IDFCFIRSTBANK/SD/109/2026-27 **August 08, 2026**

National Stock Exchange of India Limited
Mumbai 400 051
NSE Symbol: IDFCFIRSTB

BSE Limited
Mumbai 400 001
BSE Scrip Code: 539437

Sub: Notice of Annual General Meeting ("AGM") and the Integrated Annual Report of IDFC FIRST Bank Limited ("Bank") for the Financial Year 2025-26.

Dear Sir/Madam,

Pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the 12th AGM of the Members of the Bank is scheduled to be held on **Monday, August 31, 2026** at **02:00 p.m. (IST)** through Video-Conferencing ("**VC**") / Other Audio-Visual Means ("**OAVM**"), in compliance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with relevant circulars issued in this regard by the 'Ministry of Corporate Affairs' and the 'Securities and Exchange Board of India' *(collectively referred as "the **Relevant Circulars**")*.

In terms of the applicable provisions of law and the Relevant Circulars, the Notice for the AGM along with the Integrated Annual Report of the Bank for FY 2025-26 is being sent to all those Members of the Bank, who have registered their e-mail addresses with the Bank's Registrar and Transfer Agent ("**RTA**") or with their respective Depository Participant(s). The details about the manner of registering / updating e-mail addresses, casting vote through electronic means (remote e-voting / e-voting) and attending the AGM through VC / OAVM have been set out in the Notice of the AGM.

In this regard, please find enclosed herewith the Notice of 12th AGM and the Integrated Annual Report of the Bank for FY 2025-26. The same is also made available on the website of the Bank at the following link:

- Notice of 12th AGM of the Bank
- Integrated Annual Report of the Bank for FY 2025-26

Kindly take the above on record.

Thanking You,

Yours Faithfully,
For **IDFC FIRST Bank Limited**
SATISH ASHOK GAIKWAD
Digitally signed by SATISH ASHOK GAIKWAD
Date: 2026.08.08 23:18:54 +05'30'
Satish Gaikwad
General Counsel and Company Secretary

Encl.: As Above

IDFC FIRST Bank

Living by Customer First Principles

INTEGRATED REPORT 2025-26

Our Vision

To Build A World Class Bank
in India with Principles of
Ethical, Digital & Social Good Banking

Contents

Key Highlights

Performance Snapshot

The Bank has built a strong foundation for the future

Numbers mentioned below are as on March 31, 2026, unless specified otherwise.

₹**2,83,747** crore

Loans & Advances

₹2,36,647 crore
March 31, 2025

₹**2,94,475** crore

Total Deposits

₹2,52,065 crore
March 31, 2025

1.61%

Gross NPA at Overall Bank Level

1.87%
March 31, 2025

0.48%

Net NPA at Overall Bank Level

0.53%
March 31, 2025

1.47%

Gross NPA for Retail, Agri and MSME

1.70%
March 31, 2025

0.56%

Net NPA for Retail, Agri and MSME

0.62%
March 31, 2025

• *Loan Assets of ₹2,90,278 crore including Loans and Advances (₹2,83,747 crore) and Credit Substitutes like NCDs, PTCs, etc. (₹6,531 crore); up 20% YoY*

70.5%

Provision Coverage Ratio

72.3%
March 31, 2025

49.8%

CASA Ratio

46.9%
March 31, 2025

15.60%

Capital Adequacy Ratio

15.48%
March 31, 2025

₹47,352 crore

Net Worth
(Shareholders' Funds)

₹38,078 crore
March 31, 2025

₹1,636 crore

Profit After Tax for FY 2025-26

₹1,525 crore
FY 2024-25

Profit after Tax (PAT) includes the impact of the fraud incident reported during the Q4 FY 2025-26, excluding this PAT would be ₹2,119 crore in FY 2025-26

₹55.05

Book Value Per Share

₹52.00
March 31, 2025

1,147

Branches

1,002
March 31, 2025

1,050

ATMs

1,041
March 31, 2025

• *Numbers above are as on/for the year ended March 31, 2026, unless specified otherwise.*

1 A Universal Banking App for a Universal Bank

INDIA'S MOST-LOVED BANK APP

THRICE IN A ROW!

#1 Bank App in India By Forrester

#2 Bank App Globally By Forrester

4.9 ★★★★★ GET IT ON Google Play

4.8 ★★★★★ Download on the App Store

Universal Bank

Advancing Infrastructure

Building a Strong Banking Network

1,147 Branches

Across the country, serving customers through an extensive banking network

1,050 ATMs

Providing convenient self-service banking across key locations

6,627 Micro-ATMs

Strengthening the Bank's presence in deeper geographies and promoting greater financial inclusion

Building Green and Sustainable Infrastructure

Overall, **36%** of IDFC FIRST Bank's premises are green-certified, covering a total area of **14,09,998** sq. ft.

Regional Character into the Workplace & local artisan: our workplaces celebrate the unique identity of each region, fostering a deeper sense of belonging and employee engagement as we actively collaborate with local artisans and craftsmen for design & décor.

As part of our climate action agenda, **15** offices covering **14,38,860** sq. ft. have achieved **ISO 14001**: Environmental Management System (EMS) certification.

Dedicated In-house Learning Hubs with fully equipped tech infrastructure reducing the dependency on external training infra.

Prestigious Green Champion Award at the CII IGBC Green Building Congress 2025, recognized as the 'Leader in the Financial Sector with the Highest Number of Green Bank Branches in India', received by Adrian Andrade and Radhika Shenoy.

Customer Service

Delivering Exceptional Customer Service

At IDFC FIRST Bank, customer experience is shaped by a clear commitment to trust, transparency and responsible banking. Every product, process and interaction is designed to serve customers better, protect their interests and make banking simpler, faster and more meaningful.

