the same to the Asset Liability Management Committee (ALCO), Risk Management Committee of the Board and Board for oversight and periodical review.



Notes

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The Bank follows the criteria laid down by the RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30 day period. HQLA predominantly comprises cash, excess CRR and investments qualifying to be HQLA as per RBI guidelines. The Bank has maintained LCR above RBI and internal thresholds on an ongoing basis.

The Bank is funded through term deposits, CASA, refinance, issuance of bonds and foreign currency borrowings. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation.

The risk department measures and monitors the liquidity profile of the Bank and monitor against Board approved limits using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodical liquidity stress testing. The Bank assesses the impact on short term liquidity gaps dynamically under various scenarios covering business projections under normal as well as varying market conditions. Periodical reports are placed before the Bank's ALCO for perusal and review.

Quantitative disclosure

(₹ in crore)

Particulars	Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High quality liquid assets								
1. Total high quality liquid assets (HQLA)		66,654.81		59,896.53		58,897.57		53,722.12
Cash outflows								
2. Retail deposits and deposits from small business customers, of which:	151,533.10	14,074.14	142,193.92	13,220.69	134,213.12	12,453.80	124,462.79	11,520.43
i. Stable deposits	21,583.48	1,079.17	19,973.98	998.70	19,350.27	967.51	18,517.05	925.85
ii. Less stable deposits	129,949.62	12,994.96	122,219.93	12,221.99	114,862.85	11,486.29	105,945.74	10,594.57
3. Unsecured wholesale funding, of which :	63,843.66	39,814.81	61,313.77	37,169.76	60,807.38	37,311.04	55,693.72	32,732.85
i. Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
ii. Non-operational deposits (all counterparties)	40,048.09	16,019.24	40,240.01	16,096.00	39,160.56	15,664.22	38,268.11	15,307.24
iii. Unsecured debt	23,795.57	23,795.57	21,073.76	21,073.76	21,646.82	21,646.82	17,425.60	17,425.60
4. Secured wholesale funding		-		-		-		-
5. Additional requirements, of which :	60,943.20	54,429.16	39,859.33	32,520.22	36,284.71	29,069.10	50,541.48	43,484.31
i. Outflows related to derivative exposures and other collateral requirements	53,690.00	53,690.00	31,643.63	31,643.63	28,251.68	28,251.68	42,640.88	42,640.88
ii. Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii. Credit and liquidity facilities	7,253.20	739.16	8,215.70	876.59	8,033.03	817.42	7,900.60	843.43
6. Other contractual funding obligations	5,651.01	5,651.01	5,447.82	5,447.82	4,832.62	4,832.62	4,228.54	4,228.54
7. Other contingent funding obligations	84,663.11	3,694.47	73,889.57	3,199.11	67,193.79	2,891.90	68,812.83	2,974.02
8. Total cash outflows		117,663.58		91,557.61		86,558.46		94,940.14
Cash inflows								
9. Secured lending (e.g.reverse repos)	409.45	-	583.60	-	1,315.94	-	2,233.22	-
10. Inflows from fully performing exposures	10,126.93	5,833.66	10,770.96	6,484.75	10,721.64	6,677.24	10,341.24	6,182.42
11. Other cash inflows *	55,963.70	54,676.97	33,304.61	32,320.54	30,087.54	29,012.50	44,370.86	43,373.71
12. Total Cash Inflows	66,500.08	60,510.63	44,659.17	38,805.29	42,125.11	35,689.74	56,945.32	49,556.14
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
TOTAL HQLA		66,654.81		59,896.53		58,897.57		53,722.12
Total Net Cash Outflows		57,152.95		52,752.32		50,868.72		45,384.01
Liquidity Coverage Ratio (%)		116.63%		113.54%		115.78%		118.37%

* "Other cash inflows" include inflows related to derivative exposure. The corresponding outflows related to derivative exposures are shown separately under "5.i. Outflows related to derivative exposures and other collateral requirements".

The average weighted and unweighted amounts are calculated taking daily averages.

All the figures are extracted from the ALM quarterly return filed by the Bank with the RBI.

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(₹ in crore)

Particulars	Quarter ended March 31, 2024		Quarter ended December 31, 2023		Quarter ended September 30, 2023		Quarter ended June 30, 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High quality liquid assets								
1. Total high quality liquid assets (HQLA)		47,620.08		43,960.46		42,810.82		42,335.53
Cash outflows								
2. Retail deposits and deposits from small business customers, of which:	115,746.76	10,706.85	106,706.85	9,850.77	98,620.11	9,113.13	89,273.64	8,263.12
i. Stable deposits	17,356.71	867.84	16,398.25	819.91	14,977.70	748.89	13,284.82	664.24
ii. Less stable deposits	98,390.05	9,839.01	90,308.60	9,030.86	83,642.41	8,364.24	75,988.82	7,598.88
3. Unsecured wholesale funding, of which :	52,474.12	30,961.01	48,317.89	27,642.35	45,838.93	26,741.96	43,379.52	26,179.37
i. Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
ii. Non-operational deposits (all counterparties)	35,855.19	14,342.08	34,459.23	13,783.69	31,828.28	12,731.31	28,666.92	11,466.77
iii. Unsecured debt	16,618.93	16,618.93	13,858.66	13,858.66	14,010.65	14,010.65	14,712.60	14,712.60
4. Secured wholesale funding		-		-		-		-
5. Additional requirements, of which :	45,678.05	39,258.06	62,349.88	56,259.24	50,413.18	44,705.80	49,001.53	43,595.56
i. Outflows related to derivative exposures and other collateral requirements	38,602.77	38,602.77	55,642.81	55,642.81	44,161.64	44,161.64	43,081.77	43,081.77
ii. Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii. Credit and liquidity facilities	7,075.28	655.29	6,707.07	616.43	6,251.54	544.16	5,919.76	513.79
6. Other contractual funding obligations	3,575.39	3,575.39	3,471.77	3,471.77	3,276.10	3,276.10	3,036.50	3,036.50
7. Other contingent funding obligations	56,357.14	2,338.48	41,801.93	1,616.66	38,412.11	1,468.86	36,961.09	1,406.38
8. Total cash outflows		86,839.78		98,840.79		85,305.85		82,480.93
Cash inflows								
9. Secured lending (e.g.reverse repos)	894.17	-	1,088.97	-	2,137.79	-	3,456.42	-
10. Inflows from fully performing exposures	9,484.46	5,589.41	10,264.71	6,134.13	9,115.93	5,334.48	8,797.18	5,216.21
11. Other cash inflows *	40,325.59	39,344.54	56,855.78	56,048.54	45,429.12	44,665.61	44,295.93	43,586.85
12. Total Cash Inflows	50,704.22	44,933.95	68,209.46	62,182.67	56,682.84	50,000.09	56,549.53	48,803.06
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
TOTAL HQLA		47,620.08		43,960.46		42,810.82		42,335.53
Total Net Cash Outflows		41,905.84		36,658.12		35,305.76		33,677.87
Liquidity coverage ratio (%)		113.64%		119.92%		121.26%		125.71%

* "Other Cash inflows" include inflows related to derivative exposure. The corresponding outflows related to derivative exposures are shown separately under "5.i. Outflows related to derivative exposures and other collateral requirements".

The average weighted and unweighted amounts are calculated taking daily averages.

All the figures are extracted from the ALM quarterly return filed by the Bank with the RBI.

Note : Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the Joint Statutory Auditors.

(c) Net stable funding ratio

Banks are required to disclose Net Stable Funding Ratio (NSFR) under the Basel III framework in accordance with RBI guidelines. The Bank has made these disclosures which are available on its website at the link: <http://www.idfcfirstbank.com/investors/regulatory-disclosures.html>. These disclosures have not been subjected to audit or limited review by the Joint Statutory Auditors of the Bank.



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

18.04 Investments

(a) Composition of Investment Portfolio

Year ended March 31, 2025

(₹ in crore)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares ^	Debentures and Bonds	Subsidiaries and / or Joint Ventures #	Others	Total Investment in India	Government Securities (including local authorities)	Subsidiaries and / or Joint Ventures	Others	Total Investments outside India	
Held to Maturity												
Gross Investment	45,415.49	-	-	-	212.52	-	45,628.01	-	-	-	-	45,628.01
Less: Provision for non - performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment	45,415.49	-	-	-	212.52	-	45,628.01	-	-	-	-	45,628.01
Available for Sale												
Gross Investment	6,720.57	-	813.44	1,021.02	-	2,383.85	10,938.88	-	-	-	-	10,938.88
Less: Provision for depreciation and NPI §	1.13	-	(326.24)	6.10	-	13.81	(305.20)	-	-	-	-	(305.20)
Net Investment	6,721.70	-	487.20	1,027.12	-	2,397.66	10,633.68	-	-	-	-	10,633.68
Held for Trading *												
Gross Investment	20,304.76	-	386.61	2,168.00	-	1,557.94	24,417.31	-	-	2.44	2.44	24,419.75
Less: Provision for depreciation and NPI §	127.57	-	(79.92)	0.52	-	(14.24)	33.93	-	-	0.15	0.15	34.08
Net Investment	20,432.33	-	306.69	2,168.52	-	1,543.70	24,451.24	-	-	2.59	2.59	24,453.83
Total Investment	72,440.82	-	1,200.05	3,189.02	212.52	3,941.79	80,984.20	-	-	2.44	2.44	80,986.64
Less: Provision for non - performing investments for HTM category	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI for AFS and HFT categories	128.70	-	(406.16)	6.62	-	(0.43)	(271.27)	-	-	0.15	0.15	(271.12)
Net Investment	72,569.52	-	793.89	3,195.64	212.52	3,941.36	80,712.93	-	-	2.59	2.59	80,715.52

§ Including provision towards non - performing investments, specific provision against identified investments, mark to market depreciation / appreciation.

* Fair Value through Profit and Loss (including HFT) are included under Held for Trading classification for the purpose of this disclosure.

Subsidiaries are classified under HTM for the purpose of this disclosure.

^ Associates, acquired during the course of merger, which the management intends to dispose in future are classified under Available for Sale for the purpose of this disclosure.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

Year ended March 31, 2024

(₹ in crore)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and / or Joint Ventures	Others	Total Investment in India	Government Securities (including local authorities)	Subsidiaries and / or Joint Ventures	Others	Total Investments outside India	
Held to Maturity												
Gross Investment	42,817.56	-	-	-	212.52	1.50	43,031.58	-	-	-	-	43,031.58
Less: Provision for non - performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment	42,817.56	-	-	-	212.52	1.50	43,031.58	-	-	-	-	43,031.58
Available for Sale												
Gross Investment	19,094.36	-	606.07	2,181.08	-	1,632.18	23,513.69	-	-	1.95	1.95	23,515.64
Less: Provision for depreciation and NPI [§]	-	-	(115.56)	(125.00)	-	(14.26)	(254.82)	-	-	-	-	(254.82)
Net Investment	19,094.36	-	490.51	2,056.08	-	1,617.92	23,258.87	-	-	1.95	1.95	23,260.82
Held For Trading												
Gross Investment	7,661.00	-	-	756.99	-	-	8,417.99	-	-	-	-	8,417.99
Less: Provision for depreciation and NPI [§]	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment	7,661.00	-	-	756.99	-	-	8,417.99	-	-	-	-	8,417.99
Total Investment	69,572.92	-	606.07	2,938.07	212.52	1,633.68	74,963.26	-	-	1.95	1.95	74,965.21
Less: Provision for non - performing investments for HTM category	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI for AFS and HFT categories	-	-	(115.56)	(125.00)	-	(14.26)	(254.82)	-	-	-	-	(254.82)
Net Investment	69,572.92	-	490.51	2,813.07	212.52	1,619.42	74,708.44	-	-	1.95	1.95	74,710.39

[§] Including provision towards non - performing investments, specific provision against identified investments, mark to market depreciation on investments and provision for diminution in value of investments.

(b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
(I) Movement of provisions held towards depreciation on investments *		
Opening balance	254.82	1,122.48
Add: Provisions made during the year	225.04	19.29
Add: Addition on amalgamation	144.26	-
Less: Write - back of provisions during the year [§]	(353.00)	(886.95)
Closing balance	271.12	254.82
(II) Movement of investment fluctuation reserve		
Opening balance	488.50	273.50
Add: Amount transferred during the year	381.00	215.00
Less: Drawdown	(100.00)	-
Closing balance	769.50	488.50
(III) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT / Current category (Net)	2.19%	1.54%

* Including provision towards non - performing investments, specific provision against identified investments, mark to market depreciation / appreciation and provision for diminution in value of investments.

[§] Includes provision release on account of technical write - off amounting to ₹ Nil (Previous Year ₹ 770.41 crore)



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

(c) Sale and Transfers to / from HTM Category

During the year ended March 31, 2025 and March 31, 2024, the carrying value of Investments sold of from HTM category (excluding sales to the RBI under open market operation auctions) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Market value of investments held in HTM category	-	-
Excess of book value over market value for which provision is not made	-	-

(d) Non - SLR Investment Portfolio

i. Issuer composition of non - SLR investments as at March 31, 2025 * :

(₹ in crore)

No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities ^	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public sector undertakings	β	-	-	-	β
ii.	Financial institutions	2,889.52	1,573.63	-	-	1,012.25
iii.	Banks	1,624.22	1,421.72	-	-	-
iv.	Private corporates	534.94	427.12	-	-	307.05
v.	Subsidiaries / joint ventures	212.52	212.52	-	-	212.52
vi.	Others	3,284.62	3,284.62	-	-	3,284.62
vii.	Provision held towards depreciation @	(399.82)	-	-	-	-
	TOTAL	8,146.00	6,919.61	-	-	4,816.44

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

* Excludes investments in excess SLR governments securities of ₹3,802.63 crore.

^ Excludes investments in special bonds, equity shares, units of equity oriented mutual funds / unit issued by category I and II alternative investment funds (AIF's) / venture capital funds (VCF) and security receipts.

@ Including provision towards non - performing investments, specific provision against identified investments, mark to market depreciation / appreciation on investments.

Issuer composition of non - SLR investments as at March 31, 2024 * :

(₹ in crore)

No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities ^	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public sector undertakings	β	-	-	-	β
ii.	Financial institutions	1,229.70	521.52	-	-	88.72
iii.	Banks	1,669.72	870.94	-	-	-
iv.	Private corporates	646.22	538.72	125.00	-	174.88
v.	Subsidiaries / joint ventures	212.52	212.52	-	-	212.52
vi.	Others	1,634.12	1,634.12	-	-	1,634.12
vii.	Provision held towards depreciation @	(254.82)	-	-	-	-
	TOTAL	5,137.46	3,777.82	125.00	-	2,110.24

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

- * Excludes investments in excess SLR governments securities of ₹ 16,836.70 crore.
- ^ Excludes investments in special bonds, equity shares, units of equity oriented mutual funds / unit issued by category I and II alternative investment funds (AIF's) / venture capital funds (VCF) and security receipts.
- @ Including provision towards non - performing investments, specific provision against identified investments, mark to market depreciation / appreciation on investments.

ii. Non - performing Non - SLR investments :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
(a) Opening balance of Non - performing Non - SLR investments	161.39	295.16
Additions during the year	11.64	27.27
Reductions during the year \$ #	(125.00)	(161.04)
Closing balance of Non performing Non-SLR investments	48.03	161.39
(b) Opening provision on Non - performing Non - SLR investments	159.67	293.80
Additions during the year	13.36	29.34
Reductions during the year \$ #	(125.00)	(163.47)
Closing provision on Non - performing Non-SLR investments	48.03	159.67
(c) Opening balance of Non - performing Non - SLR investments (Under 'Schedule 11 - Other Assets')	100.00	100.00
Additions during the year #	125.00	-
Reductions during the year \$	(131.46)	-
Closing balance of Non - performing Non - SLR investments (Under 'Schedule 11 - Other Assets')	93.54	100.00
(d) Opening provision on Non-performing Non-SLR investments (Under 'Schedule 11 - Other Assets')	100.00	100.00
Additions during the year #	125.00	-
Reductions during the year \$	(131.46)	-
Closing provision on Non - performing Non - SLR investments (Under 'Schedule 11 - Other Assets')	93.54	100.00

\$ Including technical write - off.

Including matured investment.

(e) Repo Transactions

- i) The following tables set forth for the period indicated, the details of securities sold and purchased under repo / reverse repo transactions excluding tri - party repo / reverse repo (in face value / market value terms) respectively including transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) during the year ended March 31, 2025 and March 31, 2024 :

Year ended March 31, 2025

(₹ in crore)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as on March 31, 2025	
	Face value	Market value *	Face value	Market value *	Face value	Market value *	Face value	Market value *
Securities sold under repo								
i. Government securities	-	-	26,618.46	26,327.32	6,812.72	7,119.30	5,845.49	7,021.45
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo								
i. Government securities	-	-	4,515.66	4,610.99	1,075.46	1,109.13	427.48	458.98
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

Year ended March 31, 2024

(₹ in crore)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on March 31, 2024	
	Face value	Market value *	Face value	Market value *	Face value	Market value *	Face value	Market value *
Securities sold under repo								
i. Government securities	-	-	15,257.29	15,291.63	4,137.23	4,203.92	11,408.35	11,667.38
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo								
i. Government securities	380.00	387.14	9,358.28	9,521.92	1,805.25	1,845.54	645.00	656.54
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-

* Market value is computed considering both the clean price and accrued interest as available in the E-kuber and CROMS platform at the time of inception of trade.

- ii) The following tables set forth for the period indicated, the details of Tri - party repo / reverse repo transactions (in terms of amount borrowed or lent) executed during the year ended March 31, 2025 and March 31, 2024 :

Year ended March 31, 2025

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2025
Securities sold under repo				
i. Government securities	-	12,582.74	5,092.00	549.67
ii. Corporate debt securities	-	-	-	-
iii. Any other Securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	1,795.93	22.65	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

Year ended March 31, 2024

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2024
Securities sold under repo				
i. Government securities	-	21,482.34	9,899.35	5,500.00
ii. Corporate debt securities	-	-	-	-
iii. Any other Securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	4,668.48	140.75	-
ii. Corporate debt securities	-	-	-	-
iii. Any other Securities	-	-	-	-

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

(f) Government Security Lending (GSL) Transactions

The following tables set forth for the period indicated, the details of securities lent / borrowed (placed / received as collateral) (in term of market value) under Government Security Lending (GSL) transactions during the year ended March 31, 2025 and March 31, 2024 :

Year ended March 31, 2025

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transaction during the year	Outstanding as on March 31, 2025
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL transactions	-	-	-	-	-

Year ended March 31, 2024

(₹ in crore)

Particulars	Minimum outstanding During the year	Maximum outstanding During the year	Daily Average outstanding During the year	Total volume of transaction During the year	Outstanding as on March 31, 2024
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL transactions	-	-	-	-	-

(g) Securities kept as margin

The details of securities that are kept as margin are as under :

(₹ in crore)

Particulars	Face Value	
	March 31, 2025	March 31, 2024
(I) Securities kept as margin with Clearing Corporation of India Limited (CCIL) towards :		
Collateral and fund management - Securities segment	690.00	550.00
Collateral and fund management - Tri - party Repo segment	675.00	5,767.69
Default fund - Forex Forward segment	97.00	35.00
Default fund - Forex Settlement segment	24.00	16.00
Default fund - Rupee Derivatives (Guaranteed Settlement) segment - MIBOR	11.50	11.50
Default fund - Securities segment	10.00	37.00
Default fund - Tri - party Repo segment	3.50	8.50
Default fund - Rupee Derivatives (Guaranteed Settlement) segment - MIFOR	2.00	2.00
(II) Securities kept as margin with the RBI towards Repo transactions	5,469.49	6,890.88
(III) Securities kept as margin with National Securities Clearing Corporation of India (NSCCL) towards NSE Currency Derivative segment	0.53	0.53
(IV) Securities sold under ready forward transactions with CCIL	376.00	4,517.47
(V) Securities kept as margin with Indian Clearing Corporation Limited towards BSE Currency Derivative segment	0.60	0.60
TOTAL	7,359.62	17,837.17

(h) Transition on Investment Portfolio

During the year ended March 31, 2025, the Bank implemented the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 12, 2023 which is applicable to banks from April 01, 2024. Consequent to the transition provisions, the Bank's net worth has increased by ₹532.48 crore (post tax) as on April 01, 2024. Accordingly, the amounts for the period prior to April 01, 2024 are not comparable.



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

18.05 Asset Quality

(a) Classification of advances and provisions held

Year ended March 31, 2025

(₹ in crore)

Particulars	Standard	Non - Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening balance	193,740.94	2,053.10	1,138.38	526.88	3,718.36	197,459.30
Add: Additions during the year					8,054.78	
Less: Reductions during the year *					(7,339.56)	
Closing balance	232,213.30	3,151.26	943.67	338.65	4,433.58	236,646.88
* Reductions in Gross NPAs due to :					7,339.56	
i) Upgradation					1,126.44	
ii) Recoveries / Sacrifice (excluding recoveries from upgraded accounts)					1,353.15	
iii) Technical / Prudential Write - offs					4,859.97	
iv) Write - offs other than those under (iii) above						
Provisions (excluding Floating Provisions)						
Opening balance of provisions held \$	851.53	1,330.04	700.97	526.88	2,557.89	3,409.42
Add: Fresh provisions made during the year					7,012.54	
Less: Excess provision reversed / Write - off loans					(6,366.77)	
Closing balance of provisions held \$	1,278.46	1,990.87	874.14	338.65	3,203.66	4,482.12
Net NPAs						
Opening balance		723.06	437.41	-	1,160.47	
Add: Fresh additions during the year					1,042.24	
Less: Reductions during the year					(972.79)	
Closing balance		1,160.39	69.53	-	1,229.92	
Floating Provisions	-	-	-	-	-	-
Opening Balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						-
Technical write - offs and the recoveries made thereon						
Opening balance						4,925.94
Add: Technical / Prudential write - offs during the year						4,859.97
Less: Recoveries / Sacrifice made from previously technical / prudential written - off accounts during the year						(1,265.22)
Closing balance						8,520.69

\$ Excludes specific provision against identified standard advances.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

Year ended March 31, 2024

(₹ in crore)

Particulars	Standard	Non - Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening balance	150,945.26	1,654.42	2,069.66	160.37	3,884.45	154,829.71
Add: Additions during the year					5,257.78	
Less: Reductions during the year *					(5,423.87)	
Closing balance	193,740.94	2,053.10	1,138.38	526.88	3,718.36	197,459.30
* Reductions in Gross NPAs due to :					(5,423.87)	
i) Upgradation					(1,297.38)	
ii) Recoveries / Sacrifice (excluding recoveries from upgraded accounts)					(1,142.86)	
iii) Technical / Prudential Write - offs					(2,983.63)	
iv) Write - offs other than those under (iii) above						
Provisions (excluding Floating Provisions)						
Opening balance of provisions held §	930.40	1,081.90	1,338.13	160.37	2,580.40	3,510.80
Add: Fresh provisions made during the year					4,436.66	
Less: Excess provision reversed / Write - off loans					(4,459.17)	
Closing balance of provisions held §	851.53	1,330.04	700.97	526.88	2,557.89	3,409.42
Net NPAs						
Opening balance		572.52	731.53	-	1,304.05	
Add: Fresh additions during the year					821.12	
Less: Reductions during the year					(964.70)	
Closing balance		723.06	437.41	-	1,160.47	
Floating Provisions						
Opening balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						-
Technical write - offs and the recoveries made thereon						
Opening balance						2,731.05
Add: Technical / Prudential write - offs during the year						2,983.63
Less: Recoveries / Sacrifice made from previously technical / prudential written - off accounts during the year						(788.74)
Closing balance						4,925.94

§ Excludes specific provision against identified standard advances.



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

Particulars		March 31, 2025	March 31, 2024
i.	Gross NPA to Gross Advances	1.87%	1.88%
ii.	Net NPAs to Net Advances (%)	0.53%	0.60%
iii.	Provision Coverage Ratio (Gross of Outstanding Technical Write offs)	90.51%	86.58%
iv.	Provision Coverage Ratio (NPA Provision / Gross Non - Performing Advances)	72.26%	68.79%

(b) Sector - wise advances

(₹ in crore)

Sector		March 31, 2025		
		Outstanding total advances #	Gross NPAs	% of Gross NPAs to total advances in that sector
A	Priority Sector			
i.	Agriculture and allied activities	26,955.96	837.81	3.11%
ii.	Advances to industries sector eligible as priority sector lending, of which : *	14,028.96	136.20	0.97%
	- Electronics and Other Engineering	1,720.75	7.95	0.46%
	- Basic Metal and Metal Products	1,591.36	12.51	0.79%
iii.	Services, of which : *	25,396.65	333.42	1.31%
	- Trade	8,076.70	78.31	0.97%
	- Transport Operators	5,733.06	117.02	2.04%
iv.	Personal loans, of which : *	6,034.21	96.96	1.61%
	- Housing	5,526.28	87.90	1.59%
	Subtotal (A)	72,415.78	1,404.39	1.94%
B	Non Priority Sector			
i.	Agriculture and allied activities	207.10	-	-
ii.	Industry, of which : *	15,975.79	673.19	4.21%
	- Construction	2,043.13	1.77	0.09%
iii.	Services, of which : *	27,467.33	468.98	1.71%
	- Financial Intermediation	14,340.33	88.88	0.62%
	- Trade	3,766.24	101.92	2.71%
iv.	Personal loans, of which : *	120,580.88	1,887.02	1.56%
	- Vehicle Loans	26,303.61	464.51	1.77%
	- Housing	21,019.41	119.35	0.57%
	Subtotal (B)	164,231.10	3,029.19	1.84%
	TOTAL (A)+(B)	236,646.88	4,433.58	1.87%

Outstanding total advances represents Gross Advances.

* Sub - sectors have been disclosed where advances exceed 10% of total advances in that sector at reporting date.

Classification of advances into sector is based on Sector wise Industry Bank Credit return submitted to RBI.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

(₹ in crore)

Sector		March 31, 2024		
		Outstanding total advances #	Gross NPAs	% of Gross NPAs to total advances in that sector
A	Priority Sector			
	i. Agriculture and allied activities	24,410.63	213.06	0.87%
	ii. Advances to industries sector eligible as priority sector lending of which *	12,409.54	122.55	0.99%
	- Electronics and Other Engineering	1,438.05	5.50	0.38%
	- Basic Metal and Metal Products	1,428.47	5.26	0.37%
	- Textiles	1,324.60	10.25	0.77%
	iii. Services of which *	22,351.32	268.84	1.20%
	- Trade	7,477.22	76.13	1.02%
	- Transport Operators	4,628.65	93.11	2.01%
	iv. Personal loans, of which : *	5,226.65	67.59	1.29%
	- Housing	4,726.20	64.92	1.37%
	Subtotal (A)	64,398.14	672.04	1.04%
B	Non Priority Sector			
	i. Agriculture and allied activities	181.63	-	-
	ii. Industry, of which *	12,146.16	832.70	6.86%
	- Infrastructure - Transport	2,004.38	563.64	28.12%
	- Chemicals and Chemical Products	1,587.09	-	-
	iii. Services, of which *	18,794.83	634.83	3.38%
	- Financial Intermediation	11,464.26	42.00	0.37%
	- Trade	2,185.35	315.89	14.45%
	iv. Personal loans, of which : *	101,938.54	1,578.79	1.55%
	- Vehicle Loans	20,828.30	286.40	1.38%
	- Housing	18,285.97	117.17	0.64%
	Subtotal (B)	133,061.16	3,046.32	2.29%
	TOTAL (A)+(B)	197,459.30	3,718.36	1.88%

Outstanding total advances represents Gross Advances.

* Sub - sectors have been disclosed where advances exceed 10% of total advances in that sector at reporting date.

Classification of advances into sector is based on Sector wise Industry Bank Credit return submitted to RBI.

(c) Overseas assets, NPAs and revenue

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Total assets	628.08	-
Total NPAs	-	-
Total revenue	15.85	-

Represents total assets and total revenue of International Banking Unit (IBU) - Gift City.



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

(d) Implementation of Resolution Plans (RPs) *

(₹ in crore)

Cases eligible for RPs during FY25		RPs successfully implemented during FY25		RPs under implementation during FY25	
No. of cases	Balance Outstanding "	No. of cases	Balance Outstanding	No. of cases	Balance Outstanding
1	22.75	1	22.75	-	-

(₹ in crore)

Cases eligible for RPs during FY24		RPs successfully implemented during FY24		RPs under implementation during FY24	
No. of cases	Balance Outstanding	No. of cases	Balance Outstanding	No. of cases	Balance Outstanding
1	47.75	-	-	1	47.75

* Aggregate Exposure of the borrower to lenders above ₹ 1,500 crore and excludes fully provided NPA accounts.

(e) Divergence in Asset Classification and Provisioning for NPAs

In terms of the RBI's Master Direction on Financial Statements - Presentation and Disclosures, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied:

- the additional provisioning for NPAs assessed by RBI exceeds 5 percent of the reported profit before provisions and contingencies for the reference period and
- the additional Gross NPAs identified by RBI exceed 5 percent of the reported incremental Gross NPAs for the reference period.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to the RBI's annual supervisory process for the years ended March 31, 2024, and March 31, 2023.

(f) Disclosure of transfer of loan exposures

(i) Details of loans not in default transferred by the Bank are given below :

Particulars	March 31, 2025		March 31, 2024	
	Assignment / Novation	Loan Participation	Assignment / Novation	Loan Participation
Aggregate amount of loans transferred (₹ in crore)	1,742.64	-	3,395.57	-
Weighted average residual maturity (in years)	13.62	-	8.75	-
Weighted average holding period by originator (in years)	1.52	-	1.15	-
Retention of beneficial economic interest by the originator	10%	-	10%	-
Tangible security coverage	98%	-	55%	-

The loans transferred are not rated.

