



## IDFC FIRST Bank Limited

### Credit Card Policy

Version : 2.2

Approval Date : October 26, 2024

#### Revision History

Version	Revision Date	Revised by	Revision Description
1.0	31-10-2021	Policy Owner	First Version
1.1	31-10-2022	Policy Owner	Annual Review
1.2	29-07-2023	Policy Owner	Schedule of charges for the new product updated in annexure

1.3	27-04-2024	Policy Owner	Under point D, Inclusion of scenarios under which Credit Cards may be blocked, in accordance with the new provisions contained in the amended Master Direction – Credit card and Debit card (Issuance and Conduct Direction, 2022) issued on 7th March 2023 Updated the schedule of charges for the new product in annexure 3
1.9	30-07-2022	Policy Owner	Modified as per Master Direction – Credit card and Debit card (Issuance and Conduct Direction, 2022) on 21st April 2022.
2.1	27-04-2024	Policy Owner	Under point D,Inclusion of scenarios under which Credit Cards may be blocked, in accordance with the new provisions contained in the amended Master Direction – Credit card and Debit card (Issuance and Conduct Direction, 2022) issued on 7th March 2023 Updated the schedule of charges for the new product in annexure 3
2.2	26-10-2024	Policy Owner	Under point D,Inclusion of scenarios under which Credit Cards may be blocked, in accordance with the new provisions contained in the amended Master Direction – Credit card and Debit card (Issuance and Conduct Direction, 2022) issued on 7th March 2023 Updated the schedule of charges for the new product in annexure 3

**IDFC FIRST Bank Limited Credit Card Policy – Extract from Policy on Issuance (including Co-branding arrangements) of Cards/Prepaid Instrument**

While undertaking the banking business, IDFC FIRST Bank is required to adhere to various RBI guidelines and circulars issued from time to time. RBI has issued Master Direction – Credit card and Debit card (Issuance and Conduct Direction, 2022) on 21st April 2022.

In order to document the requirements of RBI the policy has been aligned accordingly.

## Issuance and conduct of Credit Cards:

Key aspects with reference to issuance and conduct of credit cards are covered in the following documents:

- The Board has constituted Product Approval Committee (“PAC”) and the committee has been delegated to ensure that new products/ variants are introduced/ approved in the Bank as per the Product Approval Framework. Issuance of Credit Cards is as per the product note approved by the Product Approval Committee. The PAC committee ensures that all necessary regulations and statutory obligations are complied with for product issuance.
- Credit Risk for issuance and monitoring is covered under the Credit Policy Note approved by Business Risk and Central Risk team as per the approved DOA
- Operational aspects relating to Credit Card product are covered in relevant Standard Operating Procedure documents approved by ORM and Compliance teams
- With Specific reference to some key obligations detailed in the abovementioned RBI Master Direction of 21st April 2022:
  - Credit Risk and Limit assignment framework is covered in the Policy document approved by Business Risk and Central Risk team as per the DOA approved by Board.
  - Procedure for reporting of statuses to Credit Information Companies/Credit Bureaus is as contained in the Standard Operating Procedure document detailing the processes followed by the Bank for generation and submission of Credit Bureau reports to Credit Information Companies (CICs). Further, defaulting customers will be sent prior communication before reporting as indicated in the circular.
  - Similar procedures will be adopted for all other regulatory reporting (including reporting of defaults and SMA status to RBI as part of the weekly default reporting/ CRILC reporting etc.) in accordance with extant regulatory directives, credit card accounts will be reported as ‘past due’ only when the account remains ‘past due’ for more than three days from the payment due date communicated to the borrowers.
- In reference to the new provision contained in the amended Master Direction on Credit and Debit Card issuance(7th March 2023), the process of Credit Card blocking/suspension/deactivation at Bank’s discretion is as follows:

The following list of scenarios may lead to blocking/suspension/deactivation of an existing credit card by the Bank at its own discretion. Apart from these, there may be additional scenarios which may arise due to regulatory/credit/fraud/reputational risk-based reasons necessitating blocking of credit card at Bank’s discretion:

  - Delinquency related blocks where the card account could be blocked on a temporary or permanent status basis the DPD of card account due to non-payment of dues by due date
  - Non-payment on associated/linked loans in the Bank
  - Identification of credit risk based on financial standing of customer
  - A transaction flagged as suspicious by the customer