The Bank puts this commitment into action through the following priorities:

Ethical Banking

Inbuilt in Product Design

Resolve with Empathy

Keep All Channels Open

First Contact Closure

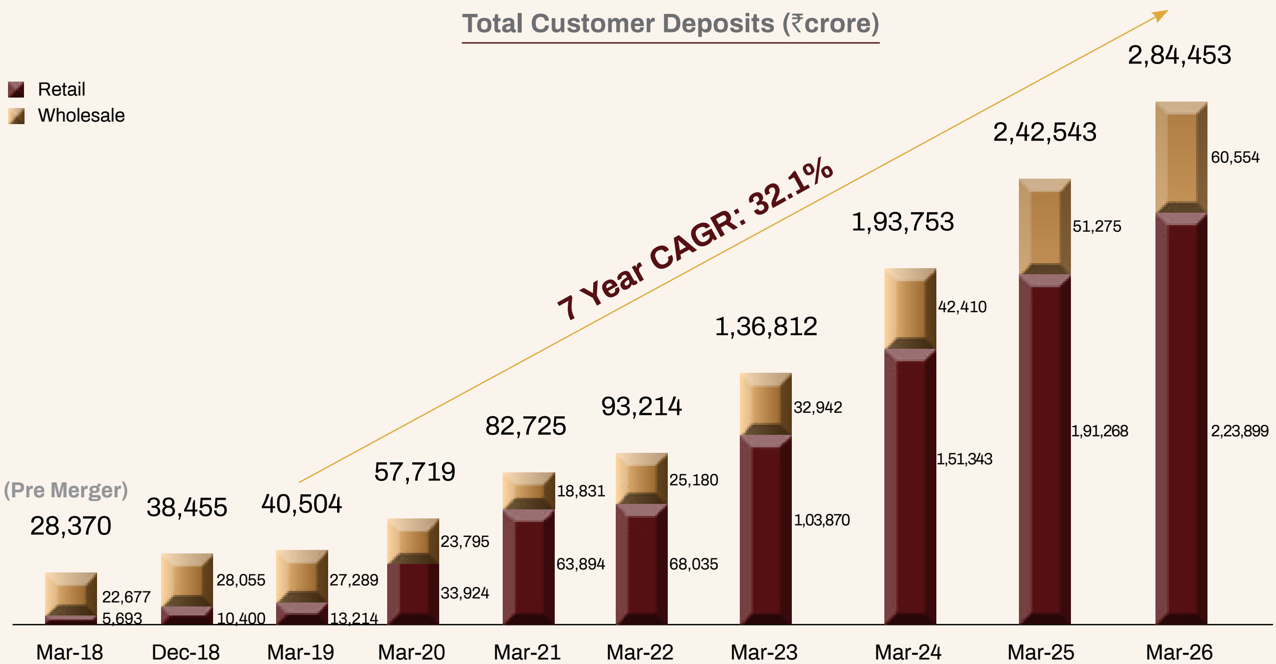
Fix the Root Cause

Through these efforts, IDFC FIRST Bank continues to build a customer-centric banking ecosystem where needs are understood, expectations are met, and trust is strengthened with every interaction.