(ii) Details of loans not in default acquired by the Bank are given below :

Particulars	March 31, 2025		March 31, 2024	
	Assignment / Novation	Loan Participation	Assignment / Novation	Loan Participation
Aggregate amount of loans acquired (₹ in crore)	2,996.48	-	1,030.78	-
Weighted average residual maturity (in years)	2.68	-	2.08	-
Weighted average holding period by originator (in years)	0.67	-	0.48	-
Retention of beneficial economic interest by the originator *	10%	-	10%	-
Tangible security coverage	70%	-	33%	-

The loans acquired are not rated.

* During the year ended March 31, 2024, the Bank has acquired loans amounting to ₹3.91 crore from another lender which is in the process to exit the line of business completely. Accordingly, there was no retention of beneficial economic interest by the originator.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

(iii) Details of stressed loans acquired by the Bank (excluding prudentially written - off accounts) are given below :

Particulars	March 31, 2025		March 31, 2024	
	From SCBs, RRBs, Co-operative Banks, AIFI's, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARC's	From SCBs, RRBs, Co-operative Banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARC's
Aggregate principal outstanding of loans acquired (₹ in crore)	-	-	0.55	-
Aggregate consideration paid (₹ in crore)	-	-	0.20	-
Weighted average residual tenor of loans acquired (in years)	-	-	0.61	-

(iv) Details of stressed loans classified as Special Mention Account transferred by the Bank are given below :

Particulars	March 31, 2025		March 31, 2024	
	To ARC's	To permitted transferees	To ARC's	To permitted transferees
Number of accounts	-	-	2.00	-
Aggregate principal outstanding of loans transferred (₹ in crore)	-	-	40.10	-
Weighted average residual tenor of the loans transferred (in years)	-	-	5.69	-
Net book value of loans transferred (at the time of transfer) *	-	-	35.97	-
Aggregate consideration	-	-	40.10	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-	-

* Excess provision reversed to Profit and Loss Account on account of sale of loans to ARC's was ₹Nil (Previous Year ₹4.13 crore).

(v) Details of stressed loans classified as NPA transferred by the Bank (excluding written - off accounts) as given below :

Particulars	March 31, 2025		March 31, 2024	
	To ARC's	To permitted transferees	To ARC's	To permitted transferees
Number of accounts	31.00	-	-	-
Aggregate principal outstanding of loans transferred (₹ in crore)	5.30	-	-	-
Weighted average residual tenor of the loans transferred (in years)	5.10	-	-	-
Net book value of loans transferred (at the time of transfer) *	0.39	-	-	-
Aggregate consideration	1.81	-	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-	-

* Excess provision reversed to Profit and Loss Account on account of sale of loan to ARC's was ₹1.42 crore (Previous Year ₹Nil).

(vi) The Bank has not made any investment in Security Receipts during the year ended March 31, 2025 and March 31, 2024. The book value of outstanding Security Receipts as on March 31, 2025 is ₹Nil.



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

(g) Provisioning pertaining to fraud accounts

Particulars	March 31, 2025	March 31, 2024
Number of frauds reported	960	1,541
Amount involved in fraud (₹ in crore)	19.93	17.57
Amount involved in fraud net of recoveries / write - offs at the end of the year (₹ in crore) *	3.44	1.85
Amount of provision made for such frauds (₹ in crore) *	3.44	1.85
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

* Includes advances amounting to ₹1.23 crore (Previous Year ₹0.87 crore) classified as NPA and are fully provided for (net of recoveries) within the financial year. This excludes advances amounting to ₹9.39 crore (Previous Year ₹3.29 crore) reported as fraud during the year and subsequently written - off / net of recoveries within the financial year.

(h) Resolution framework for COVID 19 related stress

For the year ended March 31, 2025 :

Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) during the half year ended September 30, 2024.

(₹ in crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - position as at the beginning of April 01, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half - year	Of (A) amount written - off during the half - year ^	Of (A) amount paid by the borrowers during the half - year #	Exposure to accounts classified as Standard consequent to implementation of resolution plan - position as at the end of September 30, 2024 **
Personal loans	180.02	5.93	1.03	34.02	139.04
Corporate loans *	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	145.48	3.37	0.13	15.90	126.08
Total	325.50	9.30	1.16	49.92	265.12

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

^ Represents debts that slipped into NPA and were subsequently written - off during the half year ended September 30, 2024.

This amount represents amount paid by the borrowers during the half year net of Interest capitalised / FITL amounts.

** Loans restructured under the above framework amounting to ₹15.72 crore, which were not standard as at March 31, 2024 and upgraded to standard during the half year ended September 30, 2024 are not included.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) during the half year ended March 31, 2025.

(₹ in crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - position as at the beginning of October 01, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year ^	Of (A) amount paid by the borrowers during the half-year #	Exposure to accounts classified as Standard consequent to implementation of resolution plan - position as at the end of March 31, 2025 **
Personal loans	139.04	2.29	0.24	29.36	107.15
Corporate loans *	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	126.08	2.95	-	10.38	112.75
TOTAL	265.12	5.24	0.24	39.74	219.90

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

^ Represents debts that slipped into NPA and were subsequently written - off during the half year ended March 31, 2025.

This amount represents amount paid by the borrowers during the half year net of Interest capitalised.

** Loans restructured under the above framework amounting to ₹ 10.44 crore, which were not standard as at September 30, 2024 and upgraded to standard during the half year ended March 31, 2025 are not included.

For the year ended March 31, 2024 :

Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) during the half year ended September 30, 2023.

(₹ in crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - position as at the beginning of April 01, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year ^	Of (A) amount paid by the borrowers during the half-year #	Exposure to accounts classified as Standard consequent to implementation of resolution plan - position as at the end of September 30, 2023 **
Personal loans	309.75	19.49	3.62	58.41	228.23
Corporate loans *	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	237.19	14.98	2.15	32.80	187.26
TOTAL	546.94	34.47	5.77	91.21	415.49

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

^ Represents debts that slipped into NPA and were subsequently written - off during the half year ended September 30, 2023.

This amount represents amount paid by the borrowers during the half year net - off Interest capitalised / FITL amounts.

** Loans restructured under the above framework amounting to ₹ 12.15 crore, which were not standard as at March 31, 2023 and upgraded to standard during the half year ended September 30, 2023 are not included.



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Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) during the half year ended March 31, 2024.

(₹ in crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - position as at the beginning of October 01, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year ^	Of (A) amount paid by the borrowers during the half-year #	Exposure to accounts classified as Standard consequent to implementation of resolution plan - position as at the end of March 31, 2024 **
Personal loans	228.23	8.94	1.18	38.09	180.02
Corporate loans *	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	187.26	19.99	0.56	21.23	145.48
TOTAL	415.49	28.93	1.74	59.32	325.50

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

^ Represents debts that slipped into NPA and were subsequently written - off during the half year ended March 31, 2024.

This amount represents amount paid by the borrowers during the half year net - off Interest capitalised / FITL amounts.

** Loans restructured under the above framework amounting to ₹12.92 crore, which were not standard as at September 30, 2023 and upgraded to standard during the half year ended March 31, 2024 are not included.

(i) Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

RBI vide a circular dated January 01, 2019, permitted a one - time restructuring of existing loans to Micro Small and Medium Enterprises (MSMEs) without a downgrade in the asset classification, and this facility was extended vide circular dated February 11, 2020, circular dated August 06, 2020, and circular dated May 05, 2021, subject to certain conditions. Details of such loans to MSMEs that are restructured under the extant guidelines and classified as standard are as below:

Year ended March 31, 2025

No. of accounts restructured	Amount (₹ in crore) ^
270	220.97

^ Outstanding balance of restructured loan accounts.

Year ended March 31, 2024

No. of accounts restructured	Amount (₹ in crore) ^
491	318.53

^ Outstanding balance of restructured loan accounts.

(j) Specific provision against identified standard advances

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Opening balance	305.68	451.42
Addition during the year	58.36	148.53
Reduction during the year	(12.95)	(294.27)
Transfer to provisions on NPA	(20.43)	-
Closing balance	330.66	305.68

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

(k) Conversion of Debt into Equity

During the year ending March 31, 2025, the Bank jointly with other consortium lenders restructured (i.e. entered into an OTS exceeding 3 months) one NPA borrower account having principal outstanding of ₹49.13 crore with the Bank. This settlement involved a partial conversion of debt to equity and the Bank received 8,687,530 equity shares accounted for at ₹11.63 crore and fully provided as at March 31, 2025.

18.06 Exposure

(a) Exposure to real estate sector

(₹ in crore)

Category		March 31, 2025	March 31, 2024
1	Direct exposure		
	i Residential mortgages	27,092.72	24,219.58
	of which housing loans eligible for inclusion in priority sector advances	5,570.81	4,734.05
	ii Commercial real estate	4,630.50	2,266.76
	iii Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
	a. Residential	228.37	461.33
	b. Commercial real estate	-	-
2	Indirect exposure		
	Fund based and non - fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	2,577.18	2,282.95
	Others	-	312.50
	Total Exposure to Real Estate Sector	34,528.77	29,543.12

(b) Exposure to capital market

(₹ in crore)

Particulars		March 31, 2025	March 31, 2024
1.	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt *	1,085.18	600.29
2.	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
3.	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	17.65	0.56
4.	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
5.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	3,917.17	2,474.00
6.	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	350.00	-
7.	Bridge loans to companies against expected equity flows / issues	-	-
8.	Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
9.	Financing to stockbrokers for margin trading	-	-
10.	All exposures to venture capital funds (both registered and unregistered)	597.43	23.51
	Total Exposure to Capital Market	5,967.43	3,098.36

* Excludes investment in equity shares on account of conversion of debt into equity as part of restructuring amounting to ₹11.63 crore (Previous Year ₹Nil) which are exempted from exposure to capital market.



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

(c) Risk category wise country exposure

(₹ in crore)

Risk Category	March 31, 2025		March 31, 2024	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	4,715.79	-	3,505.69	-
Low	3,099.86	-	3,048.28	-
Moderately Low	450.86	-	388.82	-
Moderate	50.20	-	50.00	-
Moderately High	-	-	75.00	-
High	-	-	-	-
Very High	-	-	-	-
Total	8,316.71	-	7,067.79	-

Country Risk classification is in accordance with guidelines issued by Export Credit Guarantee Corporation of India Limited (ECGC).

(d) Unsecured advances

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Total unsecured advances of the Bank	97,892.61	87,157.56
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	4,261.74	2,546.03
Estimated value of such intangible securities	14,207.79	10,053.11

(e) Disclosure on Factoring

Receivables acquired under factoring are treated as part of loans and advances and reported under the head 'Bills Purchased and Discounted' in Schedule 9 of the Balance Sheet. The Bank has factoring exposure of ₹2,670.10 crore (Previous Year ₹1,967.77 crore) and outstanding of ₹1,676.20 crore (Previous Year ₹1,257.67 crore) as on March 31, 2025.

(f) Intra - group exposures

Intra - group exposures in accordance with RBI guidelines are as follows :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
i. Total amount of intra - group exposures	344.71	212.52
ii. Total amount of top-20 intra - group exposures	344.71	212.52
iii. Percentage of intra - group exposures to total exposure of the Bank on borrowers / customers	0.10%	0.08%
iv. Details of breach of limits on intra - group exposures and regulatory action thereon, if any	-	-

(g) Unhedged Foreign Currency Exposure (UFCE)

The Bank's Credit Policy outlines the framework for evaluating the risks arising out of unhedged foreign currency exposure of corporates, while extending credit facilities. Computation of UFCE is in line with the extant regulatory guidelines. At the time of sanctioning of limits, the Bank may stipulate limits on the unhedged foreign currency exposure of the corporate. Additionally, the Bank also monitors the unhedged portion of foreign currency exposures of such corporates on a periodic basis and also adhere to the extant regulatory requirements with regards to capital and provisioning requirements for exposures to entities with UFCE. During the year ended March 31, 2025, incremental capital held towards borrowers having UFCE is ₹173.13 crore (Previous Year ₹128.09 crore) and made incremental provision of ₹15.56 crore (Previous Year release of ₹9.06 crore) towards UFCE. As of March 31, 2025, the Bank held cumulative provision towards UFCE of ₹61.00 crore (Previous Year ₹45.44 crore).

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

18.07 Concentration of deposits, advances, exposures and NPAs

(a) Concentration of advances

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Total advances to twenty largest borrowers [§]	15,640.95	14,999.98
Percentage of advances to twenty largest borrowers to total advances of the Bank	4.89%	5.66%

[§] Advances represent credit exposure (funded and non - funded) including derivative exposure computed as per current exposure method in accordance with RBI guidelines.

(b) Concentration of exposures *

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Total exposure to twenty largest borrowers / customers	16,574.98	15,825.83
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Bank on borrowers / customers	5.01%	5.80%

* Exposure includes credit exposure (funded and non - funded), derivative exposure and investment exposure (including underwriting and similar commitments) in accordance with RBI guidelines.

(c) Concentration of deposits *

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Total deposits of twenty largest depositors	20,046.11	21,266.17
Percentage of deposits of twenty largest depositors to total deposits of the Bank	7.95%	10.60%

(d) Concentration of NPAs

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Total exposure to top twenty NPA accounts *	1,052.26	1,407.99
Percentage of exposures to twenty largest NPA exposure to total Gross NPAs	23.73%	37.87%

The above disclosure is for Non - Performing Advances.

* Exposure represents advances outstanding for top twenty NPA accounts.

18.08 Derivative

(a) Forward rate agreement (FRA) / Interest rate swap (IRS)

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
i. The notional principal of IRS / FRA	166,598.82	117,633.30
ii. Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	525.33	757.01
iii. Collateral required by the Bank upon entering into IRS / FRA	-	-
iv. Concentration of credit risk arising from the IRS / FRA (%) *	43.02%	64.73%
v. Concentration of credit risk arising from the IRS / FRA *	482.13	480.52
vi. The fair value of the IRS / FRA (Net MTM)	44.70	118.55

* Concentration of credit risk based on Current Exposure Method arising from IRS / FRA with Banks & Financial Institutions (i.e. CEM for IRS / FRA as % of total CEM as applicable for Bank & FI) as at March 31, 2025 and March 31, 2024.



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

The nature and terms of the IRS / FRA as on March 31, 2025 are set out below :

(₹ in crore, except numbers)

Nature	No. of deals	Notional principal	Benchmark	Terms
Trading	1,301	70,550.17	INROIS	Pay Floating / Receive Fixed
Trading	1,246	64,601.97	INROIS	Pay Fixed / Receive Floating
Trading	75	10,462.97	SOFR	Pay Floating / Receive Fixed
Trading	67	8,325.02	SOFR	Pay Fixed / Receive Floating
Trading	37	2,613.50	INR MOD MIFOR	Pay Floating / Receive Fixed
Trading	33	1,550.00	INR MOD MIFOR	Pay Fixed / Receive Floating
Trading	4	85.60	USD Term SOFR	Pay Floating / Receive Fixed
Trading	4	3,238.58	USD Term SOFR / SOFR	Pay Floating / Receive Floating
Trading	2	860.00	MIOIS	Pay Fixed / Receive Floating
Trading	2	2,564.25	USD Term SOFR	Pay Fixed / Receive Floating
Trading	1	136.76	SOFR / USD Term SOFR	Pay Floating / Receive Floating
Trading	86	1,610.00	Bond Yield	Sell FRA
Total Trading	2,858	166,598.82		
Banking	-	-		
Total Banking	-	-		
TOTAL	2,858	166,598.82		

The nature and terms of the IRS / FRA as on March 31, 2024 are set out below :

(₹ in crore except numbers)

Nature	No. of deals	Notional principal	Benchmark	Terms
Trading	1,149	43,478.00	INROIS	Pay Fixed / Receive Floating
Trading	1,079	46,509.47	INROIS	Pay Floating / Receive Fixed
Trading	64	6,810.49	SOFR	Pay Fixed / Receive Floating
Trading	57	8,414.73	SOFR	Pay Floating / Receive Fixed
Trading	20	675.00	INR MOD MIFOR	Pay Fixed / Receive Floating
Trading	25	1,575.96	INR MOD MIFOR	Pay Floating / Receive Fixed
Trading	2	2,502.15	USD Term SOFR	Pay Fixed / Receive Floating
Trading	5	3,577.18	USD Term SOFR / SOFR	Pay Floating / Receive Floating
Trading	2	340.32	-	Pay Fixed / Receive Fixed
Trading	44	650.00	Bond Yield	Sell FRA
Total Trading	2,447	114,533.30		
Banking	42	3,100.00	INROIS	Pay Floating / Receive Fixed
Total Banking	42	3,100.00		
TOTAL	2,489	117,633.30		

(b) Exchange traded interest rate derivatives

(₹ in crore)

Sr. No.	Particulars	March 31, 2025	March 31, 2024
i.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	-	-
ii.	Notional principal amount of exchange traded interest rate derivatives outstanding	-	-
iii.	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective'	-	-
iv.	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective'	-	-

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(c) Disclosures on risk exposure in derivatives

Qualitative disclosures :

a. Structure and organization for management of risk in derivatives trading, the scope and nature of risk measurement, risk reporting and risk monitoring systems, policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants:

- i. The Bank undertakes transactions in FX and derivatives for the purpose of hedging the Balance Sheet, support customer FX and derivatives hedging / business requirements and takes proprietary positions. The Bank deals in various kinds of products viz. FX spot and forwards, INR and CCY swaps and foreign currency options. The Bank undertakes trading positions FX spot, forward, swaps, futures and FX options.
- ii. Treasury Sales Desk is a customer centric desk that caters to customers' requirements in FX and derivatives products subject to regulatory and internal requirements. Product offering to the clients is based on suitability and appropriateness policy of the Bank as well as by the extant RBI guidelines. The policy ensures that the product being offered by the Bank are in sync with the nature of the underlying risk sought to be hedged giving due regard to the risk appetite of the customer and understanding of the risk by the customer. The Credit Risk related to off Balance Sheet exposures of clients arising out of FX and derivative transactions are monitored by the Bank daily through current exposure method. Exposures are independently monitored and reported.
- iii. The Bank recognizes all derivative contracts (other than those designated as hedges) at fair value. The mark to market movement on the positions is monitored daily. Changes in the fair value of derivatives other than those designated as hedges are recognized in the Profit and Loss Account. Hedge transactions are accounted for on an accrual basis or fair value in line with the approved policy. Hedging transactions are undertaken by the Bank to protect the variability in the fair value or the cash flow of the underlying Balance Sheet item.
- iv. All the derivative transactions are governed by the FX & Derivative policy, Market Risk Management policy and Limit Management Framework of the Bank. Limit Management Framework details various types of market risk limits which are monitored daily and breaches, if any, are reported in line with the Market Risk Committee approved exception management framework. Risk assessment of the portfolio is undertaken periodically and presented to the Market Risk Committee / Asset Liability Committee. These limits are set up considering market volatility, risk appetite, business strategy and management experience. The Bank has a clear functional segregation of treasury operations between Front Office, Market Risk and Back Office.

b. Accounting policy for recording hedge and non - hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts, provisioning, collateral and credit risk mitigation:

For hedge transactions, the Bank identifies the hedged item (asset or liability) and assesses the effectiveness at inception as well as at each reporting date. Hedge derivative transactions are accounted for pursuant to the principles of hedge accounting based on guidelines issued by the RBI. Funding swaps are accounted in accordance with FEDAI guidelines.

Interest rate swaps are booked with the objective of managing the interest rate risk on assets / liabilities. Interest rate swaps in the nature of hedge are recorded on accrual basis or fair value in line with approved policy. Any resultant profit or loss on termination of the hedge swaps is amortised over the life of the swap or underlying liability, whichever is shorter.

Currency interest rate swaps in the nature of hedge, booked with the objective of managing the currency and interest rate risk on foreign currency liabilities are recorded on accrual basis or fair value basis in line with the approved policy. Any resultant profit or loss on termination of hedge swaps is amortised over the life of swap or underlying liability, whichever is shorter. The foreign currency balances on account of principal of currency interest rate swaps outstanding as at the Balance Sheet date are revalued using the closing rate published by FEDAI.



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Pursuant to the RBI guidelines, any receivables under derivative contracts which remain overdue for more than 90 days and mark to market gains on all derivative contracts with the same counterparties are reversed in Profit and Loss Account.

The Bank offers a mix of loan products designed in accordance to the needs of customers. The Interest rates for these products may be fixed or variable as per the customer requirements. Further, the Bank raises liabilities to meet its funding requirements.

To manage the Interest rate risk in the Banking book (net interest margin / market value of equity), the Bank may execute interest rate swaps to hedge or minimize the duration gap in the Balance Sheet. The Bank may designate such derivative transactions as cashflow hedge or fair value hedge in accordance with the ICAI guidance note on accounting of derivatives contracts.

The Bank assesses and monitors the hedge strategy on a periodic basis and reports the current status to the Market Risk Committee / Asset Liability Management Committee, as per the internally approved framework.

Quantitative disclosure on risk exposure in derivatives :

(₹ in crore)

Sr. No.	Particulars	March 31, 2025	
		Currency Derivatives	Interest Rate Derivatives
1.	Derivatives (notional principal amount) *		
	a. For hedging	6,500.06	-
	b. For trading	231,583.33	166,598.82
2.	Marked to market positions *		
	a. Asset (+)	1,109.35	525.33
	b. Liability (-)	(1,141.28)	(480.63)
3.	Credit exposure *	6,385.82	1,671.28
4.	Likely impact of one percentage change in interest rate (100*PV01)^		
	a. On hedging derivatives	0.04	-
	b. On trading derivatives	20.05	288.88
5.	Maximum and minimum of 100*PV01 observed during year ^		
	a. On hedging		
	- minimum	0.04	-
	- maximum	0.10	100.87
	b. On trading		
	- minimum	6.99	66.77
	- maximum	20.05	319.55

* Excluding Tom and Spot contracts.

^ Excluding FX contracts such as Tom, Spot, Forwards, Swaps etc. and figures are presented in absolute terms.

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(₹ in crore)

Sr. No.	Particulars	March 31, 2024	
		Currency Derivatives	Interest Rate Derivatives
1.	Derivatives (notional principal amount) *		
	a. For hedging	4,361.17	3,100.00
	b. For trading	151,019.62	114,533.30
2.	Marked to market positions *		
	a. Asset (+)	507.48	757.01
	b. Liability (-)	(511.02)	(638.46)
3.	Credit exposure *	3,957.10	1,643.70
4.	Likely impact of one percentage change in interest rate (100*PV01)^		
	a. On hedging derivatives	0.12	79.31
	b. On trading derivatives	5.53	185.04
5.	Maximum and minimum of 100*PV01 observed during year ^		
	a. On hedging		
	- minimum	0.12	-
	- maximum	0.26	89.26
	b. On trading		
	- minimum	0.13	9.24
	- maximum	12.26	185.04

* Excluding Tom and Spot contracts.

^ Excluding FX contracts such as Tom, Spot, Forwards, Swaps etc. and figures are presented in absolute terms.

- The notional principal amount of derivatives reflect the volume of transactions outstanding as at the Balance Sheet date and do not represent the amounts at risk.
- The Bank has computed maximum and minimum of PV01 for the year based on monthly averages.
- In respect of derivative contracts, the Bank evaluates the credit exposure arising therefrom. Credit exposure has been computed using the Current Exposure Method (CEM) which is the sum of :
 - the current replacement cost (marked to market value including accrued interest) of the contract or zero whichever is higher; and
 - the Potential Future Exposure (PFE) is a product of the notional principal amount of the contract and credit conversion factors derived basis the type / residual maturity of the contract, in line with the extant RBI guidelines.

(d) Credit Default Swaps

The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended March 31, 2025 and March 31, 2024. Further, there are no outstanding CDS as on March 31, 2025 and March 31, 2024.



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18.09 Details of securitisation transactions undertaken by the Bank under the RBI Master Direction on Securitisation of Standard Assets, 2021 are given below:

(₹ in crore, except numbers)

Particulars			March 31, 2025		March 31, 2024	
1.	No. of SPEs holding assets for securitisation transactions originated by the Bank		4		1	
2.	Total amount of securitised assets as per books of the SPEs (outstanding as on Balance Sheet date)		3,059.33		597.31	
3.	Total amount of exposures retained by the bank to comply with MRR (Minimum Retention Requirement) as on the date of Balance Sheet					
	a Off - Balance Sheet exposures					
	• First loss		-		-	
	• Others		-		-	
	b On - Balance Sheet exposures					
	• First loss		197.56		29.87	
	• Others		215.48		47.78	
4.	Amount of exposures to securitisation transactions other than MRR					
	a. Off - Balance Sheet exposures					
	i. Exposure to own securitisations					
	• First loss		-		-	
	• Others		-		-	
	ii. Exposure to third party securitisations					
	• First loss		-		-	
	• Others		-		-	
	b On - Balance Sheet exposures					
	i. Exposure to own securitisations					
	• First loss		-		-	
	• Others		314.18		53.76	
	ii. Exposure to third party securitisations					
	• First loss		-		-	
	• Others		-		-	
5.	Sale consideration received for the securitised assets and gain / loss on sale on account of securitisation (for transactions executed during the year)					
	- Sales Consideration		3,353.91		597.31	
	- Gain / Loss		-		-	
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post - securitisation asset servicing, etc.					
	Services Provided	Type of Services	No. of Transaction	Outstanding Value	No. of Transaction	Outstanding Value
	Post Securitisation Assets Servicing	Servicing Agent	4.00	3,059.33	1.00	597.31
7.	Performance of facility provided viz. credit enhancement, liquidity support, servicing agent etc.		Credit enhancement	Servicing agent	Credit enhancement	Servicing agent
	(a)	Amount paid	59.73 (26%)		59.73 (100%)	
	(b)	Amount increase due to new pool	167.70 (74%)		-	
	(c)	Repayment received	-		-	
	(d)	Outstanding amount	227.43 (100%)	3,059.33	59.73 (100%)	597.31
8.	Average default rate of portfolios observed in the past *					
	- Consumer Loans		2.00%		1.72%	
	- Wheels		1.77%		1.52%	
9.	Amount and number of additional / top up loan given on same underlying asset		-		-	
10.	Investor complaints					
	(a) Directly / indirectly received		-		-	
	(b) Complaints outstanding		-		-	

* Default rate % is calculated on the basis of Gross NPA as a % to Gross advances as on March 31, 2025. The following are SMA (Gross of IBPC) percentages.

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Asset class	March 31, 2025	March 31, 2024
Consumer loans	2.50%	2.30%
Wheels	2.54%	2.31%

18.10 Off - Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

There are no Off - Balance Sheet SPVs sponsored by the Bank, which need to be consolidated as per accounting norms.

18.11 Transfers to Depositor Education and Awareness Fund (DEA Fund)

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Opening balance of amounts transferred to DEA Fund	-	-
Add : Amounts transferred to DEA Fund during the year	-	-
Less : Amounts reimbursed by DEA Fund towards claims	-	-
Closing balance of amounts transferred to DEA Fund	-	-

18.12 Disclosure of complaints

Summary information on complaints received by the Bank from customers and from the Offices of Ombudsman :

Particulars	March 31, 2025	March 31, 2024
Complaints received by the Bank from its customers		
a. No. of complaints pending at the beginning of the year	469	395
b. No. of complaints received during the year	21,573	26,998
c. No. of complaints disposed during the year	21,721	26,924
-of which, number of complaints rejected by the Bank	143	61
d. No. of complaints pending at the end of the year	321	469
Maintainable complaints received by the Bank from Office of Ombudsman *		
e. Number of maintainable complaints received by the Bank from Office of Ombudsman	3,682	3,943
f. Of 'e', number of complaints resolved in favour of the Bank by Office of Ombudsman	1,531	1,450
g. Of 'e', number of complaints resolved through conciliation / mediation / advisories issued by Office of Ombudsman	2,150	2,493
h. Of 'e', number of complaints resolved after passing of Awards by Office of Ombudsman against the Bank	1	-
i. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

* Number of maintainable complaints have been reported as per data received from the RBI - CEPD (Consumer Education and Protection Department).

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.



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Top five grounds of complaints received by the Bank from customers

March 31, 2025

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit cards	181	6837	(9%)	88	2
Loans and advances	86	5426	(5%)	166	9
ATM / Debit cards	1	1848	(57%)	-	-
Recovery agents / Direct sales agents	49	1596	34%	4	-
Internet / Mobile / Electronic banking	42	805	(68%)	6	1
Others	110	5061	(11%)	57	7
TOTAL	469	21573	(20%)	321	19

March 31, 2024

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit cards	101	7530	211%	181	14
Loans and advances	136	5704	17%	86	14
ATM / Debit cards	14	4316	(40%)	1	1
Internet / Mobile / Electronic banking	35	2529	18%	42	8
Charges related	26	1206	3%	16	1
Others	83	5713	92%	143	17
TOTAL	395	26998	30%	469	55

18.13 Disclosure of penalties imposed by RBI

There were two penalties of ₹0.001 crore and ₹0.39 crore imposed on the Bank by the RBI during the year ended March 31, 2025 (Previous Year ₹1.001 crore), one with respect to deficiencies observed on exchange of notes during the incognito visit by the RBI at one of the branches of the Bank and another for non - compliance with certain directions issued by the RBI on 'Know Your Customer (KYC)', on July 05, 2024 and April 17, 2025 respectively.