- Detection of potentially fraudulent activity or transactions on the credit card
  - Card Upgrades, Replacements and Renewals
  - Non-Delivery of Physical card
  - Irregular card usage in contravention to the Card Member Agreement and TnCs - including but not limited to usage for commercial purposes, overutilization of assigned credit limit etc
  - Incorrect card account setup or identification of financial risk associated with a specific individual.
  - Receipt of complaint from regulatory or law enforcement agencies
  - Transactions made at merchants restricted as per FEMA guidelines
  - Non-Compliance with Periodic review of KYC as required by regulations
- The process of identification of such accounts and placing of blocks shall be carried out as detailed in corresponding SOPs concerning the relevant blocks.
  - In case the Bank, at its discretion decides to block/deactivate/suspend a credit card, the Bank shall inform the customer about Credit Card blocking/deactivation/suspension and/or withdrawal of benefits available on any issued Credit Card along with reasons thereof through electronic means (SMS, email, etc.) and other available modes.
  - Bank shall provide an option to customer to decline renewal before dispatching the renewed card.
  - In case a Credit card gets blocked at the request of the customer, replacement card in lieu of the blocked card shall be issued only with the explicit consent of the customer.

### **Pricing Policy:**

Pricing policy for Credit Cards is based on cost of funds, overall cost of acquisition and cost of servicing and operations, planned yields, industry practice and projected loss rates. The pricing also factors in customer risk segmentation, affluence, relationships, payment behaviour and any other details as available.

The pricing policy and construct thereof will henceforth be as per guidance from ALCO for meeting margin benchmarks. The current schedule of charges is listed in Annexure for ratification, as prescribed in recent RBI Master Direction on Issuance and conduct of Debit and Credit cards, April '22

Schedule of Charges (including Processing fees and other charges as applicable) for Credit Cards will be as approved by the Business Head from time to time.

Under clause 9 (a) of the above-mentioned RBI Master Direction it is stipulated that *Card-issuers shall also prescribe an interest rate ceiling in line with other unsecured loans, including processing and other charges, in respect of credit cards as part of their Board approved policy. In line with the same, current ceiling defined for Credit Card Interest rates is as follows:*

- Interest Rate on Purchases, Cash Advances and outstanding and overdue balances, EMI and other installment and card loan products - Upto 48% per annum

**Other important points:**

- a. The Bank is not required to obtain prior approval of the Reserve Bank towards issuance of co-branded debit/credit cards.
- b. The co-branded debit/credit card shall explicitly indicate that the card has been issued under a cobranding arrangement. The co-branding partner shall not advertise/market the co-branded card as its own product. In all marketing/advertising material, the name of the card-issuer shall be clearly shown.
- c. The co-branded card shall prominently bear the branding of the card-issuer and the Bank shall adequately inform customer on the arrangement.
- d. Co-branded Debit card arrangement shall follow PAC process to ensure compliance to all regulatory requirements. Similarly, co-branded Credit Cards will also be governed by processes detailed in the PAC process, to be compliant.

Product teams will ensure any new co-branded arrangement meets all necessary guidelines revised by RBI under master directions issued on 21st April 2022.

**Controls on Issuance:**

- The services are to be offered only to those customers in whose case proper KYC procedures have been followed.
- Customer confidentiality needs to be maintained at all time.
- Outsourcing guidelines to be adhered while engaging and maintaining relationship with co-branding partners

**Credit Cards Risk Controls:**

- Risk Controls and mitigants relating to Credit Card Product and operations are documented in the SOP which deals with the “Operational Risks and Controls”, approved by Compliance and ORM teams. Also in Product Note, product level risks are documented which is approved as per PAC framework.
- Credit Risk for issuance and monitoring is covered under the Credit Policy Note approved by Business Risk and Central Risk team as per the approved DOA
- Review of credit card operations on half-yearly basis by the Audit Committee of the Board of Directors as prescribed in the Master Circular

**Debit and Credit Cards Security and Risk Mitigants:**

The Bank products are duly approved by compliance, Risk and FRM teams to ensure security and risk is taken care. Further, Bank shall regularly review the processes and any observation shall be reported to Risk, FRM for further guidance and tracked till closure. The detailed risk and Mitigants shall be covered in the respective PAC note.