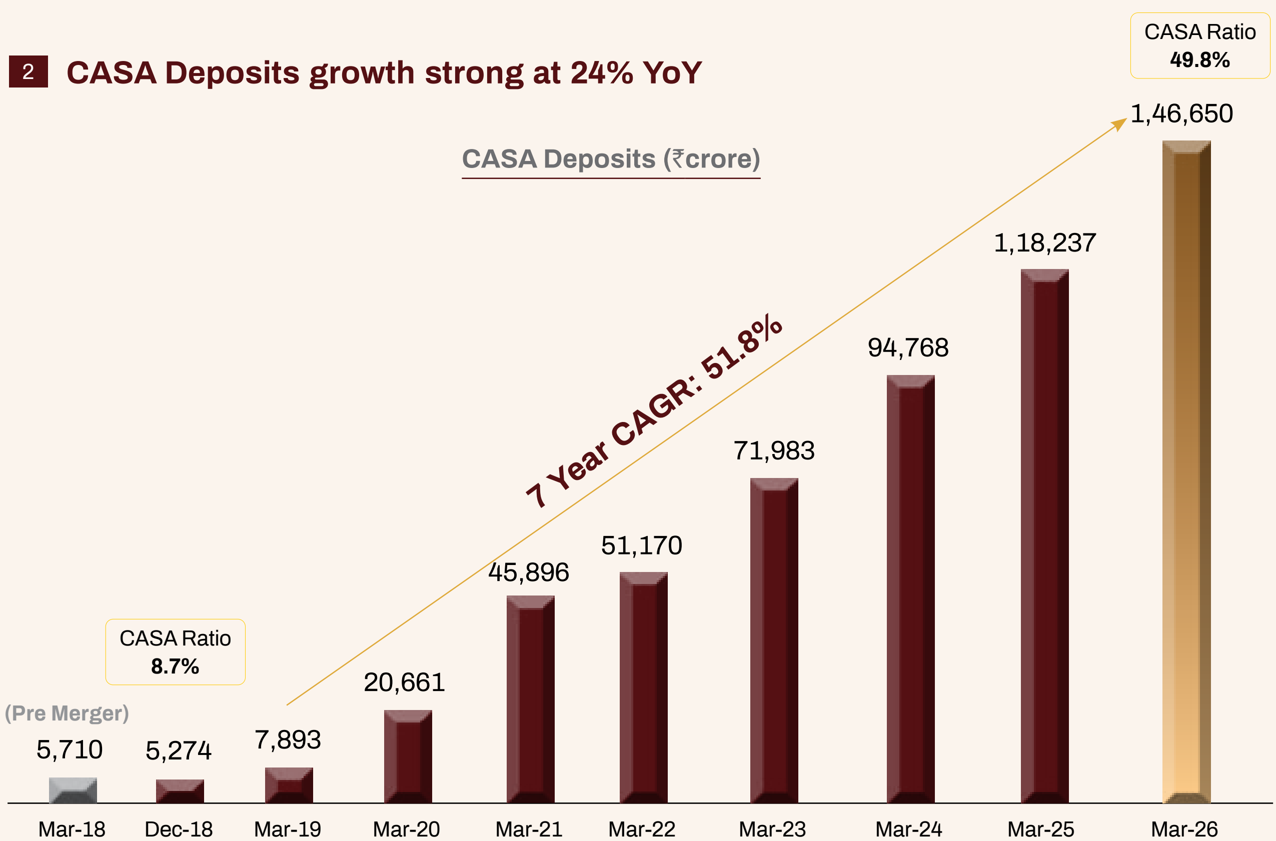
Customer Service: Our Prime Focus

1 A strong Customer Deposits franchise

Total Customer Deposits = Retail Customer Deposits + Wholesale Customer Deposits (Excludes Certificate of Deposits)



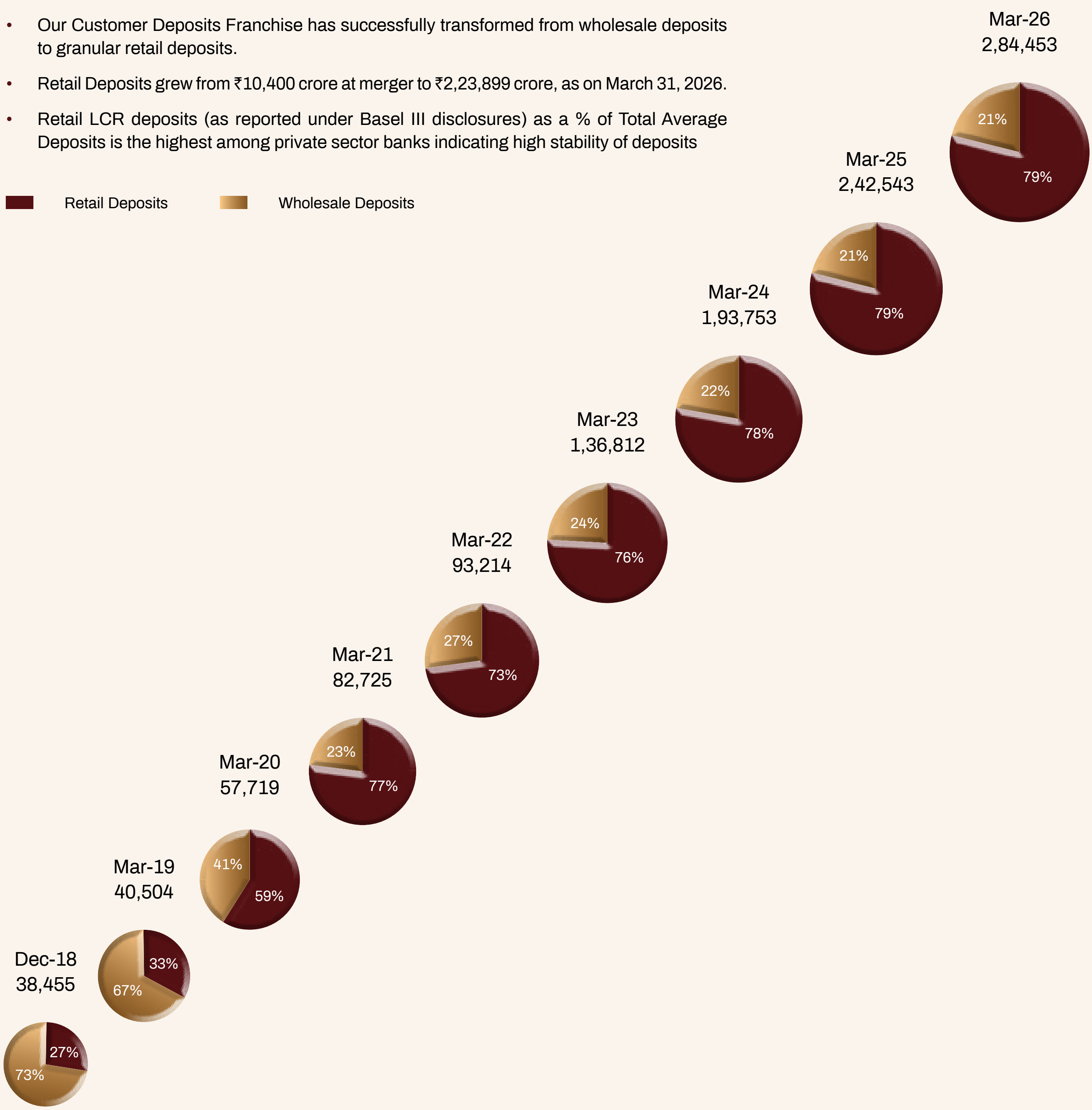
2 CASA Deposits growth strong at 24% YoY



3 Bank has diversified its liabilities base with 79% Customer Deposits in Retail

Customer Deposits (₹crore)