18.14 Disclosures on remuneration

(i) Qualitative disclosures

a. Information relating to the composition and mandate of the Nomination and Remuneration Committee :

Name, composition and mandate of the main body overseeing remuneration :

The Nomination and Remuneration Committee of the Board oversees the framing, review and implementation of the Remuneration Policy of the Bank on behalf of the Board. The Committee works in close co-ordination with the Board. Nomination and Remuneration Committee comprised of the following members :

Mr. Sudhir Kapadia	Chairperson (w.e.f. December 18, 2024, Member w.e.f. October 26, 2024)
Dr. (Mrs.) Brinda Jagirdar	Chairperson (ceased to be member as well as Chairperson w.e.f. December 18, 2024)
Mr. S. Ganesh Kumar	Member
Mr. Vishal Mahadevia	Member (ceased w.e.f. October 01, 2024)
Mr. Aashish Kamat	Member
Mr. Sanjeeb Chaudhuri	Member (w.e.f. October 19, 2024)
Mr. Uday Bhandali	Member (w.e.f. October 19, 2024)
Ms. Matangi Gowrishankar	Member

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Some of the key functions of the Committee *inter-alia* include the following :

- i. Review and recommend to the Board the overall remuneration framework and associated policies of the Bank.
- ii. Evaluate performance of the Whole Time Directors (WTDs) (including the Managing Director & CEO) against predetermined parameters.
- iii. Evaluate performance of Senior Management.
- iv. Make recommendations on remuneration (including Variable Pay [Cash and Non - cash and perquisites]) of Whole Time Directors.
- v. Approve policy and quantum of variable pay, bonus, stock options and increments for the employees of the Bank.
- vi. Frame guidelines for the Employees Stock Option Scheme (ESOS) and recommend grants of the Bank's stock options to Whole Time Directors of the Bank.
- vii. Review and recommend to the Board the payment of profit related commission to the Non - Executive Directors of the Bank within the overall limits as may be approved by the shareholders of the Bank, in terms of the Companies Act, 2013 and RBI guidelines.

External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process:

The Bank's Human Resource function commissions 'Aon Consulting Pvt. Limited', to conduct market benchmarking of employee compensation. In this process, the Bank participates in the salary benchmarking survey conducted by Aon for the Private Banking firms. Every year Aon conducts salary benchmarking survey and the information gathered by Aon on fixed and variable salary from various private sector peer banks across functions, levels and roles is referred to by the human resource function to evaluate the market competitiveness of Bank's compensation positioning and practices.

A description of the scope of the Bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.

The Bank has defined the below policies to cover its respective personnel as highlighted in the title:

1. Remuneration Policy for Whole Time / Executive Directors, Material Risk Takers, Key Managerial Personnel, Senior Management Personnel, Control Function and all other employees. The scope of this policy covers pan India employees across management levels. Currently, the Bank doesn't have any foreign subsidiaries and branches except IBU.
2. Remuneration Policy (for Independent Directors) the scope of this policy covers all Independent Directors.

A description of the type of employees covered and number of such employees.

Employees are categorised into the following four categories from remuneration structure and administration stand point. The Head count as at March 31, 2025 is stated against each category :

1. MD & CEO	1
2. Material Risk Takers	18
3. Control Function Staff	7
4. Other Staff	42,164

- b. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy :

Objective, Principles and Key Features : The remuneration philosophy of the Bank is guided by the organization's Philosophy for enabling employee performance to achieve the organization's short term and long term objectives, balanced with prudent risk taking and are in compliance with the regulatory guidelines.

To achieve this the following principles are adopted :

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate talent.
- Respect employee needs basis relevant market anchors and to compensate adequately for the contribution towards the Bank's growth.
- The cost / income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
- The remuneration is balanced between fixed pay and variable pay, with adequate focus on prudent risk taking and the short term as well as the long term objectives of the Bank and its shareholders.
- The variable pay is balanced between cash linked and share linked component as well as between immediate and deferred component so that remuneration is aligned to performance and risk outcomes over both short term and long term.



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- Establish relationship between remuneration and performance with adequate focus on achievement of performance objectives incorporating elements of risk, compliance and service measures.

The Compensation structure of MD & CEO and other Material Risk Takers (MRTs) are aligned to the RBI's "Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff" dated November 04, 2019.

The Remuneration Policy was reviewed and revised in FY 2024 - 25 to strengthen the linkage of performance and remuneration and describe the governance process around it and ensure that its in order with the RBI Compensation guidelines :

i) Governance Framework :

All components of remuneration for Whole Time Directors, Executive Directors and Chief Executive Officers is recommended by Nomination and Remuneration Committee (NRC) and approved by the Board and the same is approved by the shareholders of the Bank and Reserve Bank of India.

All components of remuneration for Key Managerial Personnel (KMP), Senior Management Personnel (SMP), Material Risk Takers (MRTs) and Control Function is recommended by Nomination and Remuneration Committee to the Board of Directors of the Bank for their necessary approval.

The remuneration of other employees is determined by CHRO in consultation with MD & CEO of the Bank and placed before the NRC & Board for approval.

A discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee :

The Bank ensures that risk, internal audit and compliance employees are remunerated independently of the businesses they oversee and is guided by the individual employee performance. The remuneration is determined on the basis of relevant risk measures included in the key deliverables of the respective employee across levels in these functions. The parameters reviewed for performance based rewards are independent of performance of the business area they oversee and commensurate with their individual role in the Bank. Additionally, the ratio of fixed and variable compensation is weighed towards fixed compensation in case of employees in risk, internal audit, and compliance function.

ii) Identification of Material Risk Takers (MRTs) for the Bank based on RBI guidelines :

The Bank has used the combination of qualitative and quantitative criteria in order to identify whether an employee is a material risk taker as per the compensation guidelines of RBI dated November 04, 2019.

Standard Qualitative Criteria

Relates to the role and decision making power of staff members (e.g senior manager, member of management body) having jointly or individually, the authority to commit significantly to risk exposures, etc.

In the context of the Bank, this qualitative criterion translates into members of various committees of the Bank who have decision making authority to cause significant risk exposure, individually or jointly with other committee members.

In addition, following quantitative criteria shall be used to identify the Material Risk Takers (MRTs)

- Quantitative Criteria 1: Their total remuneration exceeds ₹ 1.5 crore or
- Quantitative Criteria 2: They are included among top 0.3% of the highest paid employees of the bank or
- Quantitative Criteria 3: Their remuneration is equal to or greater than the lowest total remuneration of senior management and other risk-takers.

Any employee who meets the qualitative criteria and any one of the quantitative criteria will be considered as a Material Risk Taker.

iii) Compensation Structure of WTD, MD & CEO and MRTs :

- At least 50% of total compensation shall be Variable Pay.
- Value of stock options will be included in definition of 'Total Variable Pay'.
- Total Variable Pay for the MD & CEO/ Whole - time Directors / Material Risk Takers of the Bank would be capped at 300% of Fixed Pay.
- If the Total Variable Pay is up to 200% of the Fixed Pay, a minimum of 50% of the Variable Pay; and in case Variable Pay is above 200%, a minimum of 67% of the Variable Pay shall be paid via employee stock options.
- Minimum 60% of the Total Variable Pay shall be deferred over 3 years. If cash component is part of Total Variable Pay, at least 50% of the cash component of Variable pay should also be deferred over 3 years. In cases where the cash component of Total Variable Pay is under ₹ 25 lakh, Variable Pay shall not be deferred.
- All the fixed items of compensation, including retiral benefits and perquisites, will be treated as part of Fixed Pay.

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iv) **Components of Remuneration – Risk Control and Compliance Staff (Control Function):**

Risk Control and Compliance Staff (Control Function Staff) including Internal Audit include heads of functions who have a role and responsibility in defining and monitoring the Bank's Policies, Credit & Regulatory processes etc and such other functions as may be determined by CHRO in consultation with MD & CEO. They may also be member(s) of various committees of the Bank, however, not directly responsible for business. The total target variable pay for risk control, internal audit and compliance staff shall be less than or equal to fixed pay. Further, a substantial portion of the variable pay should be deferred in the form of cash based or share linked instruments. All other elements of the compensation policy shall be same as that for WTDs and MRTs.

v) **Guidelines on Malus & Clawback :**

The Bank has defined guidelines on Malus and Clawback Conditions applicable under various scenarios. These conditions are included in the Remuneration Policy and employee terms and conditions.

c. **Description of the ways in which current and future risks are taken into account in the remuneration process including the nature and type of the key measures used to take account of these risks :**

An overview of the key risks that the Bank takes into account when implementing remuneration measures :

'Risk Appetite Statement Framework' has been designed for the Bank, which provides strategic guidance around various parameters. It includes the Bank's risk appetite, limits framework and policies and procedures governing various types of risk.

Bank's Board Approved Risk Appetite Statement (RAS) has clearly articulated & quantified portfolio level risk metrics / measures stipulated for each business segment which includes parameters like on - boarding criteria basis internal rating threshold, restrictions pertaining to specific industries / transactions, portfolio quality metrics, risk - based caps related to exposure, rating concentration, product concentration, group exposure etc. The RAS is communicated to the stakeholders in the form of the various limits and mandates. MD & CEO along with Risk Management Committee of the Bank ensures overall adherence to Risk Appetite Statement of the Bank. Some of the Bank level metrics includes limits on strategic risk, capital adequacy, liquidity risk, reputation risk etc.

Performance and risk measures are part of the performance assessment framework and are factored in while assessing performance. Remuneration is decided basis performance evaluation for the year. The remuneration framework is designed to focus on achieving financial and non-financial objectives, risk - adjusted returns that are consistent with our prudent risk and capital management, as well as emphasis on long - term sustainable outcomes.

The pay - out structure for the WTD, MD & CEO, Senior Management Team, MRTs & Control Function are designed to align to performance payments with the long term sustainable performance of the Bank through deferral and claw - back arrangements.

An overview of the nature and type of key measure used to take account of these risks, including risk difficult to measure :

The Bank has a robust system of defining, measuring and reviewing risk parameters. The risk parameters are a part of the Key Result Areas and Deliverables used for setting of performance objectives and for measuring performance, which includes both financial performance and non - financial performance in the areas of Risk, Governance and Compliance, Customer Centricity and People development. Weightage is assigned to each parameter which includes both financial (Quantitative) and non - financial (Qualitative) parameter detailing the outcome to be achieved in each areas.

A discussion of the ways in which these measure affect remuneration :

The aforesaid risk measures are included in the Key Result Areas and Key Performance Index of MD & CEO and WTD, MRTs and all employees. Inclusion of the above mentioned measures ensures that performance parameters are aligned to risk measures at the time of performance evaluation. The Nomination and Remuneration Committee takes into consideration all the above aspects while assessing organisational and individual performance and making compensation related recommendations to the Board.

A discussion of how the nature and type of these measures have changed over the past year and reasons for the changes as well as the impact of changes on remuneration :

In the FY 2024-25, the Bank has sharpened the KPIs around Risk, Governance and Compliance besides the metrics around financial performance, people development, customer centricity and operational excellence. It continues to track performance outcome against these key metrics as a part of overall Bank's performance objective for year ended March 31, 2025 and linked it to Bank's strategy, with focus on growth, profitability, compliance and sustainability.

d) **Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration :**

An overview of main performance metrics for Bank, top level business lines and individual : Performance and its linkage to levels of remuneration is guided by the objective / principles of the Remuneration and Performance Management Framework defined by the Bank. Cash Variable Pay in form of incentives and performance bonus is determined by the achievement against the defined performance thresholds. The performance thresholds and KPIs covers financial and non - financial metrics defined for the year.

Performance measures are clearly defined in the beginning of the year for all the employees.



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While setting performance measures of the MD & CEO, Senior Management team, MRTs & Control Function Staff, Strategy of the Bank is kept in context. Further, Bank identifies key parameters that are important for the growth, success, stability and effective risk management of the Bank, as desired by the Board. Further, non - financial criteria such as maintaining high level of Compliance and Governance, Risk, Customer Centricity, Operations excellence & People management are also considered.

A discussion of how amounts of individual remuneration are linked to the Bank - wide and individual performance:

The Bank follows balance scorecard approach for managing performance and pay-outs. Individual performances are assessed annually, and the rewards are determined on the basis of the achievements against the various financial and non - financial objectives. The performance measures are revised annually to reflect the priorities for the year and ensure its in line with the short term, long term, financial and non - financial objectives. This ensures close linkage between total compensation and our annual and long term business objectives.

A discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak. This should include the Bank's criteria for determining weak performance metrics :

The Bank uses deferral, malus and staff accountability tools to impact compensation pay offs for failures becoming apparent in future years. On an annual basis, performance matrices are defined in the goal sheets of each individual, financial and non - financial - risk measures. The outcomes against these measures are considered and adjustment made basis performance and risk outcomes, where necessary. The Bank evaluates employees on a rating scale of 1-5, with 5 being the highest. For people who have been rated 1 & 2, the Bank pays zero variable pay, including zero annual salary increment. Further, if there is significant impact owing to issues arising out of conduct or items listed under the malus / claw - back clause, the Bank pays zero variable pay (Owing to Bank's subdued or negative financial performance on account of external factors or any other factors, the variable pay could be zero in particular year). For Non - Cash (ESOP) component of variable pay, Bank has a deferral period of up to 5 years, which adequately covers the time horizon for risk to materialise. A minimum 75% of grants are deferred over a period of 5 years ensuring sensitivity to risk outcomes over a multi year risk horizon. Under the ESOP Scheme of the Bank, there is check made on the ratings of the employees every year to ascertain if the grants vesting for that year can be vested. Grants lapse for those employees who get a rating of 2 or 1 on the 5 point rating scale of the Bank. In case of significantly adverse risk outcomes, malus & claw back provisions become applicable as has been defined in the guideline and Bank's remuneration policy.

- e) **Description of the ways in which the Bank seeks to adjust remuneration to take account of the longer term performance disclosure :**

A discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or group of employees, a description of the factors that determine the fraction and their relative importance :

The Bank's Remuneration Policy / Framework is in line with the RBI "Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff" dated November 04, 2019.

The Remuneration Policy is approved by the Bank's Nomination and Remuneration Committee and the Board.

The Bank remuneration framework consist of guarding against excessive risk taking, wherein Bank has focus on achieving risk adjusted returns that are consistent with our prudent risk management, as well as emphasis on long term sustainable outcomes. Pay - out structures are designed to align variable pay with the long-term performance of the Bank through deferral and malus / claw back arrangements.

Compensation in the Bank has linkages to risk outcomes, time horizon sensitive pay - out schedule in the form of a longer deferral period of 3 to 5 years for the variable remuneration. The cash component of variable pay for WTD and MRTs over ₹25 lakhs vest in 3 years as per the guidelines. The ESOP vest from 2nd to 6th year (20 % each year). In addition, cash bonus, unvested and / or vested shares is subject to malus / claw - back and subject to the events triggered as stated in the Remuneration Policy. The ESOP guideline is applicable to employees across categories, who are eligible for ESOP.

A discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after :

The Total Variable Pay for MD & CEO, Whole Time Directors and other Material Risk Takers of the Bank is subject to malus and clawback clauses, which are defined in the Remuneration Policy of the Bank. Detailed scenarios under which said clauses can be applied, such as event of an enquiry determining gross negligence or breach of integrity, or significant deterioration in financial performance are defined in the Remuneration Policy of the Bank.

The Bank follows a Balanced Scorecard approach for measuring performance at all levels. The Nomination and Remuneration Committee reviews the achievements against the set of parameters which determines the performance of the individuals in these roles.

For all other employees, performance appraisals are conducted annually and initiated by the employee with self - appraisal. The immediate supervisor reviews the appraisal ratings in a joint consultation meeting with the employee and assigns the performance rating. The final ratings are discussed and approved by the head of the departments. Both relative and absolute individual performances are considered for the moderation process. Individual fixed pay increases, variable pay and ESOPs are linked to the final performance ratings.

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- f) Description of the different forms of variable remuneration (i.e. Cash, Shares, Share - linked instruments and other forms) that the Bank utilizes and the rationale for using these different forms :

An Overview of the forms of variable remuneration offered, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance :

The Bank has the following forms of variable remuneration pay for WTD & MRTs, Control Function staff and other employees:

- Cash variable pay - In form of incentives for frontline sales staff and performance bonus for Senior Management (including WTD, MRTs, CF) and Non - sales staff members. Performance bonus is part of the annual performance and compensation review cycle and is paid on the basis the performance rating of the individual employee. Incentive payments are subject to achievement of short term minimum threshold target performance on both quantitative and qualitative parameters, as defined in the plan.
- Non cash variable pay - ESOP scheme has been designed for MD, CEO, WTD, MRTs and Control Function staff members, Senior Management staff with a view to ensure an appropriate risk balanced remuneration architecture and establish a sense of ownership amongst these categories of employees.

Variable pay in the form of performance based cash bonus and ESOP is paid out annually and is linked to performance achievement against performance measures and aligned with the principles of meritocracy. The proportion of variable pay in total pay shall be higher at senior management levels. The payment of all forms of variable pay is governed by the affordability of the Bank and based on financial and risk performance outcomes. For MD and CEO and MRTs, a portion of variable compensation as stated above may be paid out in a deferred manner in order to drive prudent behaviour as well as long term & sustainable performance orientation. The quantum of grant of stock options is determined and approved by the Nomination and Remuneration Committee. The current ESOP design has an inbuilt deferral intended to spread and manage risk.

- (ii) Quantitative disclosures

The quantitative disclosures cover the Bank's Whole Time Directors / Chief Executive Officer / Material Risk Takers

Particulars			March 31, 2025	March 31, 2024
g.	i.	Number of meetings held by the Nomination and Remuneration Committee during the financial year	6	8
	ii.	Remuneration paid to its members (sitting fees for the above NRC meetings) (₹ in crore)	0.23	0.21
h.	i.	Number of employees having received a variable remuneration award during the financial year ¹	20	21
	ii.	Number and total amount of sign-on / joining bonus made during the financial year (₹ in crore)	-	-
	iii.	Details of severance pay, in addition to accrued benefits, if any	-	-
i.	i.	Total amount of outstanding deferred remuneration, split into		
		- Cash (₹ in crore)	19.18	17.17
		- Shares		
		- Share - linked instruments (number of unvested stock options outstanding as on March 31st and fair value of the same)	42,124,565 options with a fair value of ₹ 113.29 crore	39,820,666 options with a fair value of ₹ 83.84 crore
		- Share - linked instruments (number of vested stock options outstanding as on March 31st and fair value of the same)	25,430,414 options with a fair value of ₹ 38.39 crore	17,571,239 options with a fair value of ₹ 24.26 crore
	ii.	Total amount of deferred remuneration paid out in the financial year		
		- Cash ² (₹ in crore)	7.28	4.29
j.		- Share - linked instruments (number of stock options vested during the year and fair value of the same)	11,760,857 options with a fair value of ₹ 19.23 crore	8,472,694 options with a fair value of ₹ 12.13 crore
		Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non - deferred		
		- Fixed ³ (₹ in crore)	53.48	51.96
		- Variable (₹ in crore)		



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Particulars			March 31, 2025	March 31, 2024
		- Deferred Cash variable pay ⁴	9.87	10.74
		- Non - Deferred Cash variable pay ⁵	11.39	10.74
		- Deferred	14,283,018 options granted with a fair value of ₹ 48.60 crore	15,283,721 options granted with a fair value of ₹ 39.49 crore
k.	i.	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex - post explicit and / or implicit adjustments		
		- Deferred Cash ⁶ (₹ in crore)	19.18	17.17
		- Deferred Non Cash (Share Linked instruments)	67,554,979 options with a fair value of ₹ 151.68 crore	57,391,905 options with a fair value of ₹ 108.10 crore
	ii.	Total amount of reductions during the financial year due to ex - post explicit adjustments	Nil	Nil
	iii.	Total amount of reductions during the financial year due to ex - post implicit adjustments	Nil	Nil
l.		Number of MRTs identified	20	21
m.	i.	Number of cases where malus has been exercised	Nil	Nil
	ii.	Number of cases where clawback has been exercised	Nil	Nil
	iii.	Number of cases where both malus and clawback have been exercised	Nil	Nil
n.		The mean pay for the bank as a whole (excluding sub - staff) and the deviation of the pay of each of its WTDs from the mean pay.		
		Mean Pay of the Bank ⁷ (₹ in crore)	0.10	0.09
		Deviation of the pay of WTD from the mean pay of the Bank		
		- MD & CEO ⁷ (₹ in crore)	5.19	4.84
		- WTD ⁷ (₹ in crore)	3.78	3.26

¹ For FY 2024-25, Remuneration paid includes MD & CEO, Whole Time Director (WTD) and 18 Material Risk Takers (MRTs) identified in current year, of which 1 MRT added and 1 MRT excluded on account of role change during the year.

For FY 2023-24, Remuneration paid includes MD & CEO, Whole Time Director (WTD) and 19 Material Risk Takers (MRTs) identified in current year, of which 1 MRT and 1 Whole Time Director resigned during the year.

² FY 2024-25 represents portion of Deferred Cash Variable Pay for FY 2021-22, 2022-23 and for FY 2023-24 including payment to 1 MRT (role change).

FY 2023-24 represents portion of Deferred Cash Variable Pay for FY 2020-21 and for FY 2021-22 including payment to 1 WTD resigned during the year.

³ Fixed pay of MRTs includes "Total Fixed pay, leave encashment, perquisites, Gratuity". Fixed pay excludes perquisites on Employee Stock Options, Provident fund etc.

⁴ FY 2024-25 represents portion of Cash Variable Pay for FY 2023-24 payable in April 2025 to April 2027.

FY 2023-24 represents portion of Cash Variable Pay for FY 2022-21 payable in April 2024 to April 2026.

⁵ FY 2024-25 represents portion of Variable pay for FY 2023-24 paid in FY 2024-25, this does not include Cash Variable pay of ₹ 0.58 crore paid to 1 MRT excluded on account of role change

FY 2023-24 represents portion of Variable pay for FY 2022-23 paid in FY 2023-24, this does not include Cash Variable pay of ₹ 2.23 crore paid to the 1 WTD and 1 MRT who exited during the year.

⁶ FY 2024-25 represents portion of Cash Variable pay for FY 2021-22 payable in April 2025, Variable pay to FY 2022-23 payable from April 2025 to April 2026 and Variable pay for FY 2023-24 payable from April 2025 to April 2027.

FY 2023-24 represents portion of Cash Variable pay for FY 2020-21 payable in April 2024, Variable pay for FY 2021-22 payable from April 2024 to April 2025 and Variable pay for FY 2022-23 payable from April 2024 to April 2026.

⁷ Mean pay calculation of the Bank employees is based on Total Fixed pay, which includes "Basic Pay, Allowances, and Employer's contribution to Provident Fund". Deviation of the pay of MD & CEO and WTD from the mean pay of the Bank is the difference between MD & CEO's and WTD's RBI approved remuneration excluding gratuity and mean pay of the Bank. In previous year for WTD, Deviation of the pay from mean pay is computed using the annual fixed pay for WTD who resigned during the year.

⁸ Fair value is calculated using fair value of stock options computed using Black - Scholes options pricing models on the grant date

(iii) During the year ended March 31, 2025, the Bank has paid fixed remuneration ₹ 1.99 crore to Non - Executive Directors (Previous Year ₹ 1.49 crore).

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18.15 Other Disclosures

(a) Business ratios / Information

Particulars	March 31, 2025	March 31, 2024
Interest income as a percentage to working funds ^{\$}	11.25%	11.43%
Non-interest income as a percentage to working funds ^{\$}	2.16%	2.26%
Cost of deposits ^{^^}	6.38%	6.12%
Net interest margin [*]	6.36%	6.64%
Operating profit as a percentage to working funds ^{\$^}	2.29%	2.35%
Return on assets [@]	0.47%	1.10%
Business (deposits plus advances) per employee [#] ^ (₹ in crore)	10.31	8.67
Net Profit per employee [^] (₹ in crore)	0.04	0.08

^{\$} Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.

^{^^} Cost of deposit is based on daily average of total deposits during the year.

^{*} Net interest income / average earning assets. Net interest income is interest income less interest expense. Average earning assets is the daily average of total earning assets during the year.

^{\$^} Operating profit is profit before provisions and contingencies.

[@] Return on assets is based on average working funds. Previous year number is based on simple average of opening and closing total assets.

[#] Business is the total of average net advances and average deposits (net of inter - bank deposits). The average advances and the average deposits represents the simple average of the opening and closing figures.

[^] Productivity ratios are based on simple average of employee numbers, which excludes contract staff, intern etc. Previous year numbers are based on the monthly average of employees numbers, which excludes contract staff, intern etc.

(b) Bancassurance business

The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by the Bank are as under :

(₹ in crore)		
Nature of Income	March 31, 2025	March 31, 2024
1. For selling life insurance policies	526.81	384.14
2. For selling non - life insurance policies	282.21	253.89
Total	809.02	638.03

(c) Marketing and distribution

The details of fees / remuneration earned in respect of the marketing and distribution function (excluding bancassurance business) are as under :

(₹ in crore)		
Nature of Income	March 31, 2025	March 31, 2024
1. For display of publicity and branding materials of Insurance Companies	-	80.02
2. For selling mutual fund products	56.65	28.97
3. Others	56.62	27.82
Total	113.27	136.81



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(d) Priority sector lending certificates (PSLCs)

Details of PSLCs purchased :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
PSLC - Agriculture	7,500.00	9,500.00
PSLC - Small / Marginal farmers	4,538.50	-
PSLC - Micro enterprises	-	-
PSLC - General	-	-
Total	12,038.50	9,500.00

Details of PSLCs sold :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
PSLC - Agriculture	-	-
PSLC - Small / Marginal farmers	3,000.00	10,881.25
PSLC - Micro enterprises	-	200.00
PSLC - General	-	-
Total	3,000.00	11,081.25

(e) Provisions and contingencies

Provisions and contingencies shown under the head expenditure in Profit and Loss Account comprise of:

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Provision made towards income tax		
- Current Tax	479.25	649.32
- Deferred Tax	(103.98)	249.49
Provisions for depreciation on investment *	(142.03)	(101.94)
Provision on non - performing advances ^	5,299.72	2,606.54
Provision and other contingencies #	357.04	(122.95)
Total	5,890.00	3,280.46

* Including specific provision / (write back of provision) against identified investments and write - offs (net of recoveries).

^ Including bad debts write - off net of recoveries and specific provision / (write back of provision) against identified advances.

Including provision on restructured assets and provision against standard asset.

(f) Implementation of IFRS converged Indian Accounting Standards (Ind - AS)

The Reserve Bank of India vide Circular RBI/2018-2019/146 DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019 had deferred the implementation of Ind AS for banks till further notice.

The Bank has made considerable progress on Ind AS implementation. It may be noted that the Bank used to prepare special purpose condensed "Fit - for - Consolidation" consolidated financial information under Ind AS for submission to erstwhile IDFC Limited (IDFC Limited amalgamated with IDFC FIRST Bank effective October 01, 2024). The said financial information was also reviewed by the Audit Committee and approved by the Board. Further, these were also subject to review / audit by the Statutory Auditors of the Bank. The Bank also prepares Proforma Ind AS financials for submission to the RBI as per the prescribed frequency. The implementation of Ind AS by banks requires certain

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legislative changes in the format of financial statements to comply with the disclosures required under Ind AS. Under the RBI guidelines, banks are not allowed to early adopt Ind AS. Accordingly, the general - purpose financial statements of the Bank presented in the Annual Report are not under Ind AS. The results of the Bank upon its first - time adoption of and transition to Ind AS, based on the updated regulations and accounting standards / guidance and business strategy at the date of actual transition, could differ from those reported in the Fit - for - Consolidation information / Proforma Ind AS financials.

The implementation of Ind AS is expected to result in significant changes to the way the Bank prepares and presents its financial statements. The key impact areas would include valuation and classification of financial assets, effective interest rate, fair valuation inputs, methodologies and assumptions, impairment requirement of Ind AS 109 – expected credit loss (ECL) etc. The Bank has implemented the RBI issued regulatory guidelines on investment classification and valuation, the Master Directions – Classification, Valuation and Operations of Investment Portfolio of Commercial Banks (Directions), 2023 with effective date as April 01, 2024. The RBI, through the introduction of these guidelines, has taken the initial stride towards aligning more closely with the Ind AS guidelines. The RBI had issued a discussion paper on “Introduction of Expected Credit Loss framework for provisioning by Banks” which demonstrates the intention of the RBI to move towards Ind AS on a piecemeal basis.

It may further be noted that the above significant impacted areas may change based on the final guidelines to be issued by the RBI. This will further change the way financial statements are read and would bring people, business, and technology changes across the Bank.

(g) Payment of DICGC Insurance Premium

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Payment of DICGC insurance premium *	285.60	214.76
Arrears in payment of DICGC premium	-	-

* Includes GST of ₹43.57 crore (Previous Year ₹32.76 crore).

(h) Advertisement & Publicity

Advertisement & Publicity under Schedule 16 (IV) includes digital acquisition, sales event expenses etc. amounting to ₹164.38 crore (Previous Year ₹136.98 crore).

18.16 Provision for credit card and debit card reward points

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Opening provision for reward points	68.71	47.64
Provision for reward points made during the year	228.98	204.91
Utilisation / write - back of provision for reward points	(199.75)	(183.84)
Closing provision for reward points	97.94	68.71

18.17 Disclosure of Letters of Comfort (LOCs) issued by banks

The Bank has not issued any Letter of Comfort during the years ended March 31, 2025 and March 31, 2024 and there is no outstanding as at March 31, 2025 and March 31, 2024.