**Blocking of Cards:**

- The Bank will block a lost card immediately on being informed by the cardholder. The Bank's card holders can block card using mobile banking application or net banking or by calling Banker on call and Bank blocks the card immediately once request is received.
- The Bank will provide cardholder the detailed procedure to report loss, theft or unauthorized use of card or PIN. The Bank provides multiple channels to customer to block the card through Banker on call, Mobile application, net banking and through dedicated SMS. The Bank has also provided this information on the website and shall publicize to customers through engagements.
- The Bank will immediately send card blocking confirmation to customer subsequent of receipt of request and necessary action.

**Customer Dispute Resolution**

The Bank shall follow all RBI and network guidelines in term of customer query resolution and abide by TAT defined by them. The debit and Credit card Grievance Redressal shall be part of the Banks' overall Grievance Redressal Policy.

**Customer Education on debit and credit cards**

The Bank shall educate customer on usage of cards and keep them informed on any new threat. This shall be done on regular basis and may be done vide SMS broadcast, emailers or marketing campaigns.

**Issuance of Credit Cards including Co-Branded Credit Cards**

The Board has constituted Product Approval Committee ("PAC") and the committee has been delegated to ensure that new products/ variants are introduced/ approved in the Bank as per the Product Approval Framework. Issuance of Credit Cards is as per the product note approved by the Product Approval Committee.

## Annexure

### Schedule of charges for Credit Cards as on 10th Apr 2024:

#### 1. Joining Fees, Annual Fees and Add-on Card Fees:

IDFC FIRST Bank Card Variant	Commencement / Joining Fee(₹)	Yearly /Annual Fee (₹)	Add-on Card Fee (₹)
FIRST Millennia Credit Card FIRST Classic Credit Card FIRST Select Credit Card FIRST Wealth Credit Card Employee Credit Card FIRST WOW! Credit Card	Nil	Nil	Nil
LIC Classic Credit Card	Nil	Nil	Nil
LIC Select Credit Card	Nil	Nil	Nil
FIRST Digital RuPay Credit Card	₹199	₹199	Nil
FIRST Power Credit Card	₹199	₹199	Nil
FIRST Power+ Credit Card	₹499	₹499	Nil
FIRST SWYP Credit Card	₹499	₹499	Nil
Club Vistara IDFC FIRST Credit Card	₹4,999	₹4,999	Nil
FIRST Private Credit Card	₹50,000	₹50,000	1st Add-on:NIL, 2nd Add-on onwards: Joining Fee ₹4,000 Annual Fee NIL
Image Personalisation Fee*	₹499	Nil	Joining Fee ₹499 Annual Fee NIL

Image personalisation feature is not applicable on FIRST Private, LIC Classic & LIC Select, FIRST Power & FIRST Power+ Credit Card, FIRST Digital RuPay Credit Card, FIRST SWYP Credit Card.

#### 2. Finance Charges\*:

<b>IDFC FIRST Bank Card Variant</b>	<b>Interest Rate on Purchases, Cash Advances and outstanding balances due</b> (will be charged if payment made is between Minimum	<b>Overdue Interest<sup>^^</sup></b> (will be charged on non-payment of Minimum Amount Due (MAD) by the Payment Due Date)
	Amount Due and Total Amount Due values)	
FIRST Private Credit Card	Monthly Rate - 0.75% Annual Rate - 9%	Monthly Rate - 3.99% Annual Rate - 47.88%
FIRST SWYP Credit Card	Not Applicable (Customer has to either pay Total Amount Due in full or convert eligible due amount into EMI)	Not Applicable (Customer has to either pay Total Amount Due in full or convert eligible due amount into EMI)
All other IDFC FIRST Bank Credit Cards	Monthly Rate - 0.75% - 3.65% Annual Rate - 9% - 43.8%	Monthly Rate - 3.99% Annual Rate - 47.88%

### 3.Other Fees and Charges:

Cash advance# – transaction fee	₹199	
Late payment charges	For all Credit Cards except below mentioned	15% of Total Amount Due as of the previous statement minus any payments received before the due date (subject to a minimum of ₹100 and a maximum of ₹1,300)
	FIRST SWYP Credit Card	15% of Total Amount Due as of the previous statement minus any payments received before the due date (subject to a minimum of ₹100 and a maximum of ₹3,000)