- Our Customer Deposits Franchise has successfully transformed from wholesale deposits to granular retail deposits.
- Retail Deposits grew from ₹10,400 crore at merger to ₹2,23,899 crore, as on March 31, 2026.
- Retail LCR deposits (as reported under Basel III disclosures) as a % of Total Average Deposits is the highest among private sector banks indicating high stability of deposits



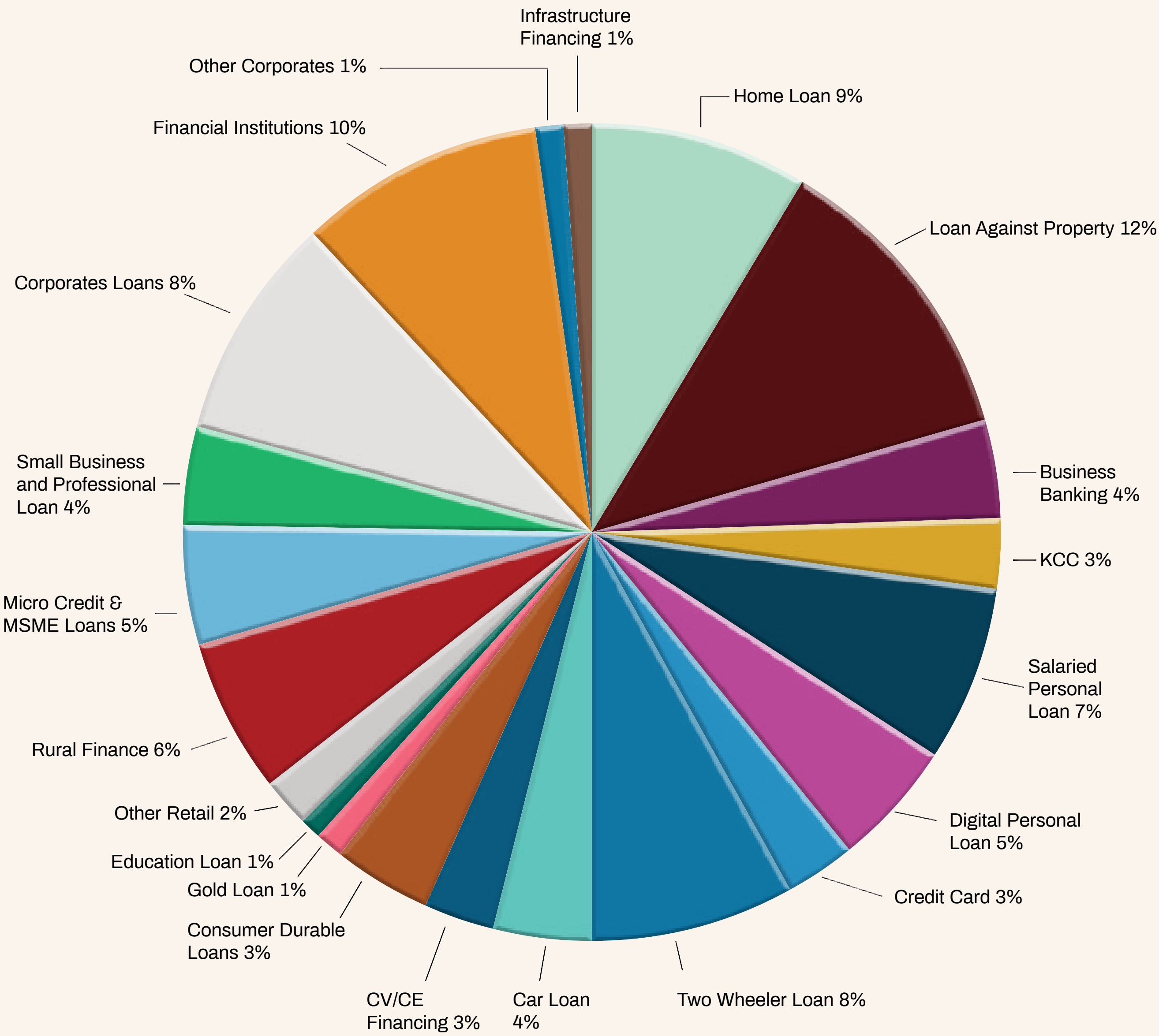
DEPOSIT MIX TRANSFORMATION

Retail share rose from 27% (Dec-18) to 79% (Mar-26)