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18.18 Portfolio-level information on the use of funds raised from green deposits

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024	Cumulative *
Total green deposits raised (A)	51.10	-	51.10
Use of green deposit funds			
(1) Renewable energy	-	-	-
(2) Energy efficiency	-	-	-
(3) Clean transportation	51.10	-	51.10
(4) Climate change adaptation	-	-	-
(5) Sustainable water and waste management	-	-	-
(6) Pollution prevention and control	-	-	-
(7) Green buildings	-	-	-
(8) Sustainable management of living natural resources and land use	-	-	-
(9) Terrestrial and aquatic biodiversity conservation	-	-	-
Total green deposit funds allocated (B = Sum of 1 to 9)	51.10	-	51.10
Amount of green deposit funds not allocated (C = A – B)	-	-	-

* The figures reported above correspond to the period from July 16, 2024 till March 31, 2025.

18.19 Employee benefits

- i The Bank has charged the following amounts in the Profit and Loss Account towards contribution to defined contribution plans which are included under Schedule 16 (I):

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Provident fund	158.95	138.15
Pension fund	12.69	8.60

ii Gratuity

The following tables summarise the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the gratuity benefit plan:

Profit and Loss Account

Net employee benefit expenses :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Current service cost	38.95	30.19
Interest on defined benefit obligation	12.75	9.42
Expected return on plan assets	(8.13)	(4.58)
Net actuarial losses / (gains) recognised in the year	12.13	6.40
Past service cost	-	-
Total included in "Payments to and provisions for employees" [Schedule 16(I)]	55.70	41.43
Actual return on plan assets	9.58	7.16

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Balance Sheet

Details of provision for gratuity :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Present value of funded obligations	202.34	146.47
Fair value of plan assets	(159.65)	(109.48)
Unrecognised Past Service Cost	-	-
Net Liability Included under Schedule 5 - Other Liabilities	42.69	36.99

Changes in the present value of the defined benefit obligation are as follows :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Opening defined benefit obligation	146.47	103.38
Current service cost	38.95	30.19
Interest cost	12.75	9.42
Actuarial losses / (gains)	13.58	8.98
Past service cost	-	-
Liabilities assumed on acquisition / (settled on divestiture)	-	-
Benefits paid	(9.41)	(5.50)
Closing defined benefit obligation	202.34	146.47

Changes in the fair value of plan assets are as follows :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Opening fair value of plan assets	109.48	67.82
Expected return on plan assets	8.13	4.58
Actuarial gains / (losses)	1.45	2.58
Contributions by employer	50.00	40.00
Assets acquired on acquisition / (distributed on divestiture)	-	-
Benefits paid	(9.41)	(5.50)
Closing fair value of plan assets	159.65	109.48
Expected Employers Contribution Next Year	50.00	30.00

Experience adjustments

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Defined benefit obligations	202.34	146.47	103.38	78.82	62.91
Plan assets	159.65	109.48	67.82	55.40	45.16
Surplus / (deficit)	(42.69)	(36.99)	(35.56)	(23.42)	(17.74)
Experience adjustments on plan liabilities	6.60	8.51	3.77	2.47	(3.76)
Experience adjustments on plan assets	1.45	2.58	(2.05)	(0.16)	2.38



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Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets :

Particulars	March 31, 2025	March 31, 2024
Government securities	54.11%	59.34%
Bonds, debentures and other fixed income instruments	23.93%	29.31%
Deposits and money market instruments	6.19%	3.30%
Equity shares	15.77%	8.05%

Principal actuarial assumptions at the Balance Sheet date :

Particulars	March 31, 2025	March 31, 2024
Discount rate (p.a.)	6.65%	7.20%
Expected rate of return on plan assets (p.a.)	7.00%	7.00%
Salary escalation rate (p.a.)	8.00%	8.00%

The estimates of future salary increase takes into account the inflation, seniority, promotion and other relevant factors. The expected rate of return on plan assets is based on the average long - term rate of return expected on investments of the fund during the estimated term of the obligations.

18.20 Segment reporting

Business Segments :

The business of the Bank is divided into four segments : Treasury, Corporate / Wholesale Banking, Retail Banking Business and Other Banking Business. These segments have been identified and reported taking into account, the target customer segment, the nature of products, internal business reporting system, transfer pricing policy approved by Asset Liability Committee (ALCO), the guidelines prescribed by the Reserve Bank of India ('the RBI'), which has been relied upon by the Joint Statutory Auditors.

Segment	Principal activities
Treasury	The treasury segment primarily consists of the Bank's investment portfolio, money market borrowing and lending, investment operations and foreign exchange and derivative portfolio of the Bank. Revenue of treasury segment consists of interest income on investment portfolio, inter segment revenue, gains or losses from trading operations, trades and capital market deals. The principal expenses consist of interest expenses from external sources and on funds borrowed from inter segments, premises expenses, personnel cost, direct and allocated overheads.
Corporate / Wholesale Banking	The wholesale banking segment provides loans, non - funded facilities, loan syndication and transaction services to corporate relationship not included under Retail Banking. Revenues of the wholesale banking segment consists of interest earned on loans to customers, inter segment revenue, interest / fees earned on transaction services, earnings from trade services, fees on client FX & derivative and other non - funded facilities. The principal expenses of the segment consist of interest expense on funds borrowed from internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses of delivery channels, and support groups.
Retail Banking	Retail Banking constitutes lending to individuals / business banking customers through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Revenues of the retail banking segment are derived from interest earned on retail loans, inter segment revenue and fees from services rendered, fees on client FX & derivative. Expenses of this segment primarily comprise interest expense on deposits and funds borrowed from inter segments, commission paid to retail assets sales agents, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated and support groups. This also includes digital banking products acquired by Digital Banking Units (DBUs) / digital banking products which are disclosed under 'Digital Banking' Segment. In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022 on Establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as a sub - segment of the Retail Banking segment.

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Segment	Principal activities
Other Banking Business	This segment includes revenue from distribution of third party products and the other associated cost.
Unallocated	All items which are reckoned at an enterprise level are classified under this segment. This includes assets and liabilities which are not directly attributable to any segment. Revenue and expense of this segment includes income and expenditure which are not directly attributable to any of the above segments. Revenue includes interest on income tax refund and expense of this segment mainly includes employee cost, establishment & technology expense which are not directly attributable to any segment.

Segmental reporting for the year ended March 31, 2025 are set out below :

(₹ in crore)

Particulars	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Business	Total
			Digital Banking	Other Retail Banking	Total Retail Banking		
Revenue (i)	26,066.30	9,168.80	8,111.57	39,246.21	47,357.78	1,074.67	83,667.55
Add: Unallocated revenue (ii)							124.01
Less : Inter segment revenue (iii)							(40,268.36)
Total Revenue (i+ii-iii)							43,523.20
Segment Results before tax (iv)	662.82	899.46	(93.12)	238.59	145.47	614.87	2,322.62
Less: Unallocated expenses (net of revenue) (v)							(422.50)
Operating Profit (iv-v)							1,900.12
Less: Provision for tax							(375.27)
Net Profit							1,524.85
Segment assets	99,805.96	44,181.54	20,467.74	176,746.32	197,214.06	108.18	341,309.74
Add: Unallocated assets							2,508.91
Total Segment Assets							343,818.65
Segment liabilities	33,139.28	71,684.95	56,173.47	143,845.27	200,018.74	46.75	304,889.72
Add: Unallocated liabilities							850.93
Total Segment Liabilities							305,740.65
Capital employed (Segment Assets - Segment Liabilities)	66,666.68	(27,503.41)	(35,705.73)	32,901.05	(2,804.68)	61.43	36,420.02
Add: Unallocated capital employed							1,657.98
Total Capital Employed							38,078.00
Capital expenditure for the year	3.02	50.69	88.79	749.68	838.47	7.51	899.69
Add: Unallocated capital expenditure							13.63
Total Capital Expenditure							913.32
Depreciation on fixed assets for the year	2.88	40.93	49.27	710.80	760.07	9.40	813.28
Add: Unallocated depreciation							7.13
Total Depreciation							820.41

The above Segmental Reporting includes revenue and other income earned from Insurance Companies as under:

- Commission income from sale of insurance policies of ₹809.02 crore {refer note 18.15(b)}.
- Others (CMS Fee, remittances fee etc.) of ₹0.34 crore.



Notes

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Segmental reporting for the year ended March 31, 2024 are set out below :

(₹ in crore)

Particulars	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Business	Total
			Digital Banking	Other Retail Banking	Total Retail Banking		
Revenue (i)	17,610.49	8,042.63	5,845.59	32,554.55	38,400.14	903.20	64,956.46
Add: Unallocated revenue (ii)							53.96
Less : Inter segment revenue (iii)							(28,685.92)
Total Revenue (i+ii-iii)							36,324.50
Segment Results before tax (iv)	361.57	1,400.16	(92.45)	2,116.79	2,024.34	515.61	4,301.68
Less: Unallocated expenses (net of revenue) (v)							(446.36)
Operating Profit (iv-v)							3,855.32
Less: Provision for tax							(898.81)
Net Profit							2,956.51
Segment assets	90,540.96	33,996.22	19,656.66	148,197.44	167,854.10	87.14	292,478.42
Add: Unallocated assets							3,636.68
Total Segment Assets							296,115.10
Segment liabilities	43,620.16	60,796.33	36,816.69	121,809.32	158,626.01	51.79	263,094.29
Add: Unallocated liabilities							859.50
Total Segment Liabilities							263,953.79
Capital employed (Segment Assets - Segment Liabilities)	46,920.80	(26,800.11)	(17,160.03)	26,388.12	9,228.09	35.35	29,384.13
Add: Unallocated capital employed							2,777.18
Total Capital Employed							32,161.31
Capital expenditure for the year	6.39	136.46	16.28	1,293.11	1,309.39	8.30	1,460.54
Add: Unallocated capital expenditure							7.79
Total Capital Expenditure							1,468.33
Depreciation on fixed assets for the year	6.92	50.16	8.90	540.12	549.02	7.18	613.28
Add: Unallocated depreciation							5.04
Total Depreciation							618.32

The above Segmental Reporting includes revenue and other income earned from Insurance Companies as under:

- Commission income from sale of insurance policies of ₹638.03 crore {refer note 18.15(b)}.
- Income on account of display of publicity and branding material of Insurance Companies of ₹80.02 crore {refer note 18.15(c)}.
- Others (CMS Fee, Remittances Fee etc.) of ₹0.30 crore.

Geographic segments

The business operations of the Bank are largely concentrated in India and for purpose of Segment reporting, the Bank is considered to operate only in domestic segment, though the Bank has its operation in International Financial Services Centre (IFSC) Banking Unit in Gujarat International Finance Tec - City (GIFT City). The business conducted from the same is considered as a part of Indian operation.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

18.21 Deferred tax

The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Deferred tax assets on account of provisions for loan losses	1,123.32	993.04
Deferred tax assets on account of provision for diminution in value of investments	70.80	76.90
Deferred tax assets on account of long term capital loss	4.91	5.52
Deferred tax assets on account of other contingencies	-	197.88
Deferred tax assets (A)	1,199.03	1,273.34
Deferred tax liabilities on account of depreciation on fixed assets (Including intangible assets)	73.92	72.92
Deferred tax liabilities on Special Reserve under Section 36(1)(viii) of Income Tax Act, 1961	115.31	107.75
Deferred tax liabilities on account of other contingencies	20.11	-
Deferred tax liabilities on account of RBI Circular on investment accounting *	91.51	-
Balance transfer from eIDFC Ltd to the Bank under merger	21.01	-
Deferred tax liabilities (B)	321.86	180.67
Net Deferred tax assets (A-B)	877.17	1,092.67

* includes effect of restatement of deferred tax assets due to change in rate of capital gain tax pursuant to the Finance Act 2024

18.22 Related party disclosure

As per AS-18, Related Party Disclosure, the Bank's related parties for the year ended March 31, 2025 are disclosed below:

a. Entities having Significant Influence *

IDFC Limited

IDFC Financial Holding Company Limited

* As per composite scheme of amalgamation (a) eIDFC Financial Holding Company Limited amalgamated into and with eIDFC Limited; and (b) eIDFC Limited amalgamated into and with IDFC FIRST Bank Limited with effective date of October 01, 2024.

b. Subsidiary

IDFC FIRST Bharat Limited

c. Associates

Millennium City Expressways Private Limited

Jetpur Somnath Tollways Private Limited (w.e.f. October 01, 2024)

d. Key Management Personnel

Mr. V. Vaidyanathan - (MD & CEO)

Mr. Pradeep Natarajan - Whole Time Director (WTD) (w.e.f. June 01, 2024)

e. Relatives of Key Management Personnel

Relatives of Mr. V. Vaidyanathan

Mrs. Jeyashree Vaidyanathan, Mr. Krishnamurthy Vembu, Mr. Pranav Vaidyanathan, Mr. Amartya Vaidyanathan, Ms. Anusha Vaidyanathan, Group Captain V. Satyamurthy, Mr. Maj V Krishnamurthy, Ms. Savitri Krishnamoorthy.

Relatives of Pradeep Natarajan - Whole Time Director (WTD) (w.e.f. June 01, 2024)

Mrs. Deepa Pradeep, Mr. Natarajan Pookote, Mrs. Parakkat Nirmaladevi, Mr. Aadi Pradeep Menon, Ms. Anuradha Srinivasa, Mr. Dhruv Pradeep Menon



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

f. Enterprises over which KMP / Relatives of KMP have control / significant influence

Rukmani Social Welfare Trust , V Satyamurthy Security Agency , Chanakya Talent

The significant transactions between the Bank and related parties for the year ended March 31, 2025 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of all related party transactions in that category:

- **Interest Expense :**
IDFC Financial Holding Company Limited ₹4.19 crore (Previous Year ₹15.48 crore)
IDFC FIRST Bharat Limited ₹2.25 crore (Previous Year ₹1.45 crore)
- **Dividend Received :**
IDFC FIRST Bharat Limited ₹45.20 crore (Previous Year ₹70.31 crore)
- **Managerial Remuneration :**
Mr. V. Vaidyanathan ₹5.55 crore (Previous Year ₹5.31 crore)
Mr. Pradeep Natarajan ₹3.41 crore (Previous Year ₹Nil)
- **Receiving of services :**
IDFC FIRST Bharat Limited ₹1,002.16 crore (Previous Year ₹1,009.08 crore)
- **Rendering of services :**
IDFC FIRST Bharat Limited ₹0.10 crore (Previous Year ₹Nil)
- **Operating expenses :**
Millennium City Expressways Private Limited ₹0.24 crore (Previous Year ₹Nil)
- **Interest Income earned :**
Mr. Pradeep Natarajan ₹0.31 crore (Previous Year ₹Nil)

The details of the transactions of the Bank with its related party during the year ended March 31, 2025 are given below :

(₹ in crore)

Particulars	Related Party					
	Entities having Significant Influence	Subsidiary	Associates / Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP / relatives of KMP have control / significant influence
Interest expense	4.37	2.25	-	0.07	0.18	0.01
Interest income earned	-	-	-	0.31	-	-
Managerial remuneration ^	-	-	-	8.96	-	-
Receiving of services	-	1,002.16	-	-	-	-
Rendering of services	β	0.10	-	0.01	β	β
Operating expenses	-	-	0.24	-	-	-
Dividend received	-	45.20	-	-	-	-

^ Based on the performance evaluation of the Bank and the MD & CEO for FY 2023-24 and considering the recommendations of the NRC and the Board, the Reserve Bank of India approved the grant of ₹8.62 crore as variable pay for FY 2023-24 to MD & CEO which converts to 2,420,626 stock options. The said RBI approval was subsequently noted by the NRC and the Board at their respective meetings held on September 27, 2024.

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The balances payable to / receivable from the related parties of the Bank as on March 31, 2025 are given below :

(₹ in crore)

Particulars	Related Party					
	Entities having Significant Influence	Subsidiary	Associates / Joint Venture #	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP / relatives of KMP have control / significant influence
Deposits with the Bank	-	55.01	-	0.89	2.61	0.82
Interest accrued on deposit	-	0.43	-	β	0.03	β
Loans & advances including credit card balances	-	-	295.07	4.18	β	-
Interest accrued on advances	-	-	-	0.02	-	-
Investment of the Bank	-	212.52 ^	351.08	-	-	-
Investment of related party in the Bank §	-	-	-	-	-	-
Other receivables *	-	42.45	-	-	-	-
Other payables	-	20.90	-	-	-	-

* Other receivable includes cash with business correspondents.

§ As at March 31, 2025, MD & CEO holds 64,967,464, Whole Time Director holds 2,718,500, Relatives of KMP holds 319,500 & Entities over which KMP / Relatives of KMP / have control significant influence holds 5,093,860 equity shares in the Bank.

Loans and investments in the Associate companies have been technically written off / fully provided.

^ Net of dividend received from pre - acquisition profits reduced from cost of investment as per AS-13 Accounting for Investments.

The maximum balances payable to / receivable from the related parties of the Bank during the year ended March 31, 2025 are given below :

(₹ in crore)

Particulars	Related Party					
	Entities having Significant Influence	Subsidiary	Associates / Joint Venture #	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP / relatives of KMP have control / significant influence
Deposits with the Bank	298.88	55.01	-	1.91	2.61	0.82
Loans & advances including credit card balances	-	-	295.07	5.67	0.04	-
Investment of the Bank	-	212.52	351.08	-	-	-
Other receivables §	-	70.87	-	-	-	-
Other payables	-	27.48	-	-	-	-

§ Other receivable includes cash with business correspondents.

Loans and investments in the Associate companies have been technically written off / fully provided.



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

The details of the transactions of the Bank with its related party during the year ended March 31, 2024 are given below :

(₹ in crore)

Particulars	Related Party					
	Entities having Significant Influence	Subsidiary	Associates / Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP / relatives of KMP have control / significant influence
Interest expense	15.62	1.45	-	0.40	0.08	0.01
Managerial Remuneration ^	-	-	-	6.90	-	-
Receiving of services	-	1,009.08	-	-	-	-
Rendering of services	β	-	-	-	β	β
Swaps / forward contract	0.68	-	-	-	-	-
Dividend received	-	70.31	-	-	-	-
Purchase of investment (Inclusive of Broken Period Interest Paid)	-	-	-	-	-	30.28

^ Based on the performance evaluation of the Bank and the MD & CEO for FY 2022-23 and considering the recommendations of the NRC and the Board, the Reserve Bank of India approved the grant of ₹ 7.30 crore as variable pay for FY 2022-23 to MD & CEO which converts to 3,059,514 stock options. The said RBI approval was subsequently noted by the NRC and the Board at their respective meetings held on January 17, 2024 and January 20, 2024.

The balances payable to / receivable from the related parties of the Bank as on March 31, 2024 are given below :

(₹ in crore)

Particulars	Related Party					
	Entities having Significant Influence	Subsidiary	Associates / Joint Venture #	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP / relatives of KMP have control / significant influence
Deposits with the Bank	140.31	6.11	-	2.54	1.27	0.26
Interest accrued on deposit	0.54	-	-	0.01	0.01	β
Loans & advances including credit card balances	-	-	295.07	0.06	0.05	-
Investment of the Bank	-	212.52^	218.88	-	-	-
Investment of related party in the Bank §	-	-	-	-	-	-
Other receivables *	-	88.63	-	-	-	-
Other payables	-	87.96	-	-	-	-

* Other receivable includes cash with business correspondents.

§ As at March 31, 2024, Entities having significant influence holds 2,646,438,348, MD & CEO holds 64,367,464, Relatives of KMP holds 319,500 & Entities over which KMP / Relatives of KMP / have control significant influence holds 5,093,860 equity shares in the Bank.

Loans and investments in the Associate company have been technically written off.

^ Net of dividend received from pre - acquisition profits reduced from cost of investment as per AS-13 Accounting for Investments.

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The maximum balances payable to / receivable from the related parties of the Bank during the year ended March 31, 2024 are given below :

(₹ in crore)

Particulars	Related Party					
	Entities having Significant Influence	Subsidiary	Associates / Joint Venture #	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP / relatives of KMP have control / significant influence
Deposits with the Bank	229.66	165.04	-	12.17	1.56	0.26
Loans & advances including credit card balances	-	-	295.07	0.10	0.05	-
Investment of the Bank	-	212.52	226.38	-	-	-
Other receivables ^	-	230.04	-	-	-	-
Other payables	-	89.92	-	-	-	-

^ Other receivable includes cash with business correspondents.

Loans and investments in the Associate company have been technically written off.

18.23 Earnings per share ('EPS')

Basic and diluted earnings per equity share are computed in accordance with AS 20 - Earnings per share. Basic earnings per equity share is computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares and weighted average number of dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive. Dilution of equity is on account of employee stock options granted by the Bank.

Particulars	March 31, 2025	March 31, 2024
Basic		
Weighted average number of equity shares outstanding (in crore)	729.55	684.57
Net Profit / (Loss) after Tax (₹ in crore)	1,524.85	2,956.51
Basic earnings per share (₹)	2.09	4.32
Diluted		
Weighted average number of equity shares outstanding (in crore)	733.68	696.36
Net Profit / (Loss) after Tax (₹ in crore)	1,524.85	2,956.51
Diluted earnings per share (₹)	2.08	4.25
Nominal value of shares (₹)	10.00	10.00

Reconciliation between the basic and diluted earnings per equity share :

Particulars	March 31, 2025	March 31, 2024
Basic earnings per share (₹)	2.09	4.32
Add: Effect of potential equity shares (per share) (₹)	(0.01)	(0.07)
Diluted earnings per share (₹)	2.08	4.25

Reconciliation between weighted shares used in computation of basic and diluted earnings per equity share :

Particulars	March 31, 2025	March 31, 2024
Basic weighted average number of equity shares outstanding (in crore)	729.55	684.57
Add: Effect of potential equity shares (in crore)	4.13	11.79
Diluted weighted average number of equity shares outstanding (in crore)	733.68	696.36



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18.24 Movement in stock options granted is as under :

Employee Stock Option Scheme (ESOS) viz. IDFC FIRST Bank ESOS-2015 ("the Scheme") was framed with an object of encouraging higher participation on the part of employees in the Bank's financial growth and success. An effective stock option scheme enables retention of talent and aligning employee interest to that of the shareholders.

The shareholders of the Bank at its Extra - Ordinary General Meeting held on December 09, 2014 had approved the scheme. The Scheme was further amended and was approved by the shareholders at its the 1st Annual General Meeting (AGM) held on September 29, 2015, at the 2nd AGM held on July 27, 2016 and at 5th AGM held on July 25, 2019.

The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time. The Scheme is administered by the Nomination and Remuneration Committee ('NRC') of the Bank. As per the Scheme, the NRC is authorized to determine the specific employees to whom Employee Stock Options ('options') would be granted. The options granted under the Scheme would vest for period not less than one year and not more than five year from the date of grant of options, as approved by the NRC and the vesting would be subject to continued employment and achievement of performance criterias. The specific vesting schedule and conditions subject to which vesting would take place is outlined in the letter of grant given to option grantee at the time of grant of options.

Options granted under the Scheme shall be capable of being exercised within a period of 3 years from the date of vesting of the respective options or such other period as may be determined by the NRC. Options granted under the Scheme are settled with equity shares being allotted to the beneficiary upon exercise.

During the year ended March 31, 2025, there has been no material change in the Scheme.

The Bank has used the intrinsic value method to account for the compensation cost of stock options to employees of the Bank (other than Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff). Intrinsic value is the amount by which the quoted market price of the underlying share on the date, prior to the date of the grant, exceeds the exercise price on the option. Further, the Bank recognises fair value of share - linked instruments on the date of grant as an expense for all instruments granted after the accounting period ended March 31, 2021 as required in the RBI clarification dated August 30, 2021 on Guidelines on Compensation to Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff. In addition, the Bank recognises fair value of share-linked instruments on the date of grant as an expense for all instruments granted after the accounting period ended March 31, 2024 for all other category of employees apart from the Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff. The fair value of the stock-based compensation is estimated on the date of grant using Black - Scholes model and is recognised as compensation expense over the vesting period.

Stock option activity under the Scheme for the year ended March 31, 2025 is set out below :

Particulars	Stock Options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	178,541,835	12.53 - 93.10	46.67	3.86
Granted during the year	73,441,368	56.29 - 83.40	79.52	5.21
Re-instated during the year	12,573	58.65	58.65	4.07
Forfeited during the year	(13,993,605)	19.25 - 83.40	60.49	-
Expired during the year	(511,850)	19.25 - 58.75	47.27	-
Exercised during the year	(21,771,003)	12.53 - 63.25	38.95	-
Outstanding at the end of the year	215,719,318	19.25 - 93.10	57.73	3.79
Exercisable at the end of the year	60,809,560	19.25 - 93.10	42.77	1.52

The weighted average share price in respect of options exercised during the year was ₹ 74.61.

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Stock option activity under the Scheme for the year ended March 31, 2024 is set out below :

Particulars	Stock Options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	253,802,866	11.20 - 74.20	35.50	2.70
Granted during the year	72,448,105	54.50 - 93.10	59.61	5.09
Re-instated during the year	15,104	39.50	39.50	4.08
Forfeited during the year	(26,135,455)	19.25 - 74.20	49.30	-
Expired during the year	(2,196,720)	33.24 - 74.20	54.54	-
Exercised during the year	(119,392,065)	11.20 - 74.20	30.07	-
Outstanding at the end of the year	178,541,835	12.53 - 93.10	46.67	3.86
Exercisable at the end of the year	45,821,801	12.53 - 63.25	38.87	1.53

The weighted average share price in respect of options exercised during the year was ₹ 91.79.

Fair value methodology

On applying the fair value based method in Guidance Note on 'Accounting for Employee Share-based Payments' the impact on reported net profit and EPS would be as follows:

Particulars	March 31, 2025	March 31, 2024
Net Profit / (Loss) (as reported) (₹ in crore)	1,524.85	2,956.51
Add: Stock based employee compensation expense included in net income (₹ in crore)	1.02	1.63
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crore)*	39.46	67.39
Net Profit / (Loss) (Proforma) (₹ in crore)	1,486.41	2,890.75
Earnings per share: Basic (in ₹)		
As reported	2.09	4.32
Proforma	2.04	4.22
Earnings per share: Diluted (in ₹)		
As reported	2.08	4.25
Proforma	2.03	4.15

* Does not include fair value of stock - based compensation estimated on date of grant using Black - Scholes model for " Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff" amounting to ₹36.23 crore (Previous Year ₹24.66 crore) already accounted under "payment to and provisions for employees".

Effective April 01, 2024, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share - linked instruments granted after March 31, 2024 to other category of employees in addition to Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff. As a result, "payment to and provisions for employees" for the year ended March 31, 2025 is higher by ₹55.24 crore, not included in above table.

The weighted average fair value of options granted during the year ended March 31, 2025 was ₹33.13 (Previous Year ₹26.74)



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

The fair value of the options is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

Particulars	March 31, 2025	March 31, 2024
Dividend yield	-	-
Expected life	4.50 years	4.51 years
Risk free interest rate	6.98%	6.92%
Volatility	37.41%	41.68%

Expected dividend during the estimated expected term of the option are based on the dividend declared for one financial year prior to the date of grant. Expected life of option is the period for which the Bank expects the option to be in existence. Risk free interest rates over the expected term of the option are based on the maturity zero coupon yield curve for Government Securities at the time of grant. Expected volatility during the estimated expected term of the option is based on historical volatility determined based on the daily closing market prices of the Bank's publicly traded equity shares.

18.25 Leases

Disclosures in respect of operating leases are given below :

(This comprise of office premises / branches / ATMs taken on lease)

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Future lease rentals payable as at the end of the year :		
Not later than one year	633.54	538.74
Later than one year and not later than five years	1,777.79	1,577.59
Later than five years	449.10	344.51
Total of minimum lease payments recognised in the Profit and Loss Account for the year	680.93	581.85
Total of future minimum sub - lease payments expected to be received under non - cancellable sub - leases	-	-
Sub - lease payments recognised in the Profit and Loss Account for the year	-	-

The Bank has not sub - leased any of its properties taken on lease. There are no provisions relating to contingent rent. The terms of renewal / purchase options and escalation clauses are those normally prevalent in similar agreements. There are generally no undue restrictions or onerous clauses in the agreements.

18.26 Other fixed assets

The movement in fixed assets capitalised as application software (included in other Fixed Assets) is given below :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
	Software	Software
Cost		
At the beginning of the year	2,281.10	1,513.88
Additions during the year	433.75	768.35
Deductions during the year	-	(1.13)
Total (i)	2,714.85	2,281.10
Depreciation		
Accumulated depreciation at the beginning of the year	1,210.35	972.01
Depreciation charge for the year	396.09	240.23
Deductions during the year	-	(1.89)
Total (ii)	1,606.44	1,210.35
Net Value (i-ii)	1,108.41	1,070.75

Notes

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18.27 Corporate social responsibility (CSR)

- Amount required to be spent by the Bank on CSR during the year is ₹42.40 crore (Previous Year ₹16.80 crore).
- Amount approved by the Board to be spent during the year ₹36.75 crore (Previous Year ₹25.51 crore)
- Amount spent towards CSR related activities during the year ended March 31, 2025 is ₹31.86 crore (Previous Year ₹25.63 crore), which comprise of following:

Year ended March 31, 2025

(₹ in crore)

Nature of activities	Amount Spent	Amount Unpaid / Provision	Total
Construction / acquisition of any asset	0.74	-	0.74
On purpose other than above	31.12	-	31.12

Year ended March 31, 2024

(₹ in crore)

Nature of activities	Amount Spent	Amount Unpaid / Provision	Total
Construction / acquisition of any asset	-	-	-
On purpose other than above	25.63	-	25.63

- The Bank in line with Rule 7 (3) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 has ₹30.23 crore available for set off against the requirement to spend under sub-section (5) of Section 135 up to immediate succeeding three financial years.

