

# Disclosure as per the SEBI Regulations

## A SUMMARY OF STATUS OF EMPLOYEE STOCK OPTIONS GRANTED

The position of the existing schemes is summarised as under:

SN	Particulars	IDFC FIRST BANK ESOS 2015
1.	Date of Shareholder's Approval	Date of EGM: December 09, 2014 Date of 1st AGM: September 29, 2015 Date of 2nd AGM: July 27, 2016 Date of 5th AGM: July 25, 2019
2.	Total Number of Options approved under ESOS	As on March 31, 2025, the ESOS pool consisted of 58,57,68,558 Stock Options.
3	Vesting requirements	Options granted under IDFC FIRST Bank ESOS-2015 would vest not less than one year from the date of grant of such Options.
4	Exercise Price or Pricing Formula	Exercise Price shall be as decided by the Nomination and Remuneration Committee ('NRC'), subject to a minimum of the face value per share.
5	Maximum term of Options granted	Options granted under IDFC FIRST Bank ESOS-2015 would vest not less than one year from the date of grant of such Options. The Employee Stock Options granted shall be capable of being exercised within a maximum period of three (3) years from the date of vesting of the respective Employee Stock Options or such other period as may be decided by NRC.
6	Source of shares	The Scheme is implemented and administered directly by the Bank by way of issue of equivalent Primary shares against exercise of Options.
7	Variation in terms of ESOS	There is no variation in terms of ESOS during the financial year ended March 31, 2025.
8	Method used to account for ESOS	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). 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 stock-based compensation cost calculated as per the intrinsic value method for the FY 2024-25 is ₹ 1,01,77,213/-. If the stock-based compensation cost was calculated as per the fair value method, the cost to be recognized in the financial statements for the FY 2024-25 would be ₹ 39,46,29,056/-. The effect of adopting the fair value method on the net income and earnings per share is presented below:

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

Particulars	Amount (₹ in crore)
<b>Net Profit / Loss as reported</b>	<b>1,524.85</b>
<b>Add: Intrinsic Value Compensation Cost</b>	<b>1.02</b>
<b>Less: Fair Value Compensation Cost *</b>	<b>39.46</b>
<b>Adjusted Pro-Forma Net Profit / Loss</b>	<b>1,486.41</b>
<b>Earnings Per Share: Basic</b>	
As Reported (₹)	₹ 2.09
Adjusted Pro-Forma (₹)	₹ 2.04
<b>Earnings Per Share: Diluted</b>	
As Reported (₹)	₹ 2.08
Adjusted Pro-Forma (₹)	₹ 2.03

\* 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" in Schedule 16 of the Financial Statements.

'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.

(Additionally, refer Note 18.24 of the disclosures in Notes forming part of standalone financial statements of the Bank)

## C OPTION MOVEMENT DURING THE FY 2024-25

SN	Particulars	Numbers
1	Number of Options outstanding at the beginning of the year	17,85,41,835
2	Number of Options granted during the year	7,34,41,368
3	Re-instated Stock Options	12,573
4	Number of Options Forfeited / Surrendered during the year	1,39,93,605
5	Number of Options Vested during the year	3,07,72,727
6	Number of Options Exercised during the year	2,17,71,003
7	Number of Options Lapsed during the year	5,11,850
8	Total number of shares arising as a result of exercise of options	2,17,71,003
9	Money realized by exercise of options (₹)	84,79,28,323
10	Number of Options outstanding at the end of the year	21,57,19,318
11	Number of Options exercisable at the end of the year	6,08,09,560

## D WEIGHTED AVERAGE EXERCISE PRICE AND WEIGHTED AVERAGE FAIR VALUE OF OPTIONS GRANTED DURING FY 2024-25

Weighted average exercise price of options granted during FY 2024-25 whose

SN	Particulars	Amount (₹)
a.	Exercise price equals market price	79.92
b.	Exercise price is greater than market price	68.32
c.	Exercise price is less than market price	60.62

Weighted average fair value of options granted during FY 2024-25 whose

SN	Particulars	Amount (₹)
a.	Exercise price equals market price	33.34
b.	Exercise price is greater than market price	22.62
c.	Exercise price is less than market price	24.14

## E EMPLOYEE-WISE DETAILS OF OPTIONS GRANTED DURING THE FY 2024-25 TO:

### (i) Senior Managerial Personnel

Name	Role / Function	No. of Options Granted	Exercise Price (₹)
V. Vaidyanathan	Managing Director & CEO	24,20,626	83.40
Pradeep Natarajan	Executive Director	13,28,356	83.40
Paritosh Mathur	Head - Wholesale Banking	8,31,026	83.40
Chetan Sanghvi	Chief Risk Officer	5,77,190	83.40
Adrian Andrade	Chief Human Resources Officer	6,06,673	83.40
Sudhanshu Jain	Chief Financial Officer & Head - Corporate Centre	8,78,964	83.40
Deep Chelawat	Chief Internal Auditor	3,16,100	83.40
Neerav Maniar	Chief Compliance Officer	2,12,437	83.40
Ashish Singh	Retail Liabilities	1,87,116	68.32
		5,26,885	83.40
Shikha Hora Kamdar	Retail Assets	3,50,349	68.32
		6,00,000	83.40
Nilesh Doshi	Chief Vigilance Officer	61,988	83.40



Name	Role / Function	No. of Options Granted	Exercise Price (₹)
Ashish Pancholi	Customer Experience	1,06,859	68.32
		3,00,894	83.40
Satish Gaikwad	General Counsel and Company Secretary	1,16,783	68.32
		3,42,652	83.40
Chandra Shekhar Satpathy	Digital Solutions	88,256	68.32
		1,26,709	83.40
Chinmay Dhoble	Retail Liabilities	3,21,153	68.32
		5,50,000	83.40
Rajesh Krishnamoorthy	Retail Credit	2,91,957	68.32
		5,60,516	83.40
Avik Sarkar	Data & Analytics	4,87,569	68.32
		7,00,000	83.40
Shirish Bhandari	Credit Cards	2,33,566	68.32
		4,04,354	83.40
Anirban Dutta	Digital Acquisitions	4,00,000	68.32
		2,16,267	83.40
Naarayan Tv	Marketing	1,05,105	68.32
		3,15,046	83.40
Ashish Anchaliya	Product	3,20,000	68.32
		4,47,808	83.40
Nitin Chauhan	Chief Information Security Officer	7,00,000	60.00
Vikas Nagendra Sharma	Wealth Management	1,89,772	68.32
		3,45,275	83.40
Tyagarajan V Iyer	Head - Operations & Technology	7,00,000	83.40

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

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

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

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

**F METHOD AND ASSUMPTIONS USED TO ESTIMATE THE FAIR VALUE OF OPTIONS GRANTED DURING THE FY 2024-25**

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

The Assumptions used in the model are as follows:

SN	Variables	Weighted Avg.
1	Risk Free Interest Rate	6.98%
2	Expected Life (in years)	4.50
3	Expected Volatility	37.41%
4	Expected Dividend	NIL
5	Weighted Average Price of the underlying share in market at the time of the option grant	₹79.51

**ASSUMPTIONS**

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

**Time to Maturity:** Time to Maturity / Expected Life of stock options is the period for which the Bank expects the Options to be live.

**Volatility:** Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes Options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

**Expected dividend yield:** Expected dividend yield has been calculated based on the dividend declared for 1 financial year prior to the date of grant. The dividend yield has been derived by dividing the dividend per share by the market price per share on the date of grant.

**Stock Price:** The closing market price one day prior to the date of grant on Stock Exchange where the highest trading volume has happened, has been considered for the purpose of option valuation.

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