7.4x

growth in Customer Deposits

4 The Bank has diversified its loan book across more than 25 business lines



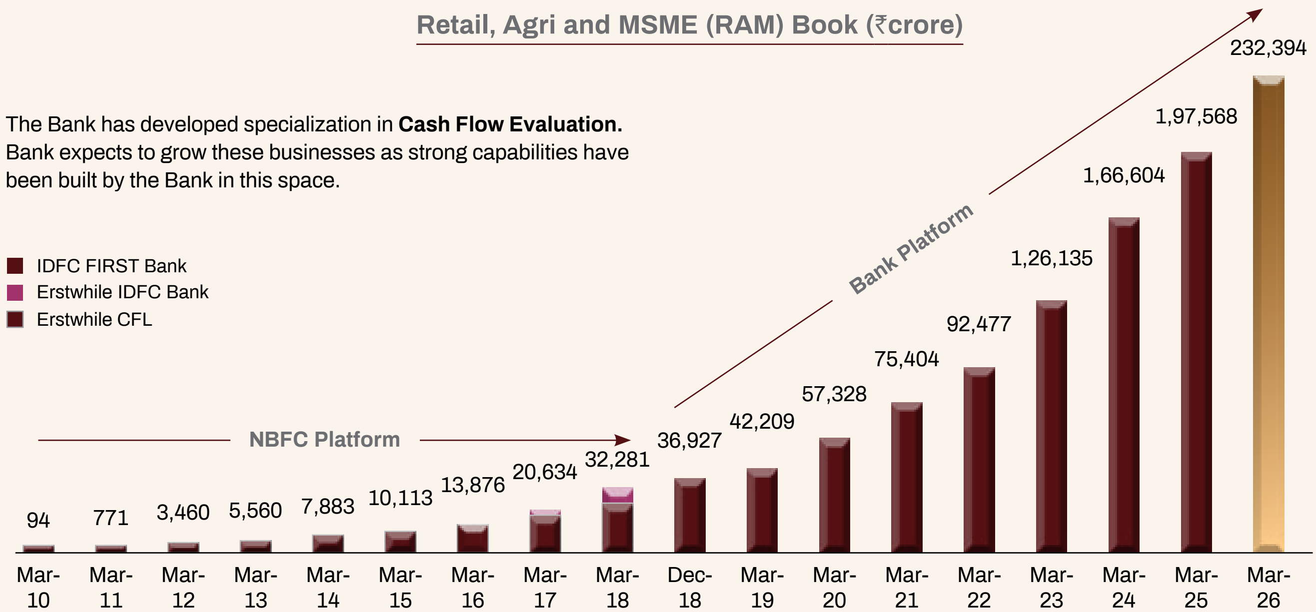
Loan Book Composition

Loan Assets	₹ crore	Composition %
Retail Loan Book	1,71,459	59%
Wholesale Loan Book	57,884	20%
MSME Loan Book	36,789	13%
Rural Loan Book	24,146	8%
Total Loan Assets	**2,90,278**	**100%**

Loan Assets includes credit substitutes like investing in corporate bonds etc., and are net of IBPC

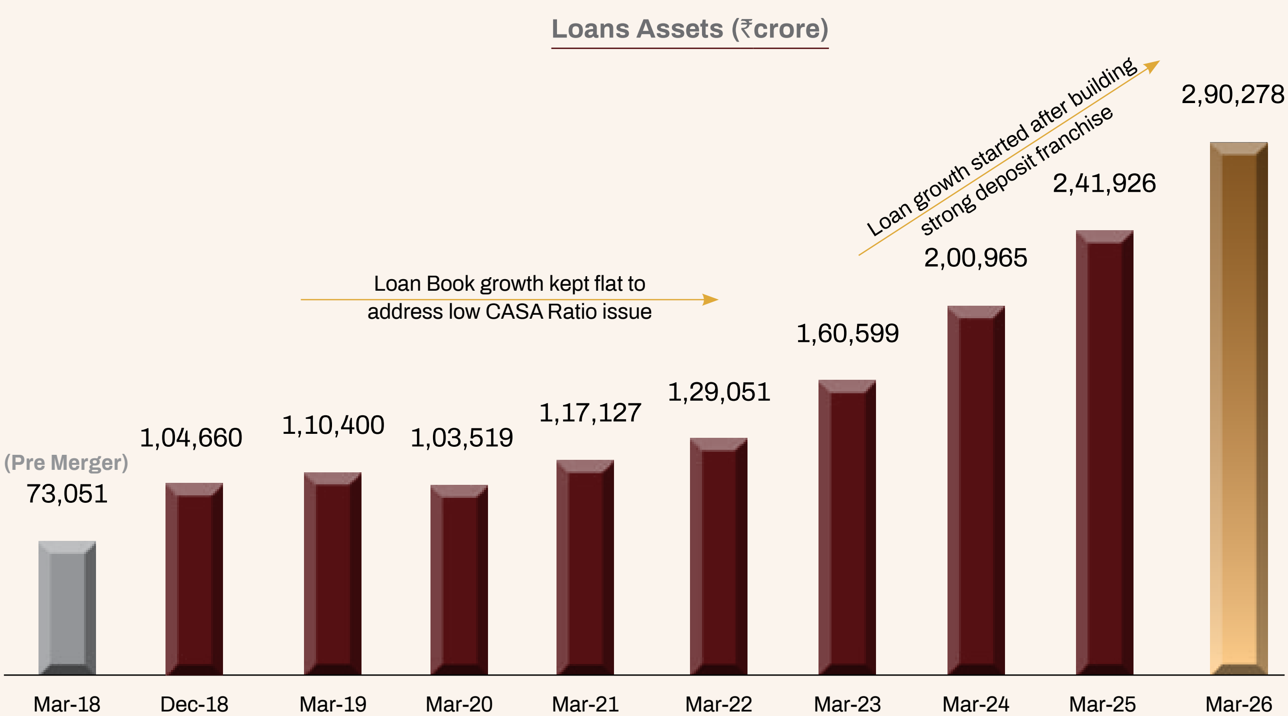
5 The Bank has developed specialization in Retail, Agri and MSME Book and grew it consistently for 15 years

The Bank has developed specialization in **Cash Flow Evaluation.** Bank expects to grow these businesses as strong capabilities have been built by the Bank in this space.