(₹ in crore)

Balance excess spent as at April 01, 2024	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2025
40.77	42.40	31.86	30.23

18.28 Proposed dividend

The Board of Directors, in their meeting held on April 26, 2025 have proposed a dividend of ₹0.25 per equity share (Previous Year ₹Nil) amounting to ₹183.05 crore, subject to the approval of shareholders at the ensuing Annual General Meeting.

In terms of Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, such proposed dividend has not been recognised as a liability as on March 31, 2025.

However, effect of the proposed dividend has been reckoned in determining capital funds in computation of the capital adequacy ratio as at March 31, 2025.

18.29 Small and micro industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") as amended, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following is the disclosure as applicable:

(₹ in crore)

Sr. No.	Particulars	March 31, 2025		March 31, 2024	
		Principal	Interest	Principal	Interest
1	The Principal amount and the interest due thereon remaining unpaid to any supplier	1.39	0.04	0.51	-
2	The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	137.49	-*	36.84	-*



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forming part of the Financial Statements as at and for the year ended March 31, 2025

(₹ in crore)

Sr. No.	Particulars	March 31, 2025		March 31, 2024	
		Principal	Interest	Principal	Interest
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act;	-	2.05	-	-
4	The amount of interest accrued and remaining unpaid	-	2.09	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	-	2.09	-	-

* There has been no demand of interest on these payments during the year.

18.30 Investor education and protection fund

During the year ended March 31, 2025, the Bank made efforts to file Form IEPF-1 with the Ministry of Corporate Affairs ('MCA') within the timeline prescribed under the applicable law. However, due to technical and operational difficulties experienced on the MCA's V3 portal, there was a delay in transferring the relevant amounts to the Investor Education and Protection Fund ('IEPF') in the following cases:

FY	Declared by	(₹ in crore)	Due Date	Date of Payment
2016-17	Erstwhile Capital First Limited (now merged with IDFC FIRST Bank)	0.03	08-Sep-24	24-Sep-24
2016-17	IDFC FIRST Bank	0.27	01-Oct-14	17-Oct-24

During the year ended March 31, 2024, there was no delay in transferring amounts, to the Investor Education and Protection Fund by the Bank.

18.31 Description of contingent liabilities

i. Claims against the Bank not acknowledged as debts

The Bank is a party to taxation matters which are in dispute and are under appeal. The demands are either in the process of being stayed / rectified or have been partly or wholly paid / adjusted and will be received as refund (where paid / adjusted) to the extent the matters are decided in favour of the Bank.

The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial condition, results of operations or cash flows.

ii. Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments. These payment obligations of the Bank do not have any profit / loss impact.

iii. Liability on account of forward exchange contracts

The Bank enters into foreign exchange contracts on its own account and also for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. With respect to transactions entered by customers, the Bank generally takes off - setting positions in the inter - bank markets which results into higher numbers of outstanding contracts. The same also leads to representation of large gross notional principal of the portfolio, while the net market risk is much smaller.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

iv. Liability on account of derivative contracts

The Bank enters into derivative contracts, including interest rate swaps, forward rate agreements, currency swaps and Forex options, on its own accounts and for customers. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Forward rate agreements are agreements to pay or receive a certain sum based on a differential interest rate on a notional amount for an agreed period. Currency swaps are commitments to exchange cash flows by way of interest / principal in one currency against another, based on predetermined rates. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time.

With respect to transactions entered by customers, the Bank generally takes off - setting positions in the inter - bank markets, which results into higher numbers of outstanding contracts. Further, for interest rate swaps, the notional amounts are not exchanged. The above leads to representation of large gross notional principal of the portfolio, while the net market risk is much smaller.

Further, the notional amounts of the financial instruments do not represent the current fair value or future cash flows and hence do not indicate the Banks' exposure to credit or price risk. The derivative instrument becomes an asset / liability basis change in underlying market rates compared to contracted rates.

v. Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfil its financial or performance obligations.

vi. Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

vii. Other items

Other items represent estimated amount of contracts remaining to be executed on capital account, certain undrawn non - cancellable loan commitments and credit enhancements in respect of securitised and assigned loans. This also includes investments bought and remaining to be settled on the date of financial statements.

18.32 Utilisation of borrowed funds

The Bank, as part of its normal banking business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Bank's normal banking business, which is conducted ensuring adherence to all regulatory requirements.

Given the nature and background of transactions explained above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Bank has also not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

18.33 Particulars of items exceeding 1% of total income and total assets

Other Liabilities - Others (including provisions)

During the year ended March 31, 2025 and March 31, 2024, none of the items under Others (including provisions) of "Schedule 5 - Other Liabilities and Provisions" have exceeded 1% of total assets of the Bank.

Other Assets - Others

During the year ended March 31, 2025 and March 31, 2024, none of the items under Others of "Schedule 11 - Other Assets" have exceeded 1% of total assets of the Bank.

Other Income - Miscellaneous Income

During the year ended March 31, 2025 and March 31, 2024, none of the items under Miscellaneous Income of "Schedule 14 - Other Income" have exceeded 1% of total income of the Bank.



Notes

forming part of the Financial Statements as at and for the year ended March 31, 2025

Operating Expenses - Other expenditure

During the year ended March 31, 2025, other expenditure under "Schedule 16 - Operating Expenses" includes commission to sales agents / business correspondents of ₹ 3,728.44 crore (Previous Year ₹ 3,393.90 crore), commission to collection agents of ₹ 1,380.44 crore (Previous Year ₹ 993.62 crore) and system management fees of ₹ 610.80 crore (Previous Year ₹ 629.91 crore) exceeding 1% of total income of the Bank.

18.34 Comparative figures

In view of the accounting for the amalgamation of (a) eIDFC FHCL into and with eIDFC Limited; and (b) eIDFC Limited into and with IDFC FIRST Bank Limited with effective date of October 01, 2024, the figures are not comparable with those of the previous year. Figures for the previous year have been regrouped and reclassified wherever necessary to confirm to the current year's presentation.

18.35 All figures less than or equal to ₹50,000 have been represented by β.

For and on behalf of the Board of Directors of IDFC FIRST Bank Limited

Sundara Iyer Ganesh Kumar

Independent Director
DIN: 07635860

V. Vaidyanathan

Managing Director &
Chief Executive Officer
DIN: 00082596

Sudhanshu Jain

Chief Financial Officer &
Head Corporate Centre

Satish Gaikwad

General Counsel &
Company Secretary

As per our report of even date.

For Kalyaniwalla & Mistry LLP

Chartered Accountants
(Firm Registration No: 104607W/W100166)

For M. P. Chitale & Co

Chartered Accountants
(Firm Registration No: 101851W)

Roshni Marfatia

Partner
(Membership No: 106548)

Ashutosh Pednekar

Partner
(Membership No: 041037)

Date : April 26, 2025

Place : Mumbai

Independent Auditor's Report

To the Members of IDFC FIRST Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of IDFC FIRST Bank Limited (hereinafter referred to as the "Bank" or "Holding Company") and its subsidiary (Bank / Holding Company and its subsidiary together referred to as the "Group"), its associate, which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Profit and Loss Account, the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditor on separate financial statements of subsidiary and the financial information certified by the management of the associate company, the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949, the guidelines issued by the Reserve Bank of India (the "RBI") from time to time (the "RBI Guidelines") and the Companies Act, 2013 (the "Act") in the manner so required for banking companies and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounting

Standards) Rules, 2021 and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, its associate as at March 31, 2025 and its consolidated profit, and its consolidated cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India (the "ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditor referred to in paragraph (a) of the "Other Matters" section below is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How the Key Audit Matters were addressed in our audit
Identification of non - performing advances (NPA) and provisions on advances	
Total Advances (net of provisions) as at March 31, 2025: ₹ 2,33,112.53 crores Provision for NPA, Provision for specific assets and Restructuring provision: ₹ 3,534.34 crores as at March 31, 2025 (Refer to Schedule 9 – Advances, Accounting Policy 17.02 – Advances)	
<p>The RBI Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances ("IRAC") and other circulars and directives issued by the RBI from time to time pertaining to advances, prescribes the norms for identification and classification of performing and non-performing advances ("NPA") and the minimum provisions required for such advances.</p> <p>The Bank is required to have a Board approved policy in place for NPA identification and classification of advances and provisioning thereon. The Bank is also expected to apply its judgement to determine the identification and provisioning required against NPA by applying quantitative as well as qualitative factors. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors.</p> <p>The provision on NPA is estimated based on its ageing and classification of NPAs, recovery estimates, nature of loan product, value of security and other qualitative factors and is subject to the minimum provisioning as per IRAC and Board approved policy in this regard.</p>	<p>Our audit procedures in respect of this area involved:</p> <p>Process understanding and testing of the design and operating effectiveness of internal controls, including, but not limited to:</p> <ul style="list-style-type: none"> Obtained an understanding of Management's process, systems/ applications and controls implemented in relation to advances, identification, classification and provisioning of NPA, restructured advances, ISA and provisions thereon; Tested key IT system/ application controls including automated process, controls and system-based reconciliations pertaining to the advances, NPA identification, classification and provision on advances; Tested the design, implementation and operating effectiveness of key internal financial controls pertaining to the identification, classification and provisioning on NPA accounts, identified standard advances, computation of provisions on advances (including restructured and ISA) as per IRAC norms and Board approved policy; Verified the governance process to the Audit Committee and Board of Directors pertaining to the reporting of NPA and provisioning thereon; and



Key Audit Matters	How the Key Audit Matters were addressed in our audit
<p>Additionally, the Bank also makes provisions on standard accounts where it estimates a possibility of eventual economic loss or prolonged delay in recovery which may lead to eventual economic loss i.e. Identified Standard Advances ("ISA"). Such advances are stated net of such provisions.</p> <p>Provisions in respect of restructured advances are made based on Management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels as per IRAC and other relevant RBI Guidelines.</p> <p>The Management relies on its automated IT systems to determine asset classification, income recognition and provisioning and for compliance with the applicable regulatory guidelines. Further, the Bank also employs the services of experts such as independent valuers, legal experts and other professionals to determine the valuation and enforceability of security taken against such advances.</p> <p>Since the identification of NPAs and provisioning for advances require a significant level of estimation and reliance on IT, and given its significance to the overall audit including possible observation by RBI which could result into disclosure in the financial statements, we have ascertained identification and provisioning for NPAs as a key audit matter.</p>	<ul style="list-style-type: none"> • Verified controls over the adequacy of disclosures made in the financial statements. <p>Performed other substantive procedures including the following, but not limited to:</p> <ul style="list-style-type: none"> • Selected samples for testing, based on quantitative and qualitative risk factors to test their conduct, security evaluation and its value, impairment indicators basis their financial strength or external factors if any. For the selected samples, tested accuracy of days past due computation, assets classification at borrower level and provisioning as per IRAC norms and Board approved policy; • Obtained and verified the accounts identified by Management i.e. accounts forming a part of credit watchlist, by obtaining Management's assessment on recoverability of these exposures and evaluating the appropriateness of provisions; • Considered the accounts reported by the Bank and other Banks as Special Mention Accounts ("SMA") in RBI's Central Repository of Information on Large Credits (CRILC) to identify stressed accounts; • Inquired with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needs to be factored in classification of account as NPA; • Discussed with the Management of the Bank on sectors where there is perceived credit risk and the steps taken by Management to mitigate the risks pertaining to identified stress sectors; • Selected and tested samples for accounts which are restructured as per IRAC; and • Assessed the appropriateness, accuracy and adequacy of related presentation and disclosures in accordance with the applicable accounting standards, IRAC and other requirements of RBI.
Information Technology	
<p>Information Technology (IT) systems and controls over financial reporting</p> <p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. Further, the Core Banking Solution ("CBS") and other IT systems linked to the CBS or working independently have an audit trail (edit log) that operated throughout the year without any tampering and such logs are retained as per statutory requirements for record retention.</p> <p>Further, IT applications have been made accessible on a remote basis.</p> <p>We have identified 'IT Systems and Controls' as a key audit matter considering the high level of automation, significant number of systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process, and the regulatory guidelines on automation.</p>	<p>Our audit procedures in respect of this area included, but were not limited to:</p> <ul style="list-style-type: none"> • For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of our audit. The team also assisted in testing the completeness and accuracy of the information produced by the Bank's IT systems where applicable. • Obtained an understanding of IT applications implemented in the Bank and verified design and operating effectiveness of controls over user access management, change management, segregation of duties, system interface controls, system application controls and Information Produced by Entity (IPE) controls over key financial accounting and reporting systems. • Scoped in IT systems that are key for the overall financial reporting. • Verified the audit trail (edit log) on test check basis for identified accounting applications; • Verified key controls, on a sample basis, for data migration operating over the information technology in relation to financial accounting and reporting systems, user acceptance test (UAT) sign offs, incidents monitoring. • For a selected group of key controls over financial reporting systems, performed procedures to independently determine that these controls remained unchanged during the year or were changed by following the change management process.

Key Audit Matters	How the Key Audit Matters were addressed in our audit
	<ul style="list-style-type: none"> Evaluated other areas including password policies, security configurations, controls over changes to applications and databases and controls to ensure that developers and production support did not have access to change applications, the operating system or databases in the production environment. Inquired for data security controls in the context of staff working from remote locations during the year. In addition, we have also relied on IS and other technology related audits conducted by the Internal Audit Department of the Bank, and also the audit of Internal Financial Control over Financial Reporting conducted by the Internal Audit Department of the Bank; Verified compensating controls and performed alternate procedures, where necessary. Critical areas for improvement, if any, as and when noticed are communicated to the Bank's Management and the adequacy of action taken by the Bank where necessary, is reviewed by us periodically as part of our audit procedures.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Bank's Board of Directors is responsible for the other information. The Other Information comprises the information included in the Bank's Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditor's Report thereon, and the Pillar III Disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The Other Information is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of management and those charged with governance for the Consolidated Financial Statements

The Bank's Board of Directors and Management are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars, guidelines and directions issued by the RBI from time to time (the "RBI Guidelines") as

applicable to the Bank. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Bank, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditors' responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can



arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Management.
- Conclude on the appropriateness of the Board of Directors and the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of

the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Bank and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the year ended March 31, 2025 and are therefore the Key Audit Matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

- a. We did not audit the financial statements of subsidiary, whose financial statements reflect Group's share of total assets (before consolidated adjustments) of Rs.275 crore as at March 31, 2025, Group's share of total revenues (before consolidated adjustments) of Rs. 1,007 crore and Group's share of net cash inflows (before consolidated adjustments) amounting to Rs. 4 crore for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statement have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.
- b. The Consolidated Financial Statements also include the Group's share of net loss of Rs. NIL for the year ended March 31, 2025, in respect of one associate, whose financial information has not been audited by us. This financial information is unaudited and has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial information certified by the Management. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

- c. The Consolidated Financial Statements do not include one associate Jetpur Somnath Tollways Private Limited as specified in Note 17(c) of the Consolidated Financial Statements.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial information certified by the Management.

- d. The Consolidated Financial Statements of the Bank for the previous year ended March 31, 2024 were audited by one continuing auditor and one predecessor auditor. The auditors have expressed unmodified opinion vide their report dated April 27, 2024 on such Consolidated Financial Statements.

Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of the subsidiary and the financial information certified by the management of the associate company, as noted in the Other Matters Section above we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matter pertaining to the subsidiary stated in paragraph 1(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), as stated in the report issued by the independent auditor of the Subsidiary Company.
- c. The Consolidated Balance Sheet, the Consolidated Profit and Loss Account, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with the relevant rules issued thereunder, to the extent they are not inconsistent with the guidelines prescribed by RBI.
- e. On the basis of the written representations received from the directors of the Bank as on March 31, 2025 taken on record by the Board of Directors of the Bank and the report of the other auditor of its subsidiary company incorporated in India, none of the directors of the Group

companies, incorporated in India are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of internal financial controls with reference to Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g. With respect to the matters to be included in the Auditor's Report under Section 197(16): In our opinion, according to information, explanations given to us and based on the report of the other auditor, the remuneration paid by the subsidiary to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder. Further, the Bank is a banking company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply to the Bank.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us based on our audit and on the consideration of report of the other auditor on separate financial statements of the subsidiary and financial information certified by the Management for the associate as noted in the 'Other Matters' paragraph:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate – Refer Schedule 12, Note 18.03 and 18.14 to the Consolidated Financial Statements.
 - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 12 and Note 18.14 to the Consolidated Financial Statements; in respect of such items as it relates to the Group.
 - iii. There have been two instances of delays in transferring amounts to the Investor Education and Protection Fund (IEPF) by the Bank as detailed in Note 18.13(b) to the Consolidated Financial Statements towards unpaid / unclaimed dividend due to technical error at the MCA site.
 - iv. a. The respective Managements of the Bank and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary, to the best of their knowledge and belief, as disclosed in the Note 18.15 to the Consolidated Financial Statements, no funds (which are material either



individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank or its subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The respective Managements of the Bank and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the Note 18.15 to the Consolidated Financial Statements, no funds (which are material either individually or in aggregate) have been received by the Bank or its subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank or its subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of its subsidiary which is company incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided

to us by the Management of the Bank in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.

- v. The Board of Directors of the Bank have proposed final dividend for the year ended March 31, 2025, which is subject to approval of the members at the ensuing Annual General Meeting. The amount of proposed dividend is in accordance with Section 123 of the Act.

Further, on the basis of our verification and on consideration of the reports of the statutory auditor of the subsidiary is Indian company under the Act, interim dividend declared and paid by the subsidiary during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013 and based on the financial information certified by the management, the associate company has neither declared nor paid any dividend during the year.

- vi. Based on our examination, which included test checks and that performed by the auditor of the subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, the bank and subsidiary have used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. During the course of our audit, we and the auditor of above referred subsidiary did not come across any instance of the audit trail feature being tampered with. Further, during the course of our audit, the bank and subsidiary company have the audit trail as per the statutory requirements for record retention from the date the audit trail was enabled for the accounting software except for COSMOS software, used by subsidiary company, where the audit trail has been enabled and preserved at the application level from 1 April, 2023 however, at the database level the same was enabled and preserved from 23 August, 2023.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
ICAI FRN: 104607W/W100166

For **M. P. Chitale & Co**
Chartered Accountants
ICAI FRN: 101851W

Roshni Marfatia
Partner
Membership Number: 106548
UDIN: 25106548BMKSOJ6693

Ashutosh Pednekar
Partner
Membership Number: 041037
UDIN: 25041037BMLWNX9699

Mumbai
April 26, 2025

Mumbai
April 26, 2025

Annexure A to the Independent Auditors' Report

of even date on the Consolidated Financial Statements of IDFC FIRST Bank Limited

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of IDFC FIRST Bank Limited on the Consolidated Financial Statements for the year ended March 31, 2025]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Consolidated Financial Statements of IDFC FIRST Bank Limited (hereinafter referred to as the "Holding Company" / the "Bank") and its subsidiary company (Bank and its subsidiary together referred to as the "Group"), which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the Bank, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Bank based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Bank.

Meaning of internal financial controls with reference to consolidated financial statements

A Bank's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. The Bank's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance



regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the Consolidated Financial Statements.

Inherent limitations of internal financial controls with reference to the consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Bank, its

subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2025, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI").

Other matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to a subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our Opinion is not modified in respect of the above matter.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
ICAI FRN: 104607W/W100166

For **M. P. Chitale & Co**
Chartered Accountants
ICAI FRN: 101851W

Roshni Marfatia
Partner
Membership Number: 106548
UDIN: 25106548BMKSOJ6693

Ashutosh Pednekar
Partner
Membership Number: 041037
UDIN: 25041037BMLWNX9699

Mumbai
April 26, 2025

Mumbai
April 26, 2025

Consolidated Balance Sheet

as at March 31, 2025

(₹ in crore)

	Schedule No.	As at March 31, 2025	As at March 31, 2024
CAPITAL AND LIABILITIES			
Capital	1	7,322.11	7,069.92
Employees stock options outstanding		148.72	58.93
Reserves and surplus	2	30,684.95	25,144.73
Minority interest	2a	-	-
Deposits	3	252,010.23	200,570.20
Borrowings	4	38,983.79	50,935.74
Other liabilities and provisions	5	14,758.94	12,430.26
TOTAL		343,908.74	296,209.78
ASSETS			
Cash and balances with Reserve Bank of India	6	13,985.47	10,988.46
Balances with banks and money at call and short notice	7	1,113.61	1,492.70
Investments	8	80,505.24	74,500.12
Advances	9	233,112.53	194,592.37
Fixed assets	10	2,736.16	2,674.56
Other assets	11	12,316.07	11,821.91
Goodwill on consolidation		139.66	139.66
TOTAL		343,908.74	296,209.78
Contingent liabilities	12	438,879.60	302,361.17
Bills for collection		3,770.93	3,624.40
Significant accounting policies and notes to accounts	17 & 18		

The schedules and the accompanying notes to accounts referred to above form an integral part of the Consolidated Balance Sheet.

The Balance Sheet has been prepared in conformity with form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

For and on behalf of the Board of Directors of IDFC FIRST Bank Limited

Sundara Iyer Ganesh Kumar

Independent Director

DIN: 07635860

V. Vaidyanathan

Managing Director &

Chief Executive Officer

DIN: 00082596

Sudhanshu Jain

Chief Financial Officer &

Head Corporate Centre

Satish Gaikwad

General Counsel &

Company Secretary

As per our report of even date.

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants

(Firm Registration No: 104607W/W100166)

For **M. P. Chitale & Co**

Chartered Accountants

(Firm Registration No: 101851W)

Roshni Marfatia

Partner

(Membership No: 106548)

Ashutosh Pednekar

Partner

(Membership No: 041037)

Date : April 26, 2025

Place : Mumbai



Consolidated Profit & Loss Account

for the year ended March 31, 2025

(₹ in crore)

	Schedule No.	Year ended March 31, 2025	Year ended March 31, 2024
I INCOME			
Interest earned	13	36,501.64	30,325.11
Other income	14	6,976.66	5,931.73
TOTAL		43,478.30	36,256.84
II EXPENDITURE			
Interest expended	15	17,207.80	13,870.30
Operating expenses	16	18,891.60	16,147.73
Provisions and contingencies	18.03	5,888.55	3,296.46
TOTAL		41,987.95	33,314.49
Net Profit / (Loss) before share in Earnings / (Loss) in associates		1,490.35	2,942.35
Add: Share of Earnings / (Loss) in associates		-	-
Consolidated Net Profit / (Loss) for the year before deducting Minorities' Interest		1,490.35	2,942.35
Less: Minorities' Interest		-	-
CONSOLIDATED PROFIT / (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE GROUP		1,490.35	2,942.35
Add: Brought forward consolidated Profit / (Loss) attributable to the group		(575.57)	(2,429.42)
Additions on amalgamation	18.01	1,273.55	-
AMOUNT AVAILABLE FOR APPROPRIATION		2,188.33	512.93
III APPROPRIATIONS :			
Transfer to statutory reserve	18.02	385.00	740.00
Transfer to investment reserve	18.02	-	49.00
Transfer to capital reserve	18.02	88.00	21.00
Transfer to special reserve	18.02	30.00	63.50
Transfer (from) / to investment fluctuation reserve	18.02	(100.00)	215.00
Dividend paid	18.12	-	-
Balance in Profit and Loss Account carried forward		1,785.33	(575.57)
TOTAL		2,188.33	512.93
IV EARNINGS PER SHARE	18.08		
(Face value ₹10 per share)			
Basic (₹)		2.04	4.30
Diluted (₹)		2.03	4.23
Significant accounting policies and notes to accounts	17 & 18		

The schedules and the accompanying notes to accounts referred to above form an integral part of the Consolidated Profit and Loss Account.

For and on behalf of the Board of Directors of IDFC FIRST Bank Limited

Sundara Iyer Ganesh Kumar

Independent Director
DIN: 07635860

V. Vaidyanathan

Managing Director &
Chief Executive Officer
DIN: 00082596

Sudhanshu Jain

Chief Financial Officer &
Head Corporate Centre

Satish Gaikwad

General Counsel &
Company Secretary

As per our report of even date.

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants
(Firm Registration No: 104607W/W100166)

For **M. P. Chitale & Co**

Chartered Accountants
(Firm Registration No: 101851W)

Roshni Marfatia

Partner
(Membership No: 106548)

Ashutosh Pednekar

Partner
(Membership No: 041037)

Date : April 26, 2025
Place : Mumbai

Consolidated Cash Flow Statement

for the year ended March 31, 2025

(₹ in crore)

	Schedule No.	Year ended March 31, 2025	Year ended March 31, 2024
A Cash flow from operating activities			
Profit after tax		1,490.35	2,942.35
Add: Provision for tax		373.82	914.81
Net profit before taxes		1,864.17	3,857.16
Adjustments for :			
Amortisation of premium / discount on investments		139.64	267.95
Profit on sale of fixed assets (net)	14 (IV)	(11.03)	(8.79)
Amortisation of deferred employee compensation		92.49	21.81
Depreciation on fixed assets	16 (V)	835.55	630.76
Write back of provision for depreciation in value of investments	18.03	(142.03)	(101.95)
Provision for non-performing advances including write off (net of recoveries)	18.03	5,299.72	2,606.55
Provision / (Write back of provision) on standard assets and other contingencies	18.03	357.03	(122.95)
Adjustments for :			
Increase in investments (excluding held to maturity investments)		(2,636.19)	(5,029.61)
Increase in advances		(43,819.89)	(45,216.33)
Increase in deposits		51,440.03	56,100.70
Increase in other assets		(672.87)	(812.41)
Increase in other liabilities and provisions		1,919.71	157.21
Direct taxes paid (net)		(201.24)	(807.21)
Net cash flow generated from operating activities (A)		14,465.09	11,542.89
B Cash flow from investing activities			
Purchase of fixed assets		(919.48)	(1,373.61)
Proceeds from sale of fixed assets		33.36	210.14
Increase in held to maturity investments		(2,591.67)	(8,723.23)
Net cash flow used in investing activities (B)		(3,477.79)	(9,886.70)
C Cash flow from financing activities			
Proceeds from issue of share capital including ESOPs (net of share issue expenses)		3,278.69	3,322.64
Proceeds from issue of additional Tier II Bonds		-	1,500.00
Net repayments in other borrowings		(11,951.95)	(7,776.35)
Net cash flow used in financing activities (C)		(8,673.26)	(2,953.71)



(₹ in crore)

	Schedule No.	Year ended March 31, 2025	Year ended March 31, 2024
D Effect of fluctuation in foreign currency translation reserve (D)		4.95	-
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		2,318.99	(1,297.52)
Cash and cash equivalents at the beginning of the year		12,481.16	13,778.68
Cash and cash equivalents acquired on amalgamation	18.01	298.93	-
Cash and cash equivalents at the end of the year		15,099.08	12,481.16
Represented by :			
Cash and Balances with Reserve Bank of India	6	13,985.47	10,988.46
Balances with Banks and Money at Call and Short Notice	7	1,113.61	1,492.70
Cash and cash equivalents at the end of the year		15,099.08	12,481.16

For and on behalf of the Board of Directors of IDFC FIRST Bank Limited**Sundara Iyer Ganesh Kumar**Independent Director
DIN: 07635860**V. Vaidyanathan**Managing Director &
Chief Executive Officer
DIN: 00082596**Sudhanshu Jain**Chief Financial Officer &
Head Corporate Centre**Satish Gaikwad**General Counsel &
Company Secretary

As per our report of even date.