	FIRST Private Credit Card	Nil
	FIRST Digital RuPay Credit Card	As per Primary Credit Card##
Over-limit charges	For all Credit Cards except below mentioned	2.5% of the over-limit amount (Subject to a minimum charge of ₹550)
	FIRST Private Credit Card,	Nil

	FIRST WOW! Credit Card	
	FIRST Digital RuPay Credit Card	As per Primary Credit Card##
Return of cheque/Auto-Debit SI/Payment Return	2% of Payment amount subject to a minimum of ₹500	
Reward Redemption Fee	₹99 per redemption transaction	
Fee on cash payment at branches	NIL	
Outstation cheque processing fee	NIL	
Duplicate statement request	NIL	
Card replacement fee	For all Credit Cards except below mentioned	₹100
	Cards with image personalisation	₹149
	FIRST Private Credit Card	₹4,000
	FIRST Digital Rupay Credit Card	Nil
Cheque/Cash processing fee	NIL	
Charge slip request	NIL	
Balance Transfer Processing fee	Processing fee on Balance transfer transaction will be communicated at the time of the transaction	
	For all cards except below	3.50%

Markup Charges on Foreign currency transactions and Dynamic & Static Currency Conversion Transactions	Club Vistara IDFC FIRST Credit Card	2.99%
	FIRST Select Credit Card, Employee Credit Card	1.99%
	FIRST Wealth Credit Card	1.50%
	FIRST Private Credit Card, FIRST WOW! Credit Card	Nil
	FIRST Digital Rupay Credit Card	As per Primary Credit Card##
Instalment Products related fees and charges	Processing fee, Interest Rate and Pre-closure fee applicable on the below mentioned Instalment products will be communicated at the time of the transaction/ conversion: 1) Transaction(s) converted to EMIs 2) Balance Transfer converted to EMIs 3) Outstanding Balance converted to EMIs 4) Loan on Credit Card	
Fuel Surcharge Waiver 1% Fuel Surcharge Waiver on Fuel Transactions value between ₹200and ₹5000	Products	Maximum amount of Fuel Surcharge waiver per statement cycle
	FIRST Power and Power+	Not Applicable
	FIRST Millennia Credit Card, FIRST Classic Credit Card, FIRST WOW! Credit Card, LIC Classic Credit Card, FIRST SWYP Credit Card	₹200
	FIRST Select Credit Card, LIC Select Credit Card, Employee Credit Card	₹300
	FIRST Wealth Credit Card, Club Vistara IDFC FIRST Credit Card	₹400
Rent and Property Management Fee*** (MCC 6513: REAL EST AGENTS & MGRS RENTALS)	1% of transaction value, subject to minimum of ₹249 per transaction	

Fair usage on Utility Spends *** (MCC 4814: TELECOMMUNICATIONS MCC 4900: ELECTRIC, GAS, HEATING OIL, SANITARY, WATER MCC 4816: COMPUTER NETWORK MCC 4899: CABLE AND OTHER PAY TELEVISION SERVICES)	Aggregate utility spends below ₹20,000 in a statement cycle	NIL surcharge
	Aggregate utility spends above ₹20,000 in a statement cycle	1% surcharge on aggregate utility transaction value in a statement cycle
Goods and Service Tax (GST)	At rates as notified by the Government of India, presently @ 18% is applicable on all fees, interest and other charges and is subject to change.	

\*\*\*Minimum Rent & Property Management Fee of ₹ 249 and Utility Surcharge are not applicable on FIRST Private Credit Card, LIC Classic Credit Card and LIC Select Credit Card.

^The Fuel transaction surcharge is levied by the acquirer (merchant's bank providing terminal/ payment gateway). Fuel Surcharge Waiver will be capped at 1% of the eligible fuel transaction amounts. GST on Fuel surcharge will not be reversed. The value on charge slip will differ from the Credit Card statement since the Surcharge & GST is levied by acquiring bank post the transaction. The 1% surcharge waiver (excluding GST) for eligible transactions would reflect separately in the monthly Credit Card statement.

#cash advance not applicable for FIRST Digital RuPay Credit Card and FIRST SWYP Credit Card

##Primary credit card is against which UPI credit card is linked

^^Interest rate will be revised from 47.88% to 43.8% when the customer pays the minimum amount due