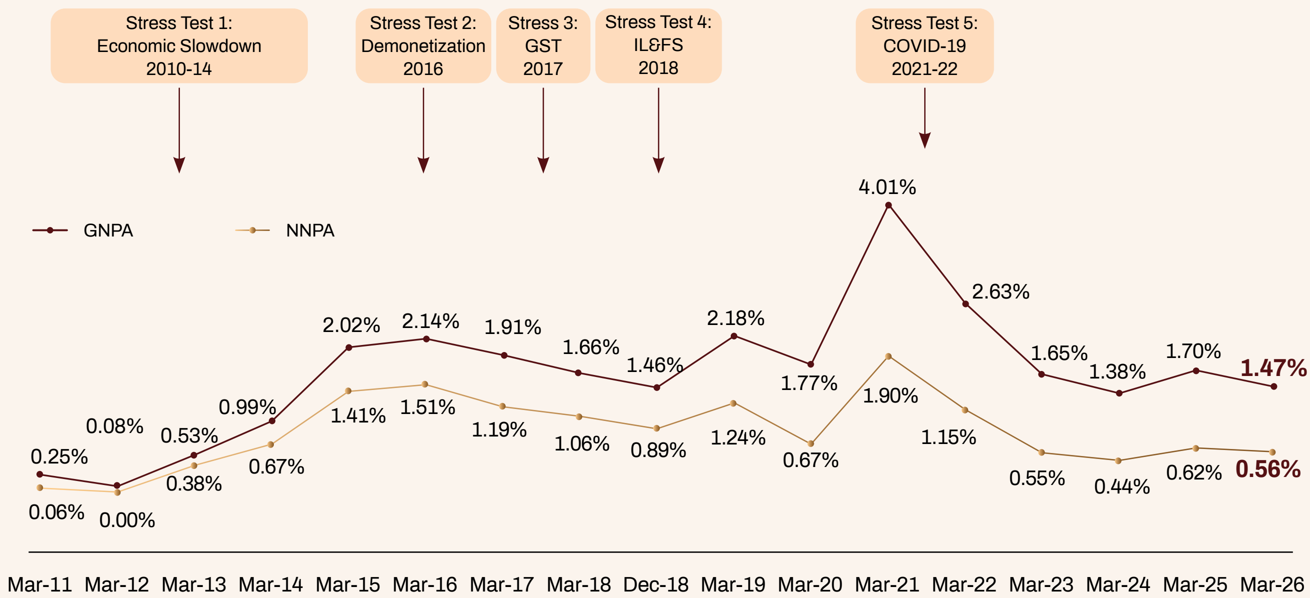
6 Total Loans Assets (RAM and Wholesale) grew @ 20%

RAM=Retail, Agri and MSME book

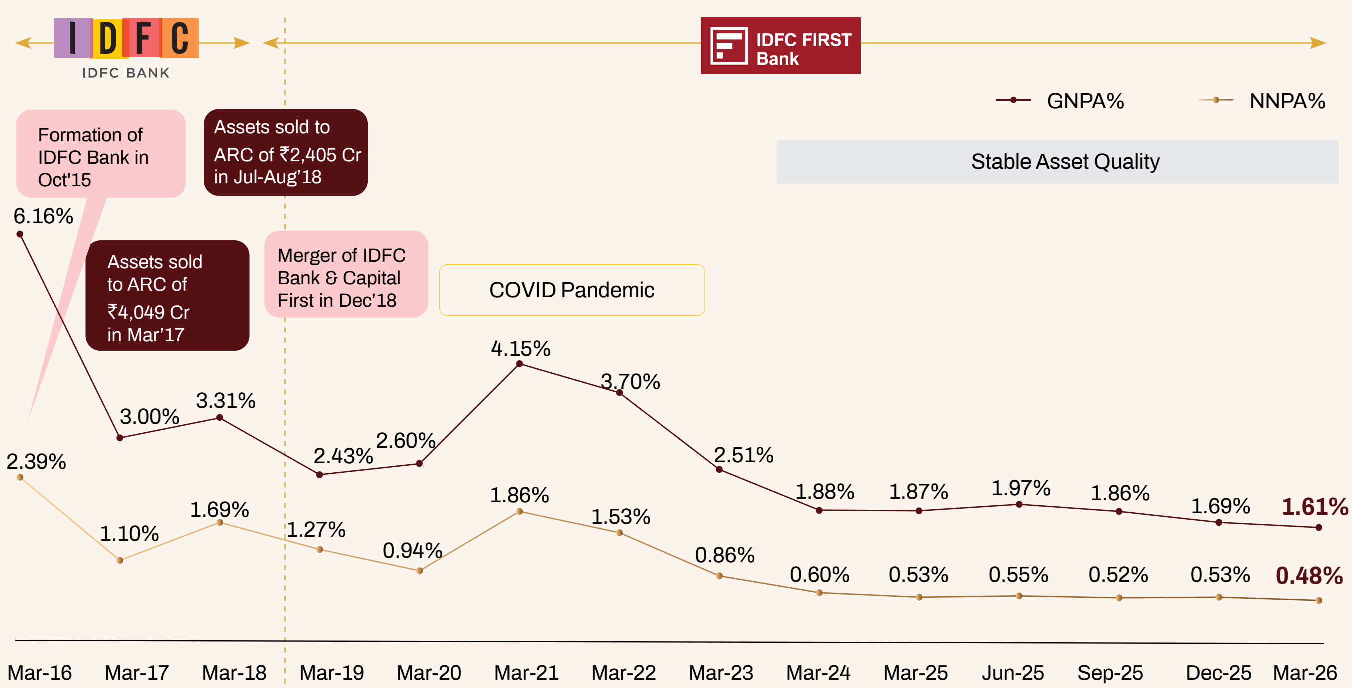


Loans Assets include credit substitutes

7 NPA of Retail, Agri and MSME (RAM) book stable over 15 years Retail, Agri and MSME (RAM) represent 79% of the overall book