For Kalyaniwalla & Mistry LLPChartered Accountants
(Firm Registration No: 104607W/W100166)**For M. P. Chitale & Co**Chartered Accountants
(Firm Registration No: 101851W)**Roshni Marfatia**Partner
(Membership No: 106548)**Ashutosh Pednekar**Partner
(Membership No: 041037)

Date : April 26, 2025

Place : Mumbai

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2025

SCHEDULE 1 - CAPITAL

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Authorised Capital		
12,962,000,000 (Previous Year - 7,500,000,000) equity shares of ₹ 10 each	12,962.00	7,500.00
103,800,000 (Previous Year - 3,800,000) preference shares of ₹ 100 each	1,038.00	38.00
Equity Share Capital		
Issued, Subscribed, Called up and Paid - up capital		
7,322,106,984 (Previous Year - 7,069,923,853) equity shares of ₹ 10 each, fully paid up	7,322.11	7,069.92
TOTAL	7,322.11	7,069.92

SCHEDULE 2 - RESERVES AND SURPLUS

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
I Statutory reserves		
Opening balance	2,319.30	1,579.30
Additions on amalgamation	2,469.44	-
Additions during the year (refer note 18.02)	385.00	740.00
Deduction during the year	-	-
Closing balance	5,173.74	2,319.30
II Capital reserves		
Opening balance	767.51	746.51
Additions on amalgamation	0.67	-
Additions during the year (refer note 18.02)	88.00	21.00
Deduction during the year	-	-
Closing balance	856.18	767.51
III Share premium		
Opening balance	20,183.35	17,312.51
Additions on amalgamation	2,522.07	-
Additions during the year	2,868.05	2,911.70
Deduction during the year (share issue expenses)	(13.75)	(40.86)
Deduction on amalgamation	(9,028.18)	-
Closing balance	16,531.54	20,183.35
IV General reserve		
Opening balance	794.29	688.22
Additions on amalgamation	672.97	-
Additions during the year (refer note 18.02)	492.76	106.07
Deduction during the year	-	-
Closing balance	1,960.02	794.29
V Amalgamation Reserve		
Opening balance	(231.80)	(231.80)
Additions during the year	-	-
Deduction on amalgamation (refer note 18.01)	231.80	-
Closing balance	-	(231.80)



Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2025

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
VI Special reserve		
Opening balance	703.50	640.00
Additions on amalgamation	2,642.23	-
Additions during the year (refer note 18.02)	30.00	63.50
Deduction during the year	-	-
Closing balance	3,375.73	703.50
VII Investment fluctuation reserve		
Opening balance	488.50	273.50
Additions during the year (refer note 18.02)	381.00	215.00
Deduction during the year (refer note 18.02)	(100.00)	-
Closing balance	769.50	488.50
VIII Investment reserve account		
Opening balance	662.50	613.50
Additions during the year	-	49.00
Deduction during the year (refer note 18.02)	(662.50)	-
Closing balance	-	662.50
IX Available for sale reserve		
Opening balance	-	-
Additions during the year (refer note 18.02)	172.73	-
Deduction during the year	-	-
Closing balance	172.73	
X Foreign currency translation reserve		
Opening balance	-	-
Additions during the year (refer note 18.02)	4.95	-
Deduction during the year	-	-
Closing balance	4.95	
XI Cash flow hedge reserve		
Opening balance	33.15	-
Additions during the year (refer note 18.02)	24.16	33.15
Deduction during the year (refer note 18.02)	(2.08)	-
Closing balance	55.23	33.15
XII Balance in Profit and Loss Account	1,785.33	(575.57)
GRAND TOTAL	30,684.95	25,144.73

SCHEDULE 2a - MINORITY INTEREST

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Minority interest at the date on which the parent - subsidiary relationship came into existence	-	-
Subsequent increase / decrease	-	-
Minority interest on the date of balance sheet	-	-

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2025

SCHEDULE 3 - DEPOSITS

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
A I Demand deposits		
(i) From banks	395.40	699.86
(ii) From others	19,342.50	17,831.44
TOTAL	19,737.90	18,531.30
II Savings bank deposits	98,484.22	76,230.81
III Term deposits		
(i) From banks	12,712.31	7,549.62
(ii) From others	121,075.80	98,258.47
TOTAL	133,788.11	105,808.09
GRAND TOTAL	252,010.23	200,570.20
B I Deposits of branches in India	251,919.27	200,570.20
II Deposits of branches outside India	90.96	-
GRAND TOTAL	252,010.23	200,570.20

Out of total Deposits ₹ 19,804.58 crore (Previous Year ₹ 16,682.02 crore), are lien marked including lien marked as collateral against fund and non-fund based exposure.

SCHEDULE 4 - BORROWINGS

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
I Borrowings in India		
(i) Reserve Bank of India	5,860.00	7,000.00
(ii) Other banks	4,126.47	1,933.90
(iii) Other institutions and agencies	28,222.15	41,682.65
TOTAL	38,208.62	50,616.55
II Borrowings outside India	775.17	319.18
GRAND TOTAL	38,983.79	50,935.74

Secured borrowings included in I and II above are ₹Nil (Previous Year: ₹Nil) except borrowings of ₹6,803.34 crore (Previous year: ₹17,089.24 crore) under repurchase transactions (including tri-party repo), transactions under Liquidity Adjustment Facility and Marginal Standing Facility.

During the year ended March 31, 2025, the Bank has raised Basel III compliant Tier II bond amounting to ₹Nil (Previous Year ₹1,500.00 crore).



Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2025

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
I Bills payable	1,399.12	1,015.04
II Inter - office adjustments (net)	-	-
III Interest accrued	1,824.57	1,754.82
IV Contingent provision against standard assets	1,278.46	851.53
V Deferred tax liabilities (net)	-	-
VI Derivative liability (MTM)	1,592.82	1,053.83
VII Others (including provisions)	8,663.97	7,755.04
GRAND TOTAL	14,758.94	12,430.26

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
I Cash in hand (including foreign currency notes)	724.18	929.41
II Balances with Reserve Bank of India :		
(i) In current accounts	9,918.29	9,758.05
(ii) In other accounts	3,343.00	301.00
GRAND TOTAL	13,985.47	10,988.46

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
I In India		
(i) Balance with banks		
(a) In current accounts	285.22	270.71
(b) In other deposit accounts	-	-
(ii) Money at call and short notice		
(a) With banks	-	-
(b) With other institutions	458.98	656.54
TOTAL	744.20	927.25
II Outside India		
(i) In current accounts	326.67	56.15
(ii) In other deposit accounts	-	-
(iii) Money at call and short notice	42.74	509.30
TOTAL	369.41	565.45
GRAND TOTAL	1,113.61	1,492.70

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2025

SCHEDULE 8 - INVESTMENTS

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
I Investments in India in :		
(i) Government securities	72,569.52	69,572.94
(ii) Other approved securities	-	-
(iii) Shares	796.14	492.76
(iv) Debentures and bonds	3,195.63	2,813.07
(v) Associates	-	-
(vi) Others *	3,941.36	1,619.40
TOTAL	80,502.65	74,498.17
II Investments outside India in :		
(i) Government securities (including local authorities)	-	-
(ii) Associates	-	-
(iii) Others (Shares)	2.59	1.95
TOTAL	2.59	1.95
GRAND TOTAL	80,505.24	74,500.12
III Investments in India :		
(i) Gross value of investments	80,773.92	74,752.99
(ii) Aggregate of provisions for depreciation	(271.27)	(254.82)
(iii) Net investment	80,502.65	74,498.17
IV Investments outside India :		
(i) Gross value of investments	2.44	1.95
(ii) Aggregate of provisions for depreciation	0.15	-
(iii) Net investment	2.59	1.95
GRAND TOTAL	80,505.24	74,500.12

* Includes investments in venture capital funds / alternative investment fund, security receipts, certificate of deposits and pass through certificates.



Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2025

SCHEDULE 9 - ADVANCES

(₹ in Crore)

		As at March 31, 2025	As at March 31, 2024
A	(i) Bills purchased and discounted	3,406.42	2,299.15
	(ii) Cash credits, overdrafts and loans repayable on demand	41,033.74	32,309.24
	(iii) Term loans	188,672.37	159,983.98
	TOTAL	233,112.53	194,592.37
B	(i) Secured by tangible assets *	130,194.33	105,194.82
	(ii) Covered by bank / government guarantees §	5,025.58	2,239.99
	(iii) Unsecured	97,892.62	87,157.56
	TOTAL	233,112.53	194,592.37
C I	Advances in India		
	(i) Priority sector	71,463.24	63,937.50
	(ii) Public sector	-	-
	(iii) Banks	47.87	227.83
	(iv) Others	161,074.43	130,427.04
	TOTAL	232,585.54	194,592.37
C II	Advances outside India		
	(i) Due from banks	-	-
	(ii) Due from others :	-	-
	(a) Bills purchased and discounted	-	-
	(b) Syndicated loans	256.43	-
	(c) Others	270.56	-
	TOTAL	526.99	-
	GRAND TOTAL	233,112.53	194,592.37

The above advances are net of provisions of ₹3,534.34 crore (Previous Year ₹2,866.93 crore).

Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹6,050.00 crore (Previous Year ₹7,775.00 crore).

* Includes advances against book debts

§ Includes advances against LCs issued by banks

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2025

SCHEDULE 10 - FIXED ASSETS

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
I Premises (including land)		
Gross block		
At cost at the beginning of the year	33.25	287.32
Additions during the year	0.00	-
Deductions during the year	(3.88)	(254.07)
TOTAL	29.37	33.25
Depreciation		
As at the beginning of the year	10.76	70.29
Charge for the year	0.47	3.09
Deductions during the year	(1.66)	(62.62)
Depreciation to date	9.57	10.76
Net block of premises (including land)	19.80	22.49
IA Premises under construction	-	-
II Other fixed assets (including furniture and fixtures) (refer note 18.10)		
Gross block		
At cost at the beginning of the year	5,117.97	3,671.59
Additions during the year	940.39	1,497.66
Deductions during the year	(138.17)	(51.28)
TOTAL	5,920.19	5,117.97
Depreciation		
As at the beginning of the year	2,560.42	1,974.13
Charge for the year	835.08	627.67
Deductions during the year	(118.05)	(41.38)
Depreciation to date	3,277.45	2,560.42
Net block of other fixed assets (including furniture and fixtures)	2,642.74	2,557.55
III Leased Assets		
Gross block		
At cost at the beginning of the year	-	-
Additions during the year	-	-
Deductions during the year	-	-
TOTAL	-	-
Depreciation		
As at the beginning of the year	-	-
Charge for the year	-	-
Deductions during the year	-	-
Depreciation to date	-	-
Net block of Leased Assets	-	-
IV Capital work - in - progress (including capital advances and leased assets) net of provisions	73.62	94.52
GRAND TOTAL	2,736.16	2,674.56



Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2025

SCHEDULE 11 - OTHER ASSETS

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
I Inter - office adjustments (net)	-	-
II Interest accrued	3,698.29	3,163.91
III Tax paid in advance / tax deducted at source (net of provisions)	543.40	576.29
IV Stationery and stamps	0.02	0.02
V Non banking assets acquired in satisfaction of claims	-	-
VI Deferred tax assets (net)	888.33	1,100.82
VII Derivative assets (MTM)	1,591.20	1,172.79
VIII Others *	5,594.83	5,808.08
GRAND TOTAL	12,316.07	11,821.91

* Includes Rural Infrastructure Development Fund of ₹736.69 crore (Previous Year ₹926.24 crore)

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
I Claims against the Group not acknowledged as debts	113.94	137.58
II Liability for partly paid investments	15.92	14.98
III Liability on account of outstanding forward contracts	232,783.42	151,745.93
IV Liability on account of outstanding derivative contracts :		
(a) Interest rate swaps, currency swaps, forward rate agreement and interest rate futures	173,349.04	123,416.03
(b) Foreign currency options	3,301.36	2,040.82
TOTAL (a+b)	176,650.40	125,456.85
V Guarantees given on behalf of constituents		
(a) In India	20,424.13	18,377.76
(b) Outside India	-	-
VI Acceptances, endorsements and other obligations	7,236.36	5,685.28
VII Other items for which the Group is contingently liable	1,655.43	942.79
GRAND TOTAL	438,879.60	302,361.17

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2025

SCHEDULE 13 - INTEREST EARNED

(₹ in Crore)

	Year ended March 31, 2025	Year ended March 31, 2024
I Interest / discount on advances / bills	30,834.52	25,915.89
II Income on investments	5,317.39	4,117.69
III Interest on balances with Reserve Bank of India and other inter - bank funds	114.70	94.00
IV Others	235.03	197.53
GRAND TOTAL	36,501.64	30,325.11

SCHEDULE 14 - OTHER INCOME

(₹ in Crore)

	Year ended March 31, 2025	Year ended March 31, 2024
I Commission, exchange and brokerage	6,206.89	5,288.11
II Profit / (loss) on sale of investments (net)	316.41	202.62
III Profit / (loss) on revaluation of investments (net)	164.22	2.80
IV Profit / (loss) on sale of land, buildings and other assets (net)	11.03	8.79
V Profit / (loss) on exchange / derivative transactions (net)	201.76	336.09
VI Income earned by way of lease finance, lease management fee, overdue charges and interest on lease rent receivables	-	-
VIII Miscellaneous income	76.35	93.32
GRAND TOTAL	6,976.66	5,931.73

SCHEDULE 15 - INTEREST EXPENDED

(₹ in Crore)

	Year ended March 31, 2025	Year ended March 31, 2024
I Interest on deposits	13,997.36	10,159.36
II Interest on borrowings from Reserve Bank of India / inter - bank borrowings	620.13	209.99
III Others	2,590.31	3,500.95
GRAND TOTAL	17,207.80	13,870.30



Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2025

SCHEDULE 16 - OPERATING EXPENSES

(₹ in Crore)

	Year ended March 31, 2025	Year ended March 31, 2024
I Payments to and provisions for employees	6,501.81	5,633.66
II Rent, taxes and lighting	817.68	682.07
III Printing and stationery	122.73	128.85
IV Advertisement and publicity	468.25	407.07
V (a) Depreciation on Group's property other than leased assets	835.55	630.76
(b) Depreciation on leased assets	-	-
VI Directors' fees, allowance and expenses	5.50	5.29
VII Auditors' fees and expenses	4.08	4.21
VIII Law charges	84.59	44.57
IX Postage, telegrams, telephones etc.	178.06	173.94
X Repairs and maintenance	235.92	220.28
XI Insurance	281.07	210.08
XII Amortisation of Goodwill, If any	-	-
XIII Other expenditure	9,356.36	8,006.95
GRAND TOTAL	18,891.60	16,147.73

Schedules

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2025

17 Significant accounting policies forming part of the Consolidated Financial Statements for the year ended March 31, 2025

A Background

IDFC FIRST Bank Limited (The "Bank") was incorporated on October 21, 2014 as a Company under the Companies Act, 2013 and had commenced its banking operations on October 01, 2015 after receiving universal banking license from the Reserve Bank of India (The "RBI") on July 23, 2015. The Bank provides a complete suite of banking and financial services including retail banking, wholesale banking, digital banking, and treasury operations. The Bank is primarily governed by the Banking Regulation Act, 1949. During the current year, the Bank has commenced overseas operations in Offshore Banking Unit at International Financial Service Centre Banking Unit (IBU), Gujarat International Finance Tec - City (GIFT City), Gandhinagar, India.

IDFC FIRST Bharat Limited is the subsidiary of the Bank. IDFC FIRST Bharat Limited (The "Subsidiary") has been operating as business correspondent.

B Principles of consolidation

The Consolidated Financial Statements comprise the financial statements of IDFC FIRST Bank Limited (The "Holding company" or The "Bank") and its subsidiary, which together constituting the "Group" and share of profit / loss of its associates.

The Bank consolidates its subsidiary in accordance with AS-21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013 read together with para 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 on a line - by - line basis by adding together the like items of assets, liabilities, income and expenditure. All significant inter - company accounts and transactions are eliminated on consolidation. Further, the Bank accounts for investments in associates in accordance with AS-23, Accounting for Investments in Associates in Consolidated Financial Statements, notified under Section 133 of the Companies Act, 2013 read together with para 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 using the equity method of accounting.

Capital reserve / goodwill on consolidation represents the difference between the Group's share in the net worth of the subsidiary and the cost of acquisition at the time of making the investment in / acquisition of the subsidiary. Minority interest represents the part of net results of operations and of the net assets of

subsidiary, attributable to interests not owned directly or indirectly through subsidiaries, and is presented separately from liabilities and equity.

The Group does not consolidate entities where the control / significant influence is intended to be temporary or entities which operate under severe long term restrictions that impair their ability to transfer funds to parent / investing entity or where the objective of control is not to obtain economic benefit from their activities.

C Basis of preparation

The financial statements have been prepared and presented based on historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with the requirements prescribed under Section 29 and Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements are in conformity with Generally Accepted Accounting Principles in India ("Indian GAAP"), circulars and guidelines issued by the RBI from time to time, the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with para 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India.

The Consolidated Financial Statements of the Group present the accounts of IDFC FIRST Bank Limited, its subsidiary and its associate for the full year.

Name	Relation	Country of Incorporation	Ownership Interest	
			March 31, 2025	March 31, 2024
IDFC FIRST Bharat Limited (formerly IDFC Bharat Limited)	Subsidiary	India	100.00%	100.00%
Millennium City Expressways Private Limited	Associate	India	29.31%	29.31%

The audited financial statements of the subsidiary company and the un - audited financial statements of the associate have been drawn up to the same reporting date as that of the Bank, i.e. March 31, 2025.

Upon composite scheme of amalgamation becoming effective from October 01, 2024, Jetpur Somnath



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Tollways Private Limited (associate of eIDFC Limited) became an associate company of the Bank, which was fully provided for in the books of the eIDFC Ltd. (provision of ₹132.19 crore). The Bank has not considered this in the Consolidated Financial Statements since the Bank is required to divest its stake to 10% or less of paid up equity share capital of the associate company as directed by the RBI.

The Standalone Financial Statements of the subsidiary have been prepared in accordance with notified Indian Accounting Standards ('Ind-AS') with effect from April 01, 2018. The financial statements of the subsidiary used for consolidation of the Consolidated Financial Statements are special purpose financial statements prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') specified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021.

In case the accounting policies followed by a subsidiary are different from those followed by the Bank, the same have been disclosed in the respective accounting policy.

D Use of estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities, disclosure of contingent liabilities as of the date of the financial statements and revenues and expenses during the reporting period. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

E Significant accounting policies :

17.01 Investments

Classification and Valuation of the Bank's investments is carried out in accordance with the RBI guidelines and Fixed Income Money Market and Derivatives Association ('FIMMDA') and Financial Benchmark India Private Limited ('FBIL') guidelines respectively, prescribed in this regard from time to time.

Classification :

In accordance with the RBI guidelines on Investment classification and valuation; Investments are

classified into following categories :

- Held to Maturity ('HTM')
- Available for Sale ('AFS')
- Fair Value through Profit and Loss ('FVTPL') including sub - category Held for Trading ('HFT') and
- Investment in Subsidiaries, Associates and / or Joint Ventures

However, for disclosure in the Balance Sheet, Investments in India are classified under six categories - (i) Government securities, (ii) Other approved securities, (iii) Shares, (iv) Debentures and bonds, (v) Investment in subsidiaries and / or joint ventures and (vi) Others.

Investments made outside India are classified under three categories - (i) Government securities (including local authorities), (ii) Subsidiaries and / or joint ventures abroad and (iii) Others.

Transfer of security between categories :

- Transfer of securities between categories of investments is accounted as per the RBI guidelines. Bank cannot reclassify investments between categories (viz. HTM, AFS and FVTPL (including reclassification from / to HFT)) without the approval of the Board of Directors. Further, reclassification shall also require prior approval of the Department of Supervision (DoS), RBI.
- Transfer of scrip from HTM to AFS is made at fair value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value shall be recognised in AFS Reserve.
- Transfer of scrip from HTM to FVTPL is made at fair value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value shall be recognised in Profit and Loss Account.
- Transfer of scrip from AFS to HTM is made at fair value. The cumulative gain / loss previously recognised in the AFS Reserve shall be withdrawn therefrom and adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value.
- Transfer of scrip from AFS to FVTPL is continuing to be at fair value. The cumulative gain or loss previously recognised in AFS Reserve shall be withdrawn therefrom and recognised in the Profit and Loss Account.

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- Transfer of scrip from FVTPL to AFS and HTM is made at carrying value. The carrying amount representing the fair value at the reclassification date remains unchanged.

Basis of classification and accounting :

- Securities are acquired with an intention and objective of holding it to maturity and terms of the security gives rise to cash flows that are solely payments of principal and interest in principal outstanding (SPPI criteria test) then it shall be classified under HTM.
- Securities that fulfil the SPPI criteria test and are acquired with the objective of collecting contractual cash flows and selling securities shall be classified under AFS. Further on initial recognition, the Bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading under AFS.
- Securities acquired with the intention to trade i.e. to take advantage of price and interest rate movements in the short term through active buying and selling will be classified under FVTPL - 'HFT'.
- All investments in subsidiaries, associates, and joint ventures is held in a distinct category for such investments separate from the other investment categories.

Cost of acquisition :

- Costs such as brokerage and commission pertaining to investments paid at the time of acquisition are charged to the Profit and Loss Account.
- Cost of investments is computed based on First in First Out Method ('FIFO') for all categories of investments including short sales.
- Broken period interest paid to the seller as part of cost and to be treated as an item of expenditure under Profit and Loss Account in respect of investments in securities.

Initial recognition :

All investments are measured at fair value on initial recognition. Unless facts and circumstances as mentioned in the RBI guidelines suggest that fair value is materially different from the acquisition cost, it is presumed that the acquisition cost is the fair value.

Day-1 gains / losses :

Day-1 gains / losses arising due to difference between fair value and acquisition cost on the date of initial recognition are accounted for under:

- Day-1 gains / losses on level 1 / level 2 instruments are recognised in the Profit and Loss Account under "Schedule 14: Other Income" within the subhead 'Profit / (loss) on revaluation of investments (net)'.
- Day-1 gains on level 3 instruments are deferred. In the case of debt instruments, the Day-1 gains are amortised on a straight - line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gains are set aside as a liability until the security is listed or derecognised.
- Day-1 losses on level 3 instruments is recognised immediately in the Profit and Loss Account.

Valuation :

Investments classified under HTM category are carried at their acquisition cost and not marked to market. Any premium or discount on acquisition of debt securities held under HTM, AFS or FVTPL including HFT category is amortised over the remaining maturity period of the security on a straight line method basis excluding STRIPS. Such amortisation is adjusted against interest income under the head "Income on Investments" as per the RBI guidelines.

Investments classified under AFS are fair valued and net appreciation / depreciation across all performing investments net of taxes if any is directly credited or debited to AFS Reserve without routing through Profit and Loss Account.

Investments classified under FVTPL (including HFT category) are fair valued and net gain / loss arising on such valuation is directly credited or debited to Profit and Loss Account.

- The market value of quoted government securities which qualify for determining the Statutory Liquidity Ratio ('SLR') included in the AFS and FVTPL including sub category HFT categories is computed as per the prices published by Financial Benchmarks India Private Limited ('FBIL').
- Special bonds such as oil bonds, DISCOM bonds, fertilizer bonds, etc. that do not qualify



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for SLR are valued using the prices published by FBIL or as per the extant FIMMDA / RBI guidelines.

- Traded bond investments are valued based on the trade / quotes on the recognised stock exchanges, or prices / yields published by Primary Dealers Association of India ('PDAI') jointly with FIMMDA / FBIL, periodically. The valuation of other unquoted fixed income securities (viz. Central Government securities, State Government securities, Other approved securities, Bonds and Debentures) and preference shares, wherever linked to the YTM rates, is done with a mark - up (reflecting associated credit and liquidity risk) over the YTM rates for government securities published by FIMMDA / FBIL. For Tax - free bonds, the valuation is done after grossing up the coupon in line with FIMMDA / FBIL guidelines.
- Traded equity investments are valued at the closing price as available on National Stock Exchange ('NSE'). In case the equity script is not listed on NSE, then closing price as available on BSE is considered. In case the script is not listed in either NSE or BSE then closing from the exchange on which the script is listed shall be considered.
- Unquoted equity shares are valued at the break - up value, if the latest Balance Sheet is available (which should not be more than 18 months prior to the date of valuation) or at ₹1 as per the RBI guidelines in case the latest Balance Sheet is not available.
- Units of mutual funds are valued at the latest repurchase price / Net Asset Value ('NAV') declared by the mutual fund.
- The valuation of discounted instruments such as, Treasury Bills, Commercial Papers, Certificate of Deposits is reckoned at carrying cost, while STRIPS are valued as per the prices published by FBIL / FIMMDA, in line with FIMMDA / Market Risk Management Policy. The accretion of discount on discounted money market securities (CP / CD / T - Bill) is computed basis the straight - line method while the STRIPS is reckoned as per constant yield method.
- Security receipts ('SR') are valued at the lower of realisation value and Net Asset Value

('NAV') considering as per the Net Asset Value provided by the Asset Reconstruction Companies ('ARCs').

- Investments in units of Venture Capital Funds ('VCF') / Alternate Investment Fund ('AIF') are valued in accordance with the RBI guidelines. Units of VCF / AIF held under AFS / FVTPL (including HFT) category are marked to market based on the NAV provided by VCF / AIF based on the latest financial statements. Valuation is based on audited financial statements at least, once in a year. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1.
- The Banks does not make investments in any scheme of AIF which has downstream investments (excluding investment in equity shares but including all other investments including investments in hybrid instruments) either directly or indirectly in a debtor company of the Bank. If the Bank has already invested into such schemes having downstream investment in their debtor companies as on the date of RBI circular including investment in subordinate units of an AIF scheme, Bank made a 100 percent provision on such investments. As clarified by the RBI, provisioning will be required only to the extent of investment by the Bank in AIF scheme which is further invested by the AIF in the debtor company, and not on the entire investment of the Bank in the AIF scheme.
- Pass Through Certificates ('PTCs') and Priority Sector PTCs are valued as per extant RBI guidelines.
- Loans converted into equity instruments which are acquired as a part of resolution plan, are recognised and valued, in accordance with the RBI guidelines.

Investments classified under AFS and FVTPL including HFT categories are marked to market as per the extant RBI guidelines. Book value of the individual securities does not undergo any change after the marked to market.

Securities are valued script wise and depreciation / appreciation is aggregated for each category of investment in their respective classifications. Net depreciation / appreciation, if any, compared to the

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acquisition cost, for FVTPL including HFT categories, is charged to the Profit and Loss Account.

Non - performing investments ('NPI') are identified and depreciation / provision is made thereon based on the RBI guidelines. Interest on non - performing investments is recognised on cash basis. Marked to Market appreciation in the security are ignored.

Once an investment is classified as an NPI, these securities are segregated from rest of the portfolio and not considered for netting valuation gains and losses.

Irrespective of the category (i.e. HTM, AFS or FVTPL (including HFT)) in which the investment has been placed, the provision for impairment are recognised in the Profit and Loss Account.

As a prudent risk measure, specific provision against identified investments are made based on management's assessment of impairment based on qualitative factors, subject to minimum provision determined as per FBIL / RBI valuation guidelines. These provisions are netted off from carrying value of such investments. Further, interest on such identified investments is recognised on cash basis.

Bonds and debentures are classified as other receivables under other assets on maturity date and disclosed under 'Schedule - 11 : Other Assets'.

Investment fluctuation reserve ('IFR') :

As per the RBI guidelines, the Bank is required to create an Investment fluctuation reserve ('IFR'). An amount not less than the lower of net profit on sale of investments in the AFS and FVTPL (including HFT) portfolio during the year or net profit for the year less mandatory appropriations shall be transferred to the IFR, until the amount of IFR is at least 2 percent of the AFS and FVTPL (including HFT) portfolio, on a continuing basis.

Further, the Holding company may, at its discretion, draw down the balance available in IFR in excess of 2 percent of its AFS and FVTPL (including HFT) portfolio, for credit to the balance of profit / loss as disclosed in the Profit and Loss Account at the end of any accounting year. In the event the balance in the IFR is less than 2 percent of the AFS and FVTPL (including HFT) investment portfolio, a draw down is permitted subject to the following conditions :

- (a) The drawn down amount is used only for meeting the minimum Common Equity Tier

1 / Tier 1 capital requirements by way of appropriation to free reserves or reducing the balance of loss and

- (b) The amount drawn down shall not be more than the extent, the MTM provisions made during the aforesaid year exceed the net profit on sale of investments during that year.

IFR is eligible for inclusion in Tier II capital.

Short sales:

The Bank undertakes short sale transactions in Central Government dated securities in accordance with the RBI guidelines and these are shown under "Schedule 8 - Investments". The short sale position is categorised under HFT category and netted off from HFT investments. The short position is marked to market along with other securities in that category and gain / loss, if any, is charged to the Profit and Loss Account. Profit / loss on settlement of the short position is recognised in the Profit and Loss Account.

Repurchase and reverse repurchase transactions :

In accordance with the RBI guidelines, Repurchase ('Repo') and Reverse repurchase ('Reverse Repo') transactions in government securities and corporate debt securities, including transactions conducted under Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are reflected as collateralised borrowing and lending transactions respectively. Balances held under Standing Deposit Facility (SDF) are reported under "Schedule 6 - Cash and balance with Reserve Bank of India". Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions are accounted as interest income.

As per the RBI circular RBI/2022-23/55 DOR.ACC. REC.No.37/21.04.018/2022-23 dated May 19, 2022, reverse repos with banks and other institutions having original tenors more than 14 days are classified under "Schedule 9 - Advances".

17.02 Advances

In accordance with the RBI guidelines, advances are classified as performing and non - performing. Non - Performing advances ('NPA') are further classified as Sub - Standard, Doubtful and Loss Assets in accordance with the RBI guidelines on Income Recognition and Asset Classification ('IRAC'). In addition, based on extant environment or specific information on risk of possible slippages or current



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pattern of servicing, the Bank makes provision on specific advances which are classified as standard advances as these are not non - performing advances ('identified standard advances'). Advances are stated net of provisions against NPA, specific provisions against identified advances, claims received from Export Credit Guarantee Corporation, provisions for non - performing funded interest term loan, net of direct assignment and provisions in lieu of diminution in the fair value of restructured asset.

The Holding company may transfer advances through inter - bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified as due from banks under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

The Holding company makes general provisions on all standard advances and restructured advances based on the rates under each category of advance as prescribed by the RBI. In addition, the Bank makes provisions for standard assets in stressed sectors, at rates higher than the regulatory minimum, based on evaluation of risk and stress as per the Board approved policy. The provision on standard advances is not reckoned for arriving at net NPAs. The provision against standard advances (other than provision against identified advances) is shown separately as "Contingent Provisions against Standard Assets" under "Schedule 5 - Other Liabilities".

In case of corporate loans, specific loan loss provisions in respect of identified advances and non - performing advances are made based on the management's assessment of the degree of impairment, subject to the minimum provisioning level prescribed by the RBI. The Bank can provide additional specific provision on standard advances at higher than prescribed rates as a prudent risk measure. These provisions are reviewed and reassessed at least once in a year. Provision on / write - off of homogeneous retail loans and advances, subject to minimum provisioning requirement of the RBI, is assessed on the basis of ageing of loans as prescribed in the Board approved

policy of the Bank. Provision due to diminution in the fair value of restructured / rescheduled loans and advances is made in accordance with the applicable RBI guidelines.

Non - performing and restructured loans are upgraded to standard as per the extant RBI guidelines.

Under the Large Exposure Framework, the sum of all exposure values of the Bank to a counterparty or a group of connected counterparties is considered as a 'Large Exposure', if it is equal to or more than 10 percent of the Bank's eligible capital base (i.e. Tier 1 capital).

In line with RBI guidelines on enhancing credit supply for Large Borrowers through Market Mechanism dated August 25, 2016, the Bank's incremental exposures from FY 2018-19 onwards to the specified borrowers exceeding the Net Permitted Lending Limits ('NPLL') shall attract prudential measures. Incremental Exposure of the Banking System to a specified borrower beyond NPLL shall be deemed to carry higher risk which shall be recognised by way of additional standard asset provisioning and higher risk weights.

Further, the RBI has issued guidelines on "Prudential Framework for Resolution of Stressed Assets dated June 07, 2019" with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets. The Banks Board approved Recovery Policy covers resolution requirements detailed in these guidelines.

The Bank is required to make an additional provisioning for the delayed implementation of Resolution Plan ('RP') as under :

- (a) Additional provision of 20% of total outstanding if RP is implemented beyond 180 days from the end of the review period
- (b) Additional provision of 15% of total outstanding if RP is implemented beyond 360 days from the end of the review period

The additional provisions shall be made over and above the higher of the following, subject to the total provisions held being capped at 100% of total outstanding :

- (a) The provisions already held; or,
- (b) The provisions required to be made as per IRAC norms

In the event of substantial erosion in value of loan and remote possibility of collection, non performing

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loans with adequate provisions are evaluated for technical / prudential write - off based on Bank's policy and the RBI guidelines. Such write-off does not have an impact on the Bank's legal claim against the borrower. The Bank may also write - off non - performing loans on one time settlement ('OTS') with the borrower or otherwise. Amounts recovered from borrowers against debts written - off is recognised in the Profit and Loss Account under "Provisions and Contingencies".

Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

In respect of borrowers classified as wilful defaulters, the Bank makes accelerated provisions as per the extant RBI guidelines.

Unhedged foreign currency exposure

Provision for Unhedged Foreign Currency Exposure of borrowers is made as per the RBI guidelines and disclosed under Contingent Provision against Standard Assets.

Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country as per the RBI guidelines). The countries are categorised into seven risk categories as mentioned in the ECGC guidelines namely Insignificant, Low, Moderately low, Moderate, Moderately high, High and Very high and provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the funded exposure (net) of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure.

17.03 Revenue recognition

Interest income :

Interest income is recognised on accrual basis in the Profit and Loss Account, except in the case of Non - Performing Assets ('NPAs') and identified standard advances, where it is recognised upon realisation. The unrealised interest booked in respect of NPAs and identified standard advances and any other facility given to the same borrower is reversed to the Profit and Loss Accounts and subsequent interest

income is accounted into interest suspense.

The unrealised interest represented by Funded Interest Term Loan ('FITL') is reversed in Profit and Loss Account with the corresponding credit in Sundry Liabilities Account - Interest Capitalization account. Interest income is booked in Profit and Loss Account upon realisation, by debiting the Sundry Liabilities Account.

Subvention income on loans is recognised as income over the tenor of the loan agreements. The unamortised balance is disclosed as part of other liabilities. On foreclosure, balance unamortised subvention income is recognised in the Profit and Loss Account. Income on retained interest in the assigned asset, if any, is accounted on accrual basis except in case of NPAs wherein interest income is recognised on receipt basis as per the RBI guidelines.

Interest Income on coupon bearing securities is recognised over the tenure of the instrument on a straight line method and on non - coupon bearing securities over the tenure on yield basis. Any premium or discount on acquisition of debt securities (securities meeting SPPI criteria) held under HTM, AFS or FVTPL category is amortised over the remaining maturity period of the security on a straight line method basis and STRIPS on constant yield basis.

Dividend on equity shares, preference shares, alternative investment funds and on mutual fund units is recognised as income when the right to receive the dividend is established.

Fees and charges :

Loan originating fees, when it becomes due, is recognised upfront as income. Arrangership / Syndication fee is accounted on completion of the agreed service and when right to receive is established. Fee and commission income is recognised as income when due and reasonable right of recovery is established and can be reliably measured.

Commission received on guarantees and letter of credit issued is recognised on straight line basis over the period of the contract or the period for which commission is received.

Fee on rescheduling of outstanding debt is recognised on accrual basis over the period of time covered by the rescheduled extension period.

Underwriting commission earned to the extent not reduced from the cost of the securities is recognised as fees on closure of issue.



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All other fees and charges are recognised as and when they become due and revenue can be reliably measured and reasonable right of recovery is established.

Investments :

Profit / loss on sale of investments under the HTM categories are recognised in the Profit and Loss Account. Further the profit on sale of investments in HTM categories is appropriated to the Capital Reserve Account (net of taxes and amount required to be transferred to Statutory Reserves) in accordance with the RBI guidelines.

Profit / loss on sale of investments under the AFS and FVTPL including HFT categories are recognised in the Profit and Loss Account.

Upon sale or maturity of a debt instrument in AFS category, the accumulated gain / loss for that security in the AFS Reserve transferred from the AFS Reserve and recognised in the Profit and Loss Account under Schedule 14 – Other Income.

Profit from sale of investment in subsidiary, associate, or joint venture is first recognised in the Profit and Loss Account and then appropriated below the line from Profit and Loss Account to the Capital Reserve Account. The amount so appropriated is net of taxes and the amount required to be transferred to Statutory Reserves.

In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments is not transferred from AFS Reserve to the Profit and Loss Account. Instead, such gain or loss is transferred from AFS Reserve to the Capital Reserve.

Exchange gain or loss arising on account of revaluation of monetary assets and liabilities (other than IBU) is recognised in the Profit and Loss Account as per the revaluation rates published by Foreign Exchange Dealers' Association of India ('FEDAI').

Other operating income :

Gain / loss on sell down of loans is recognised in line with the extant RBI guidelines.

Securitisation transactions :

The Bank enters into sale of retail loans through Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the SPV. The Bank also provides credit

enhancement in the form of cash collaterals and / or by subordination of cash flows to Senior Pass - Through Certificate holders. In respect of credit enhancements provided or recourse obligations accepted by the Bank, appropriate disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 and the relevant provision of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021.

In accordance with the RBI guidelines on Securitisation of Standard Assets dated September 24, 2021, the profit, loss or premium on account of securitisation of assets at the time of sale is computed as the difference between the sale consideration and the book value of the securitised asset.

Any resultant profit, loss or premium realised on account of securitisation is recognised to the Profit and Loss Account in the period in which the sale is completed.

In case of Non - Performing Assets sold to Securitisation Company ('SC') / Reconstruction Company ('RC') for cash, excess provision is reversed to Profit and Loss Account. Any loss arising on account of sale is recognised in the Profit and Loss Account in the year in which the sale occurs. If sale is against issuance of Security receipts ('SRs') by SC / RC, the SR is recognised at lower of redemption value of SRs and net book value of underlying loan sold. On realisation, the proceeds are reduced against the carrying value of SRs and surplus, if any, is recognised in the Profit and Loss Account.

In cases of investments in SRs by more than 10 percent of the SRs backed by the assets sold and issued under the scheme of securitisation, provisioning requirement on SRs will be higher of provisioning rate required in terms of net asset value declared by the SCs / RCs or provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books.

Direct assignments :

Assets transferred through direct assignment of cash flows are de - recognised in the Balance Sheet when they are sold (true sale criteria being fully met with) and consideration is received by the Bank.

Profit / premium arising on account of sale of standard asset, being the difference between the sale consideration and book value, is amortised

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over the residual life of the loan. Any loss arising on account of sale is recognised in the Profit and Loss Account in the year in which the sale occurs. In case of gain on sale of non - performing assets, the excess provision shall not be reversed but will be utilised to meet the shortfall / loss on account of sale of other non - performing financial assets and shortfall if any is charged to the Profit and Loss Account.

17.04 Priority sector lending certificates (PSLCs)

The Holding company enters into transactions for the purchase or sale of Priority Sector Lending Certificates ('PSLCs'). In case of a purchase transaction, the Bank buys the fulfilment of priority sector obligation and in case of a sale transaction, the Bank sells the fulfilment of priority sector obligation through the RBI trading platform without any transfer of underlying risk or loan assets. Fees paid for purchase of the PSLCs is recorded as 'Other Expenditure' and fees received for the sale of PSLCs is recorded as 'Miscellaneous Income' in Profit and Loss Account. These are amortised on straight line basis over the tenor of the certificate.

17.05 Transactions involving foreign exchange

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing exchange rates notified by FEDAI relevant to the Balance Sheet date. The resulting gain or loss on revaluation are included in the Profit and Loss Account in accordance with the RBI / FEDAI guidelines. All outstanding forward exchange contracts are revalued based on the forward rates notified by FEDAI for specified maturities and at interpolated rates for contracts of interim maturities. The forward exchange contracts of longer maturities (i.e. greater than or equal to 2 years) where exchange rates are not notified by FEDAI are revalued at the forward exchange rates implied by the swap curves in respective currencies. The resultant gains or losses are recognised in the Profit and Loss Account.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are valued and disclosed at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

The financial statements of IBU branch which are in the nature of non-integral overseas operations are

translated on the following basis : (a) Income and expenses are translated at the rates prevailing on the date of the transactions and (b) All assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing rate notified by FEDAI as at Balance Sheet date.

The exchange difference arising out of year end translation is debited or credited as "Foreign Currency Translation Reserve" forming part of "Reserves and Surplus".

17.06 Accounting for derivative transactions

Derivative transactions comprises of forward contracts, futures, swaps and options. The Bank undertakes derivative transactions for trading and hedging Balance Sheet assets and liabilities. All trading transactions are marked to market and resultant gain or loss is recognised in the Profit and Loss Account.

Foreign exchange contracts and derivative contracts are classified as assets when the fair value is positive (positive marked to market value) or as liabilities when the fair value is negative (negative marked to market value).

For hedge transactions, the Bank identifies the hedged item (asset or liability) and assesses the effectiveness at the inception as well as at each reporting date. Funding swaps are accounted in accordance with FEDAI guidelines / AS-11 - The Effects of Changes in Foreign Exchange Rates.

Hedge swaps and funding swaps are accounted for on accrual basis except in case of a swap designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases swaps are marked to market with the resultant gain or loss recorded as an adjustment to the market value of the designated asset or liability.

Hedge transactions are accounted for as per the guidance note issued by ICAI on accounting for derivative contracts. In case of a fair value hedge, the changes in the fair value of the hedging instruments and hedged items are recognised in the Profit and Loss Account and in case of cash flow hedges, the changes in fair value of effective portion are recognised in Reserves and Surplus under 'Cash Flow Hedge Reserve'. Any resultant profit or loss on termination of hedge swaps is amortised over the life of the swap or underlying liability whichever is shorter.



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Upon ineffectiveness of hedge on re - assessment or termination of underlying, the Bank shall de - designate the derivative as trade.

Premium / discount on currency swaps undertaken to hedge foreign currency assets and liabilities and funding swaps is recognised as interest income / expense on accrual basis and is amortised on a pro - rata basis over the underlying swap period.

Premium in option transaction is recognised as income / expense on expiry or early termination of the transaction. Marked to market gain / loss (adjusted for premium received / paid on options contracts) is recorded as other income. The amounts received / paid on cancellation of option contracts are recognised as realised gain / loss on options. Pursuant to the RBI guidelines, any receivables under derivative contracts which remain overdue for more than 90 days and marked to market gains on all derivative contracts with the same counter parties are reversed in Profit and Loss Account.

Currency futures contracts are marked to market using daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. All open positions are marked to market based on the settlement price and the resultant marked to market profit / loss settled with the exchange. Charges receivable / payable on cancellation / termination of foreign exchange forward contracts is recognised as income / expense on the date of cancellation / termination under 'Other Income'.

Valuation of Exchange Traded Currency Options is carried out on the basis of the daily settlement price of each individual option provided by the exchange and valuation of Interest Rate Futures is carried out on the basis of the daily settlement price of each contract provided by the exchange.

As per the RBI guidelines on 'Prudential Norms for Off Balance Sheet Exposures of Banks' a general provision is made on the current gross MTM gain of the contract for all outstanding interest rate and foreign exchange derivative transactions. For provisioning purpose, the exposure for all the counterparties with whom the Bank has bilateral agreement in place / Qualified Central Counter Party ('QCCP'), is reckoned as net positive MTM adjusted for collateral, if any, at the counterparty level. The exposure under standard provisioning for remaining counterparties is computed as the gross positive MTM at deal level and adjusted for collateral at the counterparty level.

17.07 Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets.

The Bank believes that the useful life of assets assessed pursuant to the Companies Act, 2013, taking into account changes in environment, changes in technology, the utility and efficacy of the asset in use, fairly reflects its estimate of useful lives of the fixed assets.

Capital work - in - progress includes cost of fixed assets that are not ready for their intended use and also include advances paid to acquire fixed assets.

Depreciation is charged over the estimated useful life of a fixed asset on a straight line basis. The rates of depreciation for fixed assets, which are not lower than the rates prescribed in Part C of Schedule II of the Companies Act, 2013, are given below :

Asset	Estimated Useful Life
Building – RCC Frame	60 Years
Building – Other than RCC Frame	30 Years
Computers – Desktops, Laptops, End User Devices	3 Years
Computers – Server & Network	6 Years
Vehicles	4 Years
Furniture	6 - 10 Years
Office Equipment	5 Years
Leasehold Improvements (Holding Company)	Over the extended period of lease
Leasehold Improvements (Subsidiary)	Over the period of lease or estimated useful life of the asset, whichever is shorter
Others (including software and system development)	5 Years

Depreciation on vehicles and mobile phones is higher than the rates prescribed under the Schedule II of the Companies Act, 2013, based on the internal assessment of the useful life of these assets.

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Fixed assets individually costing less than ₹5,000 are fully depreciated in the year of installation.

Depreciation on assets sold during the year is recognised on a pro - rata basis to the Profit and Loss Account till the date of sale. The gain or loss on sale of fixed assets is recognised to Profit and Loss Account. Profit on sale of premises net of taxes and transfer to Statutory Reserve is appropriated to Capital Reserve as per the RBI guidelines. The Subsidiary Company recognises the gains or losses arising on the disposal of the tangible assets in the Profit and Loss Account within other income or other expenses, as the case may be.

17.08 Income tax

Income tax expense is the aggregate amount of current tax and deferred tax charge. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and considering the material principles set out in Income Computation and Disclosure Standards to the extent applicable and as per AS-22 - Accounting for Taxes on Income respectively.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Current tax assets and liabilities and deferred tax assets and liabilities are off - set when they relate to income taxes levied by the same taxation authority, when the Bank has a legal right to off - set and when the Bank intends to settle on a net basis.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably / virtually certain to be realised. The impact of changes in the deferred tax assets / liabilities is recognised in the Profit and Loss Account.

Deferred tax assets and liabilities are computed at an individual entity level and aggregated for consolidated reporting.

17.09 Employees' stock option scheme

The Holding company has formulated Employees' Stock Option Scheme - IDFC FIRST Bank Limited ESOS - 2015 ('the Scheme') in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ['SEBI (SBEB & SE) Regulations']. The scheme provides for the grant of options to acquire equity shares of the Bank to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.

The Holding company follows the intrinsic value method to account for its stock - based employee compensation plans (for employees other than Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff). Intrinsic value is the amount by which the quoted market price of the underlying share on the date, prior to the date of the grant, exceeds the exercise price on the options. The quoted market price is the closing price on the stock exchange with highest trading volume of the underlying shares, immediately prior to the grant date. Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the grant price as determined under the option plan. Compensation cost is amortised over the vesting period on a straight line method with a corresponding credit to Employee Stock Options Reserve. In case the vested stock options get lapsed / cancelled / expire unexercised, the balance in stock options outstanding is transferred to the general reserve. In case the unvested stock options get lapsed / cancelled, the balance in stock option outstanding account is transferred to the Profit and Loss Account.

Further, the Holding company recognises fair value of share - linked instruments on the date of grant as an expense for all instruments granted after the accounting period ending March 31, 2021 for Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff as required in the RBI clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff. The fair value of the stock - based compensation is estimated on the date of grant using Black - Scholes model and the inputs used in the valuation model include assumptions such as the stock price, volatility, risk free interest rate, exercise price, time to maturity / expected life of options, expected dividend yield. The cost of stock



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options is recognised as compensation expense over the vesting period.

17.10 Employee benefits

Provident fund, superannuation fund and pension fund :

The Group makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Group make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's basic salary. The Group has no further obligations under the plan beyond its monthly contributions. Contributions to provident fund are charged to the Profit and Loss Account.

Gratuity :

The gratuity scheme of the Group is a defined benefit scheme covering all eligible employees. The defined gratuity benefit plans are valued by an independent actuary as at the Balance Sheet date using the projected unit credit method as per the requirement of AS-15, Employee Benefits, to determine the present value of the defined benefit obligation and the related service costs. The actuarial calculations entail assumptions about discount rate, expected rate of return on plan assets, salary escalation rate, demographics assumptions include retirement age, mortality, leaving service, disability. Actuarial gains and losses are recognised in the Profit and Loss Account for the year.

Compensated absences :

Any unavailed privilege leave to the extent encashable is paid to the employees and charged to the Profit and Loss Account for the year based on encashment of leaves.

17.11 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A disclosure of contingent liability is made when there is :

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non - occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

17.12 Earnings per share

The Group reports basic and diluted earnings per share in accordance with AS-20 Earnings per Share. Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares and weighted average number of dilutive potential equity shares outstanding during the year, except where the results are anti - dilutive.

17.13 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases.

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Amounts due under the operating leases, including cost escalation, are charged on a straight line method over the lease term in the Profit and Loss Account. Initial direct costs incurred specifically for operating leases are recognised as expenses in the Profit and Loss Account in the year in which they are incurred.

17.14 Reward Points

The Bank grants reward points in respect of certain cards. The Bank estimates the probable redemption of such loyalty / reward points using an actuarial method at the Balance Sheet date by employing an independent actuary which includes assumptions such as redemption rate, lapse rate, discount rate, value of reward points. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary as at the Balance Sheet date and included under 'Schedule 5 - Other liabilities and provisions'.

17.15 Share issue expenses

Share issue expenses are adjusted from Securities Premium Account in terms of Section 52 of the Companies Act, 2013.

17.16 Segment reporting

As per the RBI guidelines, the business segments are divided under a) Treasury b) Corporate and Wholesale Banking c) Retail Banking and d) Other Banking Business.

Further, the RBI vide its circular dated April 07, 2022, for the purpose of disclosure under AS-17, Segment reporting, had prescribed for reporting of 'Digital Banking' as a sub-segment under Retail Banking.

Business segments are identified and reported considering the target customer segment, the nature of products, internal business reporting system,

transfer pricing policy approved by Asset Liability Committee ('ALCO'), the guidelines prescribed by the RBI.

17.17 Impairment of assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

17.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with the RBI, Central Bank Digital Currency ('CBDC'), balances with other banks and money at call and short notice.

17.19 Corporate social responsibility

Amount spent towards corporate social responsibility, in accordance with Companies Act, 2013, are recognised in the Profit and Loss Account. Further, any amount spent by the Bank in excess of the mandatory CSR contribution is carried forward in the "CSR Pre - Spent Account", as the said amount can be set off against the required 2% CSR expenditure up to the immediately succeeding three financial years.

17.20 Accounting for dividend

As per AS-4, the Holding company does not account for proposed dividend as a liability through appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of shareholders. However, the Holding company reckons proposed dividend in determining capital funds in computing the capital adequacy ratio.



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Amounts in notes forming part of the financial statements for the year ended March 31, 2025 are denominated in ₹ crore.

18.01 Amalgamation of IDFC Limited

The Board of Directors of the Bank at its meeting held on July 03, 2023, had inter - alia, approved a composite scheme of amalgamation which envisages (i) amalgamation of (a) erstwhile IDFC Financial Holding Company Limited ("eIDFC FHCL") into and with erstwhile IDFC Limited ("eIDFC Limited"); and (b) eIDFC Limited into and with IDFC FIRST Bank Limited and their respective shareholders; and (ii) reduction of securities premium account of the Bank ("Scheme") pursuant to the provisions of Sections 230 to 232 of the Companies Act read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("CAA Rules") and the other applicable provisions of the Companies Act and other applicable laws including the rules and regulations thereunder.

The Hon'ble NCLT, in accordance with Sections 230 to 232 of the Companies Act and rules thereunder, had vide its order dated September 25, 2024, sanctioned the Scheme. Upon receipt of all requisite approvals, the Bank had filed the certified order of NCLT sanctioning the Scheme in form INC - 28 with Registrar of Companies on October 01, 2024, and accordingly, the Scheme has become effective on October 01, 2024 (Effective Date). As per the Scheme, the Appointed Date for the amalgamation of eIDFC Limited with and into the Bank is October 01, 2024, being opening of business hours on the Effective Date.

In terms of the Scheme, the Bank has issued and allotted 2,479,975,876 equity shares to the shareholders of eIDFC Limited as on October 10, 2024, being the record date fixed by the Board of Directors as per the Scheme, in accordance with the Share Exchange Ratio i.e. 155 fully paid - up equity shares of face value of ₹ 10/- each of IDFC FIRST Bank Limited for every 100 fully paid - up equity shares of face value of ₹ 10/- each of eIDFC Limited. Pursuant to the Scheme, 2,646,438,348 equity shares held by eIDFC Limited in the Bank stood cancelled, and hence there was a corresponding reduction of 166,462,472 equity shares in the paid - up share capital of the Bank. Consequent to the amalgamation becoming effective, the authorized share capital of the Bank automatically stood increased to ₹ 22,905.10 crore (21,867,100,000 equity shares of ₹ 10/- each and 103,800,000 preference shares of ₹ 100/- each).

In compliance with Section 12(1)(i) of the Banking Regulation Act, 1949, the authorised share capital of the Bank has been reduced from 21,867,100,000 Equity Shares of ₹ 10/- each and 103,800,000 Preference Shares of ₹ 100/- each to 12,962,000,000 Equity Shares of ₹ 10/- each and 103,800,000 Preference Shares of ₹ 100/- each, with consequent amendment to the Capital Clause (Clause V) of the Memorandum of Association of the Bank ("MOA"). The same has been approved by the shareholders of the Bank through Postal Ballot on March 19, 2025.

The amalgamation has been accounted for under the 'pooling of interest' method as prescribed in "Accounting Standard-14 "Accounting for Amalgamations" ("AS -14"). All assets and liabilities of eIDFC Limited have been recognised by the Bank at their carrying amounts as on the effective date except for adjustments to bring about uniformity of accounting policies as required under AS-14.

The share capital of ₹ 2,479.98 crore issued by the Bank as consideration pursuant to the Scheme has been adjusted against the corresponding share capital of amalgamating company (eIDFC Limited) of ₹ 1,599.98 crore and the difference has been debited to Merger Adjustment Account. Further, excess of cost over face value of investment in shares of the Bank by amalgamating company (eIDFC Limited) of ₹ 7,904.31 crore has been debited to Merger Adjustment Account. Further, to bring the uniformity in accounting policies, the Bank has debited an amount of ₹ 12.07 crore to Merger Adjustment Account. Consequently, as a result of these adjustments the Bank has recognised a debit balance of ₹ 8,796.38 crore in the Merger Adjustment Account. As mentioned in the Composite scheme of amalgamation, the securities premium available with the Bank after consolidation of securities premium of the amalgamating company (eIDFC Limited) has been reduced against negative balance in Amalgamation Reserve of ₹ 231.80 crore and debit balance in Merger Adjustment Account of ₹ 8,796.38 crore.

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Summarised values of assets and liabilities taken over in accordance with the terms of the Scheme are as detailed below :

Particulars	(₹ in crore)
Assets taken over	
Balances with banks and money at call and short notice	298.93
Investments	305.69
Other assets	37.71
Total Assets (A)	642.33
Liabilities taken over	
Other liabilities	24.24
Total Liabilities (B)	24.24
Net Assets (A-B)	618.09

18.02 Draw down from reserves

As per the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 ("Master Direction on Investment"), dated September 12, 2023 which is applicable to Banks from April 01, 2024, the Bank has drawn from Investment Fluctuation Reserve an amount of ₹100.00 crore (Previous Year ₹Nil), being excess of 2% of its AFS and FVTPL (including HFT) portfolio as at March 31, 2025.

Reserves and Surplus

i. Statutory Reserve

As mandated by the Banking Regulation Act, 1949, all banking companies incorporated in India shall create a reserve fund, out of the balance of profit of each year as disclosed in the Profit and Loss Account and before any dividend is declared and transfer a sum equivalent to not less than twenty five per cent of such profit. During the year, the Bank has transferred an amount of ₹385.00 crore (Previous Year ₹740.00 crore) to Statutory Reserve Account.

ii. Investment Reserve Account (IRA)

During the year ended March 31, 2025, the Bank implemented the Master Direction on Investment. Consequent to the transition provision, the Bank has transferred an amount of ₹381.00 crore and balance of ₹281.50 crore from IRA to Investment Fluctuation Reserve and General Reserve, respectively.

iii. Investment Fluctuation Reserve (IFR)

As per the Master Direction on Investment, the Banks are required to create an IFR until the amount of IFR is at least 2 percent of the AFS and FVTPL (including HFT) portfolio, on a continuing basis, by transferring to the IFR an amount not less than the lower of the net profit on sale of investments during the year or net profit for the year, less mandatory appropriations. Consequent to transition the Bank has transferred ₹381.00 crore from IRA to the IFR and subsequently drawn an amount of ₹100.00 crore.

iv. Capital Reserve

As per RBI guidelines, profit on sale of investments in the 'Held to Maturity' category is recognised in the Profit and Loss Account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit / loss on sale of investments in 'Available for Sale' and 'Held for Trading' categories is recognised in the Profit and Loss Account. Profit on sale of premises net of taxes and transfer to Statutory Reserve is also appropriated to Capital Reserve as per the RBI guidelines. Accordingly, the Bank has appropriated ₹88.00 crore (Previous Year ₹21.00 crore) to Capital Reserve.

v. Special Reserve

As per the provisions under Section 36(1)(viii) of Income Tax Act, 1961, specified entities like banks are allowed deduction in respect of any special reserve created and maintained, i.e. an amount not exceeding twenty percent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" is carried to such reserve account. This would be applicable till the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid - up share capital and general reserves of the entity. During the year, the Bank has transferred an amount of ₹30.00 crore (Previous Year ₹63.50 crore) to Special Reserve.



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vi. Cash Flow Hedge Reserve

During the year ended March 31, 2025, the Bank has terminated hedge contracts and recognised the gain of ₹57.31 crore, to be amortised over the balance period of the hedging instrument. Out of this, ₹2.08 crore has been released to Profit and Loss Account and balance of ₹55.23 crore is held in Cash Flow Hedge Reserve as at March 31, 2025.

vii. General Reserve

During the year ended March 31, 2025, the Bank implemented the Master Direction on Investment. Consequent to the transition provision, the Bank has accounted net gain of ₹209.83 crore (post tax) and transferred from IRA an amount of ₹281.50 crore.

viii. Available for Sale Reserve (AFS Reserve)

During the year ended March 31, 2025, the Bank implemented the Master Direction on Investment. Consequent to the transition provision, the Bank has recognised net gain of ₹322.64 crore (post tax) to Available for Sale Reserve (AFS). Subsequently, during the year, there has been a net reduction of ₹149.92 crore (post tax) on account of MTM on the designated AFS securities.

ix. Foreign Currency Translation Reserve (FCTR)

As at March 31, 2025, the Bank has recognised ₹4.95 crore (Previous Year ₹Nil) as Foreign Currency Translation Reserve on account of translation of foreign currency assets and liabilities of non - integral foreign operations.

18.03 Provisions and contingencies

Provisions and contingencies shown under the head expenditure in Profit and Loss Account comprise of:

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Provision made towards income tax		
- Current tax	480.81	668.70
- Deferred tax	(106.99)	246.11
Provisions for depreciation on investment *	(142.03)	(101.94)
Provision on Non - Performing Advances ^	5,299.72	2,606.54
Provision and other contingencies #	357.04	(122.95)
TOTAL	5,888.55	3,296.46

* Including specific provision / (write back of provision) against identified investments and write - offs net of recoveries.

^ Including bad debts write - off net of recoveries and specific provision / (write back of provision) against identified advances.

Including provision on restructured assets and provision against standard asset.