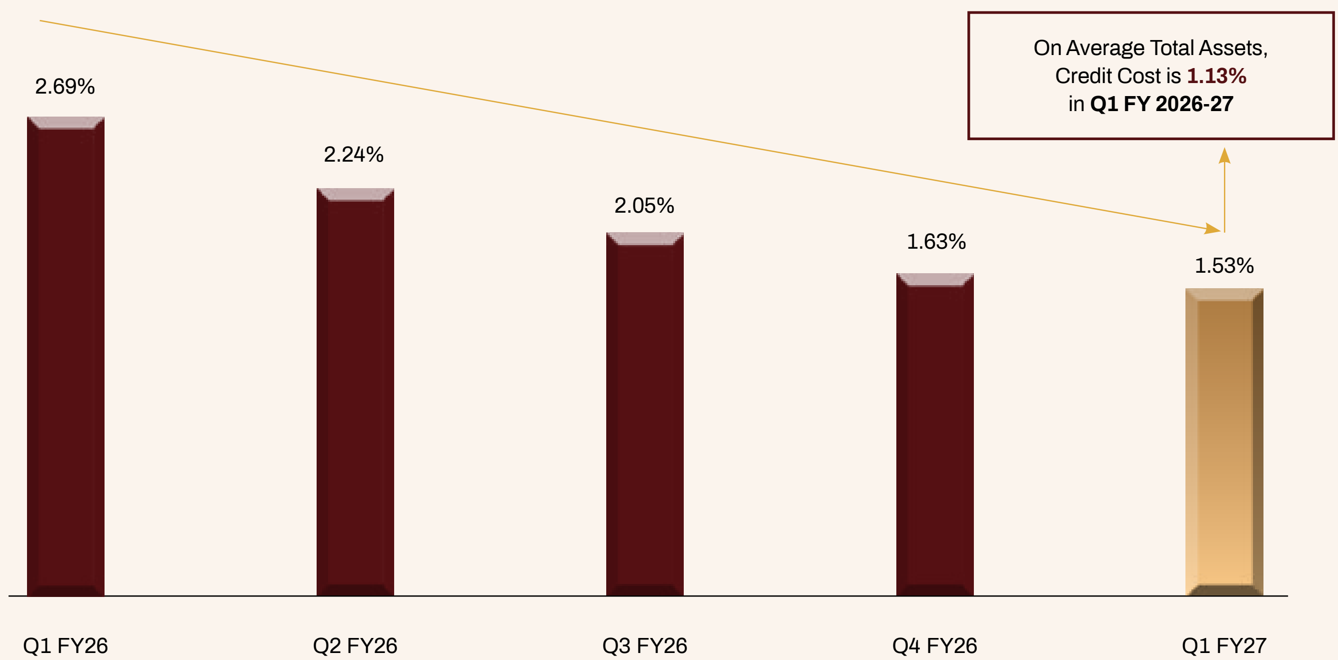
8 Overall Bank Level NPA at its lowest since inception



9 Credit Cost has been declining for last 5 quarters

- The credit cost of the Bank was 2.13% in FY 2025-26 due to the impact of the MFI crisis.
- The credit cost as % of the average loan book reduced through the quarters in FY 2025-26.
- For Q1 FY 2026-27, the Credit Cost as a % of average loan book was at 1.53%.

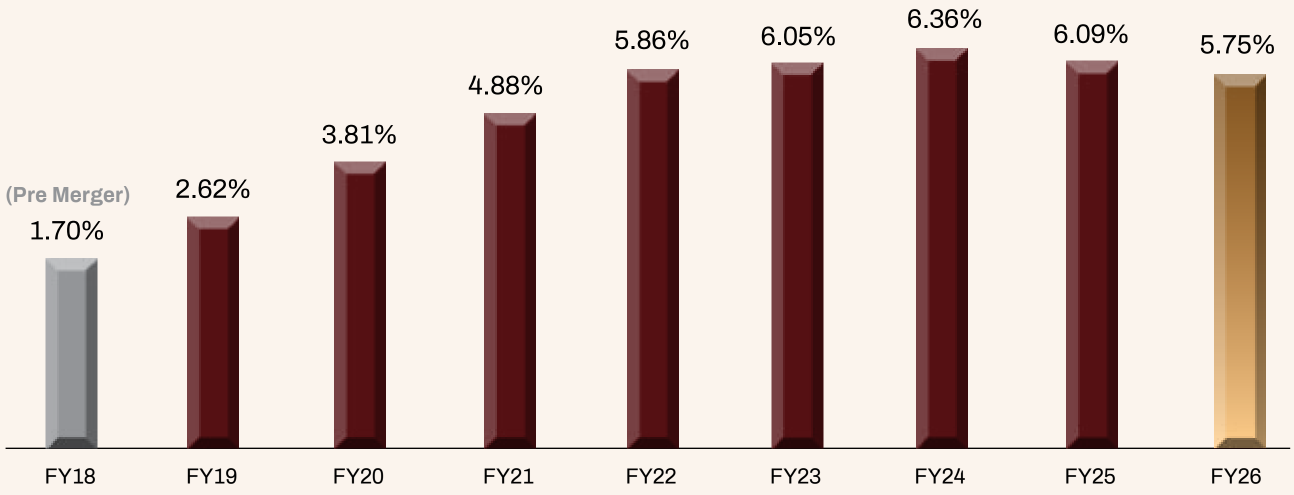
Credit Cost trend for the last 5 quarters



The Bank continues to grow as it moves towards safer credit segments with improved underwriting supported by new advances in technology