18.04 Employee benefits

i. The Group has charged the following amounts in the Profit and Loss Account towards contribution to defined contribution plans which are included under schedule 16 (I) :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Provident fund	197.31	170.69
Pension fund	12.69	8.60

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ii. Gratuity

The following tables summarise the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the gratuity benefit plan :

Profit and Loss Account

Net employee benefit expenses :

	(₹ in crore)	
Particulars	March 31, 2025	March 31, 2024
Current service cost	47.04	37.04
Interest on defined benefit obligation	16.32	11.80
Expected return on plan assets	(10.22)	(6.81)
Net actuarial losses / (gains) recognised in the year	14.09	13.08
Past service cost	-	-
Total included in "Payments to and provisions for employees" [schedule 16(I)]	67.23	55.11
Actual return on plan assets	11.84	9.16

Balance Sheet

Details of provision for gratuity :

	(₹ in crore)	
Particulars	March 31, 2025	March 31, 2024
Present value of funded obligations	255.47	191.15
Fair value of plan assets	(190.02)	(139.95)
Unrecognised past service cost	-	-
Net liability included under Schedule 5 - Other Liabilities	65.45	51.20

Changes in the present value of the defined benefit obligation are as follows :

	(₹ in crore)	
Particulars	March 31, 2025	March 31, 2024
Opening defined benefit obligation	191.15	135.55
Current service cost	47.04	37.04
Interest cost	16.32	11.80
Actuarial losses / (gains)	15.73	15.43
Past service cost	-	-
Liabilities assumed on acquisition / (settled on divestiture)	-	-
Benefits paid	(14.77)	(8.67)
Closing defined benefit obligation	255.47	191.15

Changes in the fair value of plan assets are as follows :

	(₹ in crore)	
Particulars	March 31, 2025	March 31, 2024
Opening fair value of plan assets	139.95	96.51
Expected return on plan assets	10.22	6.81
Actuarial gains / (losses)	1.62	2.36
Contributions by employer	53.00	42.94
Assets acquired on acquisition / (distributed on divestiture)	-	-
Benefits paid	(14.77)	(8.67)
Closing fair value of plan assets	190.02	139.95
Expected employers contribution next year	55.00	35.00



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Experience adjustments :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Defined benefit obligations	255.47	191.15	135.55	101.79	84.52
Plan assets	190.02	139.95	96.51	82.23	69.87
Surplus / (deficit)	(65.45)	(51.20)	(39.04)	(19.56)	(14.65)
Experience adjustments on plan liabilities	6.63	8.51	3.77	2.47	(3.76)
Experience adjustments on plan assets	1.63	2.58	(2.05)	(0.16)	2.38

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets (Holding Company) :

Particulars	March 31, 2025	March 31, 2024
Government securities	54.11%	59.34%
Bonds, debentures and other fixed income instruments	23.93%	29.31%
Deposits and money market instruments	6.19%	3.30%
Equity shares	15.77%	8.05%

Principal actuarial assumptions at the Balance Sheet date (Holding Company) :

Particulars	March 31, 2025	March 31, 2024
Discount rate (p.a.)	6.65%	7.20%
Expected rate of return on plan assets (p.a.)	7.00%	7.00%
Salary escalation rate (p.a.)	8.00%	8.00%

Principal actuarial assumptions at the Balance Sheet date (Subsidiary) :

Particulars	March 31, 2025	March 31, 2024
Discount rate (p.a.)	6.55%	7.20%
Expected rate of return on plan assets (p.a.)	7.00%	7.00%
Salary escalation rate (p.a.)	10.00%	10.00%

The estimates of future salary increase takes into account the inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long - term rate of return expected on investments of the Fund during the estimated term of the obligations.

18.05

Segment reporting

Business segments :

The business of the Bank is divided into four segments : Treasury, Corporate / Wholesale Banking, Retail Banking Business and Other Banking Business. These segments have been identified and reported taking into account, the target customer segment, the nature of products, internal business reporting system, transfer pricing policy approved by Asset Liability Committee ('ALCO'), the guidelines prescribed by the Reserve Bank of India ('the RBI'), which has been relied upon by the Joint Statutory Auditors.

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Segment	Principal activities
Treasury	The treasury segment primarily consists of the Bank's investment portfolio, money market borrowing and lending, investment operations and foreign exchange and derivative portfolio of the Bank. Revenue of treasury segment consists of interest income on investment portfolio, inter segment revenue, gains or losses from trading operations, trades and capital market deals. The principal expenses consist of interest expenses from external sources and on funds borrowed from inter segments, premises expenses, personnel cost, direct and allocated overheads.
Corporate / Wholesale Banking	The wholesale banking segment provides loans, non - funded facilities, loan syndication and transaction services to corporate relationship not included under Retail Banking. Revenues of the wholesale banking segment consists of interest earned on loans to customers, inter segment revenue, interest / fees earned on transaction services, earnings from trade services, fees on client FX & derivative and other non - funded facilities. The principal expenses of the segment consist of interest expense on funds borrowed from internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses of delivery channels, and support groups.
Retail Banking	<p>Retail Banking constitutes lending to individuals / business banking customers through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Revenues of the retail banking segment are derived from interest earned on retail loans, inter segment revenue and fees from services rendered, fees on client FX & derivative. Expenses of this segment primarily comprise interest expense on deposits and funds borrowed from inter segments, commission paid to retail assets sales agents, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated and support groups.</p> <p>This also includes digital banking products acquired by Digital Banking Units (DBUs) / digital banking products which are disclosed under 'Digital Banking' Segment. In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022 on Establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as a sub - segment of the Retail Banking Segment.</p>
Other Banking Business	This segment includes revenue from distribution of third party products and the other associated cost.
Unallocated	All items which are reckoned at an enterprise level are classified under this segment. This includes assets and liabilities which are not directly attributable to any segment. Revenue and expense of this segment includes income and expenditure which are not directly attributable to any of the above segments. Revenue includes interest on income tax refund and expense of this segment mainly includes employee cost, establishment & technology expense which are not directly attributable to any segment.



Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2025

Segmental reporting for the year ended March 31, 2025 are set out below :

(₹ in crore)

Particulars	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Business	Total
			Digital Banking	Other Retail Banking	Total Retail Banking		
Revenue (i)	26,066.30	9,168.80	8,111.57	39,201.31	47,312.88	1,074.67	83,622.65
Add : Unallocated revenue (ii)							124.01
Less : Inter segment revenue (iii)							(40,268.36)
Total Revenue (i+ii-iii)							43,478.30
Segment Results Before Tax (iv)	662.82	899.46	(93.12)	202.64	109.52	614.87	2,286.67
Less : Unallocated expenses (net of revenue) (v)							(422.50)
Operating Profit Before Earnings From Associate (iv-v)							1,864.17
Less : Provision for tax							(373.82)
Net Profit / (Loss) Before Earnings From Associate							1,490.35
Add : Share of profit / (loss) in Associate							-
Net Profit							1,490.35
Segment assets	99,595.68	44,181.54	20,467.74	176,993.25	197,460.99	108.18	341,346.39
Add : Unallocated assets							2,562.35
Total Segment Assets							343,908.74
Segment liabilities	33,139.28	71,684.95	56,173.47	143,857.58	200,031.05	46.75	304,902.03
Add : Unallocated liabilities							850.93
Total Segment Liabilities							305,752.96
Capital Employed (Segment Assets - Segment Liabilities)	66,456.40	(27,503.41)	(35,705.73)	33,135.66	(2,570.07)	61.43	36,444.36
Add : Unallocated capital employed							1,711.42
Total Capital Employed							38,155.78
Capital expenditure for the year	3.02	50.69	88.79	776.75	865.54	7.51	926.76
Add : Unallocated capital expenditure							13.63
Total Capital Expenditure							940.39
Depreciation on fixed assets for the year	2.88	40.93	49.27	725.94	775.21	9.40	828.42
Add : Unallocated depreciation							7.13
Total Depreciation							835.55

The above Segmental Reporting includes revenue and other income earned from Insurance Companies as under :

- Commission income from sale of insurance policies of ₹809.02 crore
- Others (CMS fee, remittances fee etc.) of ₹0.34 crore.

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Segmental reporting for the year ended March 31, 2024 are set out below :

(₹ in crore)

Particulars	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Business	Total
			Digital Banking	Other Retail Banking	Total Retail Banking		
Revenue (i)	17,610.49	8,042.63	5,845.59	32,486.89	38,332.48	903.20	64,888.80
Add : Unallocated revenue (ii)							53.96
Less : Inter segment revenue (iii)							(28,685.92)
Total Revenue (i+ii-iii)							36,256.84
Segment Results Before Tax (iv)	361.57	1,400.16	(92.45)	2,118.63	2,026.18	515.61	4,303.52
Less: Unallocated expenses (net of revenue) (v)							(446.36)
Operating Profit Before Earnings From Associate (iv-v)							3,857.16
Less: Provision for tax							(914.81)
Net Profit / (Loss) Before Earnings From Associate							2,942.35
Add: Share of profit / (loss) in Associate							-
Net Profit							2,942.35
Segment assets	90,330.68	33,996.22	19,656.66	148,502.40	168,159.06	87.14	292,573.10
Add: Unallocated assets							3,636.68
Total Segment Assets							296,209.78
Segment liabilities	43,620.16	60,796.33	36,816.69	121,791.73	158,608.42	51.79	263,076.70
Add: Unallocated liabilities							859.50
Total Segment Liabilities							263,936.20
Capital Employed (Segment Assets - Segment Liabilities)	46,710.52	(26,800.11)	(17,160.03)	26,710.67	9,550.64	35.35	29,496.40
Add: Unallocated capital employed							2,777.18
Total Capital Employed							32,273.58
Capital expenditure for the year	6.39	136.46	16.28	1,322.44	1,338.72	8.30	1,489.87
Add: Unallocated capital expenditure							7.79
Total Capital Expenditure							1,497.66
Depreciation on fixed assets for the year	6.92	50.16	8.90	552.56	561.46	7.18	625.72
Add: Unallocated depreciation							5.04
Total Depreciation							630.76

The above Segmental Reporting includes revenue and other income earned from Insurance Companies as under :

- Commission income from sale of insurance policies of ₹ 638.03 crore.
- Income on account of display of publicity and branding material of Insurance Companies of ₹80.02 crore.
- Others (CMS fee, remittances fee etc.) of ₹0.30 crore.



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Geographic Segments :

The business operations of the Bank are largely concentrated in India and for purpose of Segment reporting, the Bank is considered to operate only in domestic segment, though the Bank has its operation in International Financial Services Centre (IFSC) Banking Unit in Gujarat International Finance Tec - City (GIFT City). The business conducted from the same is considered as a part of Indian operation.

18.06 Deferred tax

The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under :

(₹ in crore)		
Particulars	March 31, 2025	March 31, 2024
Deferred tax assets on account of provisions for loan losses	1,123.32	993.04
Deferred tax assets on account of provision for diminution in value of investments	70.80	76.90
Deferred tax assets on account of depreciation on fixed assets (including intangible assets)	4.40	4.06
Deferred tax assets on account of long term capital loss	4.91	5.52
Deferred tax assets on account of other contingencies	-	201.97
Deferred tax assets (A)	1,203.43	1,281.49
Deferred tax liabilities on account of depreciation on fixed assets (including intangible assets)	73.92	72.92
Deferred tax liabilities on special reserve under section 36(1)(viii) of Income Tax Act, 1961	115.31	107.75
Deferred tax liabilities on account of other contingencies	13.35	-
Deferred tax liabilities on account of RBI Circular on investment accounting*	91.51	-
Balance transfer from eIDFC Ltd to the Bank under merger	21.01	-
Deferred tax liabilities (B)	315.10	180.67
Net Deferred tax assets (A-B)	888.33	1,100.82

* This includes the effect of restatement of deferred tax assets due to change in rate of capital gain tax pursuant to the Finance Act 2024.

18.07 Related party disclosure

As per AS - 18, Related Party Disclosure, the Bank's related parties for the year ended March 31, 2025 are disclosed below :

a. Entities having Significant Influence *

IDFC Limited

IDFC Financial Holding Company Limited

* As per composite scheme of amalgamation (a) eIDFC Financial Holding Company Limited amalgamated into and with eIDFC Limited; and (b) eIDFC Limited amalgamated into and with IDFC FIRST Bank Limited with effective date of October 01, 2024.

b. Associates

Millennium City Expressways Private Limited

Jetpur Somnath Tollways Private Limited (w.e.f. October 01, 2024)

c. Key Management Personnel

Mr. V. Vaidyanathan - (MD & CEO)

Mr. Pradeep Natarajan - Whole Time Director (WTD) (w.e.f. June 01, 2024)

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d. Relatives of Key Management Personnel

Relatives of Mr. V. Vaidyanathan

Mrs. Jeyashree Vaidyanathan, Mr. Krishnamurthy Vembu, Mr. Pranav Vaidyanathan, Mr. Amartya Vaidyanathan, Ms. Anusha Vaidyanathan, Group Captain V. Satyamurthy, Mr. Maj V Krishnamurthy, Ms. Savitri Krishnamoorthy.

Relatives of Mr. Pradeep Natarajan - Whole Time Director (WTD) (w.e.f. June 01, 2024)

Mrs. Deepa Pradeep, Mr. Natarajan Pookote, Mrs. Parakkat Nirmaladevi, Mr. Aadi Pradeep Menon, Ms. Anuradha Srinivasa, Mr. Dhruv Pradeep Menon.

e. Enterprises over which KMP / Relatives of KMP have control / significant influence

Rukmani Social Welfare Trust, V Satyamurthy Security Agency, Chanakya Talent

The significant transactions between the Bank and related parties for the year ended March 31, 2025 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of all related party transactions in that category:

- **Interest expense :**
IDFC Financial Holding Company Limited ₹4.19 crore (Previous Year ₹15.48 crore)
- **Managerial remuneration :**
Mr. V. Vaidyanathan ₹5.55 crore (Previous Year ₹5.31 crore)
Mr. Pradeep Natarajan ₹3.41 crore (Previous Year ₹Nil)
- **Operating expenses :**
Millennium City Expressways Private Limited ₹0.24 crore (Previous Year ₹Nil)
- **Rendering of services :**
Mr. V. Vaidyanathan ₹0.01 crore (Previous Year ₹Nil)
Mr. Pradeep Natarajan ₹ 3 (Previous Year ₹Nil)
- **Interest income earned :**
Mr. Pradeep Natarajan ₹0.31 crore (Previous Year ₹Nil)

The details of the transactions of the Group with its related party during the year ended March 31, 2025 are given below :

(₹ in crore)

Particulars	Related Party				
	Entities having Significant Influence	Associates / Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP / Relatives of KMP have Control / Significant Influence
Interest expense	4.37	-	0.07	0.18	0.01
Interest income earned	-	-	0.31	-	-
Managerial Remuneration ^	-	-	8.96	-	-
Rendering of services	3	-	0.01	3	3
Operating expenses	-	0.24	-	-	-

^ Based on the performance evaluation of the Bank and the MD & CEO for FY 2023-24 and considering the recommendations of the NRC and the Board, the Reserve Bank of India approved the grant of ₹8.62 crore as variable pay for FY 2023-24 to MD & CEO which converts to 2,420,626 stock options. The said RBI approval was subsequently noted by the NRC and the Board at their respective meetings held on September 27, 2024.



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The balances payable to / receivable from the related parties of the Group as on March 31, 2025 are given below :

(₹ in crore)

Particulars	Related Party				
	Entities having Significant Influence	Associates / Joint Ventures #	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP / Relatives of KMP have Control / Significant Influence
Deposits with the Bank	-	-	0.89	2.61	0.82
Interest accrued on deposit	-	-	β	0.03	β
Loans & advances including credit card balances	-	295.07	4.18	β	-
Interest accrued on advances	-	-	0.02	-	-
Investment of the Bank	-	351.08	-	-	-
Investment of related party in the Bank §	-	-	-	-	-

§ As at March 31, 2025, MD & CEO holds 64,967,464, Whole Time Director holds 2,718,500 , Relatives of KMP holds 319,500 & Entities over which KMP / Relatives of KMP have Control Significant Influence holds 5,093,860 equity shares in the Bank.

Loans and investments in the Associate companies have been technically written off / fully provided.

The maximum balances payable to / receivable from the related parties of the Group during the year ended March 31, 2025 are given below :

(₹ in crore)

Particulars	Related Party				
	Entities having Significant Influence	Associates / Joint Ventures #	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP / Relatives of KMP have Control / Significant Influence
Deposits with the Bank	298.88	-	1.91	2.61	0.82
Loans & advances including credit card balances	-	295.07	5.67	0.04	-
Investment of the Bank	-	351.08	-	-	-

Loans and investments in the Associate companies have been technically written off / fully provided.

Notes

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The details of the transactions of the Group with its related parties during the year ended March 31, 2024 are given below :

(₹ in crore)

Particulars	Related Party				
	Entities having Significant Influence	Associates / Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP / Relatives of KMP have Control / Significant influence
Interest expense	15.62	-	0.40	0.08	0.01
Managerial remuneration ^	-	-	6.90	-	-
Rendering of services	β	-	-	β	β
Swaps / forward contract	0.68	-	-	-	-
Purchase of investment (inclusive of broken period interest paid)	-	-	-	-	30.28

^ Based on the performance evaluation of the Bank and the MD & CEO for FY 2022-23 and considering the recommendations of the NRC and the Board, the Reserve Bank of India approved the grant of ₹ 7.30 crore as variable pay for FY 2022-23 to MD & CEO which converts to 3,059,514 stock options. The said RBI approval was subsequently noted by the NRC and the Board at their respective meetings held on January 17, 2024 and January 20, 2024.

The balances payable to / receivable from the related parties of the Group as on March 31, 2024 are given below :

(₹ in crore)

Particulars	Related Party				
	Entities having Significant Influence	Associates / Joint Ventures #	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP / Relatives of KMP have Control / Significant influence
Deposits with the Bank	140.31	-	2.54	1.27	0.26
Interest accrued on deposit	0.54	-	0.01	0.01	β
Loans & advances including credit card balances	-	295.07	0.06	0.05	-
Investment of the Bank	-	218.88	-	-	-
Investment of related party in the Bank §	-	-	-	-	-

§ As at March 31, 2024, Entities having significant influence holds 2,646,438,348, MD & CEO holds 64,367,464, Relatives of KMP holds 319,500 & Entities over which KMP / Relatives of KMP have Control Significant Influence holds 5,093,860 equity shares in the Bank.

Loans and investments in the Associate company have been technically written off.

The maximum balances payable to / receivable from the related parties of the Group during the year ended March 31, 2024 are given below :

(₹ in crore)

Particulars	Related Party				
	Entities having Significant Influence	Associates / Joint Ventures #	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP / Relatives of KMP have Control / Significant influence
Deposits with the Bank	229.66	-	12.17	1.56	0.26
Loans & advances including credit card balances	-	295.07	0.10	0.05	-
Investment of the Bank	-	226.38	-	-	-

Loans and investments in the Associate company have been technically written off.



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18.08 Earnings per share ('EPS')

Basic and diluted earnings per equity share are computed in accordance with AS - 20 Earnings per share. Basic earnings per equity share is computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares and weighted average number of dilutive potential equity shares outstanding during the year, except where the results are anti - dilutive. Dilution of equity is on account of employee stock options granted by the Bank.

Particulars	March 31, 2025	March 31, 2024
Basic		
Weighted average number of equity shares outstanding (in crore)	729.55	684.57
Net Profit / (Loss) after tax (₹ in crore)	1,490.35	2,942.35
Basic earnings per share (₹)	2.04	4.30
Diluted		
Weighted average number of equity shares outstanding (in crore)	733.68	696.36
Net Profit / (Loss) after tax (₹ in crore)	1,490.35	2,942.35
Diluted earnings per share (₹)	2.03	4.23
Nominal value of shares (₹)	10.00	10.00

Reconciliation between the basic and diluted earnings per equity share :

Particulars	March 31, 2025	March 31, 2024
Basic earnings per share (₹)	2.04	4.30
Add: Effect of potential equity shares (per share) (₹)	(0.01)	(0.07)
Diluted earnings per share (₹)	2.03	4.23

Reconciliation between weighted shares used in computation of basic and diluted earnings per equity share :

Particulars	March 31, 2025	March 31, 2024
Basic weighted average number of equity shares outstanding (in crore)	729.55	684.57
Add: Effect of potential equity shares (in crore)	4.13	11.79
Diluted weighted average number of equity shares outstanding (in crore)	733.68	696.36

18.09 Leases

Disclosures in respect of operating leases are given below:

(This comprise of office premises / branches / ATMs taken on lease.)

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Future lease rentals payable as at the end of the year :		
Not later than one year	657.10	559.42
Later than one year and not later than five years	1,857.13	1,656.46
Later than five years	463.14	363.16
Total of minimum lease payments recognised in the Profit and Loss Account for the year	720.69	614.31
Total of future minimum sub - lease payments expected to be received under non - cancellable sub-leases	-	-
Sub - lease payments recognised in the Profit and Loss Account for the year	-	-

The Group has not sub - leased any of its properties taken on lease. There are no provisions relating to contingent rent. The terms of renewal / purchase options and escalation clauses are those normally prevalent in similar agreements. There are generally no undue restrictions or onerous clauses in the agreements.

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18.10 Other fixed assets

The movement in fixed assets capitalised as application software (included in Other Fixed Assets) is given below :

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
	Software	Software
Cost		
At the beginning of the year	2,291.83	1,524.27
Additions during the year	434.13	768.69
Deductions during the year	-	(1.13)
Total (i)	2,725.96	2,291.83
Depreciation		
Accumulated depreciation at the beginning of the year	1,219.31	980.03
Depreciation charge for the year	396.76	241.17
Deductions during the year	-	(1.89)
Total (ii)	1,616.07	1,219.31
Net Value (i-ii)	1,109.89	1,072.52

18.11 Corporate social responsibility (CSR)

- Amount required to be spent by the Group on CSR during the year is ₹43.60 crore (Previous Year ₹17.82 crore).
- Amount approved by the Board to be spent during the year ₹38.40 crore (Previous Year ₹27.07 crore).
- Amount spent towards CSR related activities during the year ended March 31, 2025 is ₹33.53 crore (Previous Year ₹27.34 crore), which comprise of following :

Year ended March 31, 2025

(₹ in crore)

Nature of activities	Amount Spent	Amount Unpaid / Provision	Total
Construction / acquisition of any asset	0.74	-	0.74
On purpose other than above	32.79	-	32.79

Year ended March 31, 2024

(₹ in crore)

Nature of activities	Amount Spent	Amount Unpaid/ Provision	Total
Construction / acquisition of any asset	-	-	-
On purpose other than above	27.34	-	27.34

- The Bank in line with Rule 7 (3) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 has ₹30.23 crore available for set off against the requirement to spend under sub - section (5) of Section 135 up to immediate succeeding three financial years.

(₹ in crore)

Balance excess spent as at April 01, 2024	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2025
40.77	42.40	31.86	30.23

18.12 Proposed dividend

The Board of Directors, in their meeting held on April 26, 2025 have proposed a dividend of ₹0.25 per equity share (Previous Year ₹Nil) amounting to ₹183.05 crore, subject to the approval of shareholders at the ensuing Annual General Meeting.



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In terms of Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, such proposed dividend has not been recognised as a liability as on March 31, 2025.

18.13 (a) Small and micro industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") as amended, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following is the disclosure as applicable :

(₹ in crore)

Sr. No.	Particulars	At March 31, 2025		At March 31, 2024	
		Principal	Interest	Principal	Interest
1	The Principal amount and the interest due thereon remaining unpaid to any supplier	1.39	0.04	0.51	-
2	The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	137.49	-*	36.84	-*
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act;	-	2.05	-	-
4	The amount of interest accrued and remaining unpaid	-	2.09	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	-	2.09	-	-

* There has been no demand of interest on these payments during the year.

(b) Investor education and protection fund

During the year ended March 31, 2025, the Bank made efforts to file Form IEPF-1 with the Ministry of Corporate Affairs ('MCA') within the timeline prescribed under the applicable law. However, due to technical and operational difficulties experienced on the MCA's V3 portal, there was a delay in transferring the relevant amounts to the Investor Education and Protection Fund ('IEPF') in the following cases :

FY	Declared by	(₹ in crore)	Due Date	Date of Payment
2016-17	Erstwhile Capital First Limited (now merged with IDFC FIRST Bank)	0.03	08-Sep-24	24-Sep-24
2016-17	IDFC FIRST Bank	0.27	01-Oct-14	17-Oct-24

During the year ended March 31, 2024, there was no delay in transferring amounts, to the Investor Education and Protection Fund by the Bank.

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18.14 Description of contingent liabilities

i. Claims against the Group not acknowledged as debts

The Group is a party to taxation matters which are in dispute and are under appeal. The demands are either in the process of being stayed / rectified or have been partly or wholly paid / adjusted and will be received as refund (where paid / adjusted) to the extent the matters are decided in favour of the Group.

The Group is a party to various legal proceedings in the normal course of business. The Group does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial condition, results of operations or cash flows.

ii. Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments. These payment obligations of the Group do not have any profit / loss impact.

iii. Liability on account of forward exchange contracts

The Group enters into foreign exchange contracts on its own account and also for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. With respect to transactions entered by customers, the Bank generally takes off - setting positions in the inter - bank markets which results into higher numbers of outstanding contracts. The same also leads to representation of large gross notional principal of the portfolio, while the net market risk is much smaller.

iv. Liability on account of derivative contracts

The Group enters into derivative contracts, including interest rate swaps, forward rate agreements, currency swaps and Forex options, on its own accounts and for customers. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Forward rate agreements are agreements to pay or receive a certain sum based on a differential interest rate on a notional amount for an agreed period. Currency swaps are commitments to exchange cash flows by way of interest / principal in one currency against another, based on predetermined rates. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time.

With respect to transactions entered by customers, the Group generally takes off - setting positions in the inter - Group markets, which results into higher numbers of outstanding contracts. Further, for interest rate swaps, the notional amounts are not exchanged. The above leads to representation of large gross notional principal of the portfolio, while the net market risk is much smaller.

Further, the notional amounts of the financial instruments do not represent the current fair value or future cash flows and hence do not indicate the Group's exposure to credit or price risk. The derivative instrument becomes an asset / liability basis change in underlying market rates compared to contracted rates.

v. Guarantees given on behalf of constituents

As a part of its banking activities, the Group issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Group will make payments in the event of the customer failing to fulfil its financial or performance obligations.

vi. Acceptances, endorsements and other obligations

These include documentary credit issued by the Group on behalf of its customers and bills drawn by the Group's customers that are accepted or endorsed by the Group.

vii. Other items

Other items represent estimated amount of contracts remaining to be executed on capital account, certain undrawn non - cancellable loan commitments and credit enhancements in respect of securitised and assigned loans. This also includes investments bought and remaining to be settled on the date of financial statements.

18.15 Utilisation of borrowed funds

The Bank, as part of its normal banking business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Bank's normal banking business, which is conducted ensuring adherence to all regulatory requirements.

Given the nature and background of transactions explained above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or



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otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Bank has also not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

18.16 Particulars of items exceeding 1% of total Income and total assets

Other Liabilities - Others (including provisions)

During the year ended March 31, 2025 and March 31, 2024, none of the items under Others (including provisions) of "Schedule 5 - Other Liabilities and Provisions" have exceeded 1% of total assets of the Group.

Other Assets - Others

During the year ended March 31, 2025 and March 31, 2024, none of the items under Others of "Schedule 11 - Other Assets" have exceeded 1% of total assets of the Group.

Other Income - Miscellaneous Income

During the year ended March 31, 2025 and March 31, 2024, none of the items under Miscellaneous Income of "Schedule 14 - Other Income" have exceeded 1% of total income of the Group.

Operating Expenses - Other expenditure

During the year ended March 31, 2025, other expenditure of "Schedule 16 - Operating Expenses" includes commission to sales agents / business correspondents of ₹2,726.28 crore (Previous Year ₹2,384.82 crore), commission to collection agents of ₹1,380.44 crore (Previous Year ₹993.62 crore) and system management fees of ₹610.80 crore (Previous Year ₹629.91 crore) exceeding 1% of total income of the Group.

18.17 Statement of net assets as per Schedule III to the Companies Act, 2013

Year ended March 31, 2025

Name of the entity	Net assets, i.e. total assets minus total liabilities		Share of profit or (loss)	
	% of total net assets	Amount (₹ in crore)	% of total net profit / (loss)	Amount (₹ in crore)
Holding company				
IDFC FIRST Bank	99.80	38,078.00	102.31	1,524.85
Subsidiary				
IDFC FIRST Bharat Limited	0.39	148.38	0.72	10.70
Associate				
Millennium City Expressways Private Limited	-	-	-	-
Inter - company adjustments	(0.19)	(70.60)	(3.03)	(45.20)
Total Net Assets / Net Profit	100.00	38,155.78	100.00	1,490.35

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2025

Year ended March 31, 2024

Name of the entity	Net assets, i.e. total assets minus total liabilities		Share of profit or (loss)	
	% of total net assets	Amount (₹ in crore)	% of total net profit / (loss)	Amount (₹ in crore)
Holding company				
IDFC FIRST Bank	99.65	32,161.31	100.48	2,956.51
Subsidiary				
IDFC FIRST Bharat Limited	0.57	182.88	1.91	56.15
Associate				
Millennium City Expressways Private Limited	-	-	-	-
Inter - company adjustments	(0.22)	(70.61)	(2.39)	(70.31)
Total Net Assets / Net Profit	100.00	32,273.58	100.00	2,942.35

18.18 Additional disclosure

Additional statutory information disclosed in the Separate Financial Statements of the Bank and subsidiary have no material bearing on the true and fair view of the Consolidated Financial Statements and the information pertaining to the items which are not material have not been disclosed in the Consolidated Financial Statements.

18.19 Comparative figures

In view of the accounting for the amalgamation of (a) eIDFC FHCL into and with eIDFC Limited; and (b) eIDFC Limited into and with IDFC FIRST Bank Limited with effective date of October 01, 2024, the figures are not comparable with those of the previous year. Figures for the previous year have been regrouped and reclassified wherever necessary to confirm to the current year's presentation.

18.20 All figures less than or equal to ₹50,000 have been represented by β.

For and on behalf of the Board of Directors of IDFC FIRST Bank Limited

Sundara Iyer Ganesh Kumar

Independent Director
DIN: 07635860

V. Vaidyanathan

Managing Director &
Chief Executive Officer
DIN: 00082596

Sudhanshu Jain

Chief Financial Officer &
Head Corporate Centre

Satish Gaikwad

General Counsel &
Company Secretary

As per our report of even date.

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants
(Firm Registration No: 104607W/W100166)

For **M. P. Chitale & Co**

Chartered Accountants
(Firm Registration No: 101851W)

Roshni Marfatia

Partner
(Membership No: 106548)

Ashutosh Pednekar

Partner
(Membership No: 041037)

Date : April 26, 2025
Place : Mumbai

IDFC FIRST Bank Limited

CIN: L65110TN2014PLC097792

Corporate Office

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