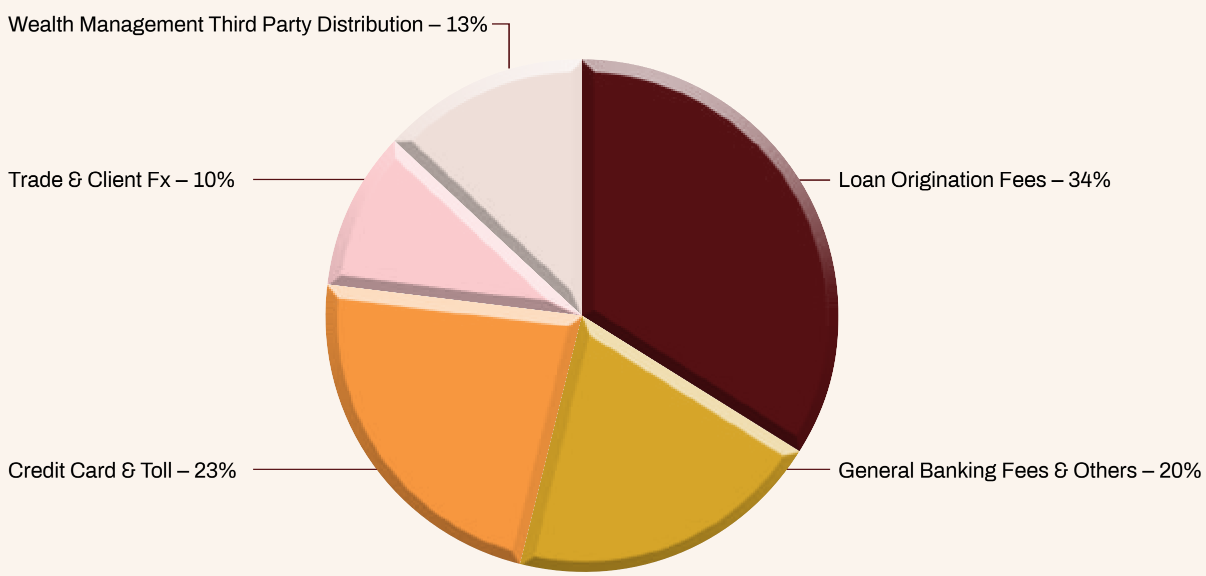
- As part of the overall strategy, gradually the Bank is increasing the mix of low yielding, lower risk loan book as % of the overall loan book
- Considering the trend across business cycles and changing mix of the loan book, the Bank is confident of achieving 1.50% - 1.60% of the credit cost as % of the average loan book, i.e. ~1.10% of average total assets

10 NIM increased from 1.70% pre-merger to 5.75%

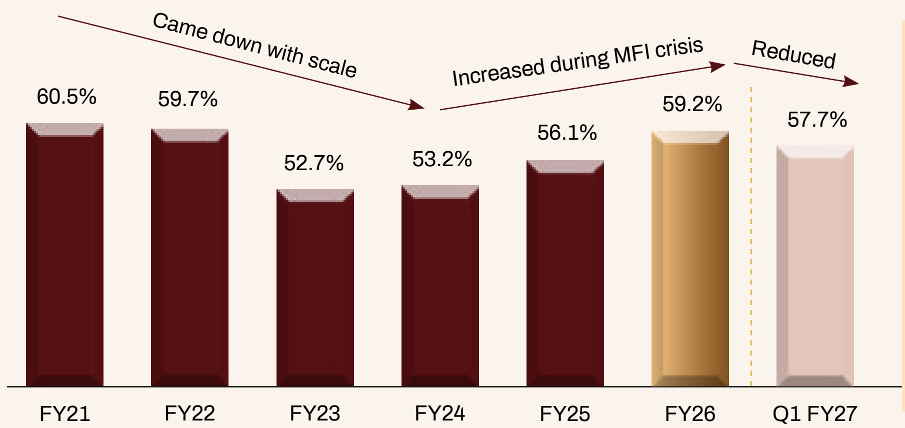


Net Interest Margin improved consistently post-merger due to reduction in cost of funds and increase in yields due to retailization. In last 2 years, it moderated primarily on account of run-down of the microfinance portfolio due to the industry crisis.

11 Breakup of Fee & Other Income – FY 2025-26



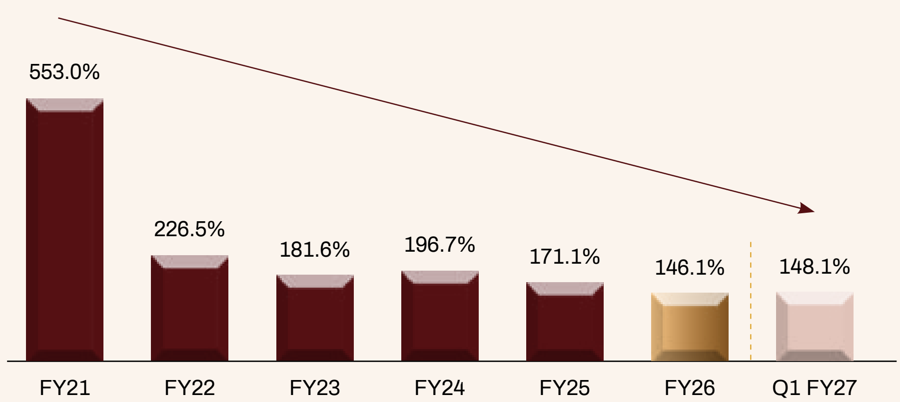
12 Lending Business Cost to Income ratio trend



Based on applicable internal transfer pricing of the Bank

- In lending business, the C:I ratio came down from 60.5% in FY 2020-21 to 53.2% in FY 2023-24.
- However, during FY 2024-25 and FY 2025-26 we ran-down the microfinance book which resulted in reduction of income and increased the cost to income ratio.
- We expect that C:I will start reducing again from FY 2026-27 onwards and come down to <50% over the next 4-5 years.

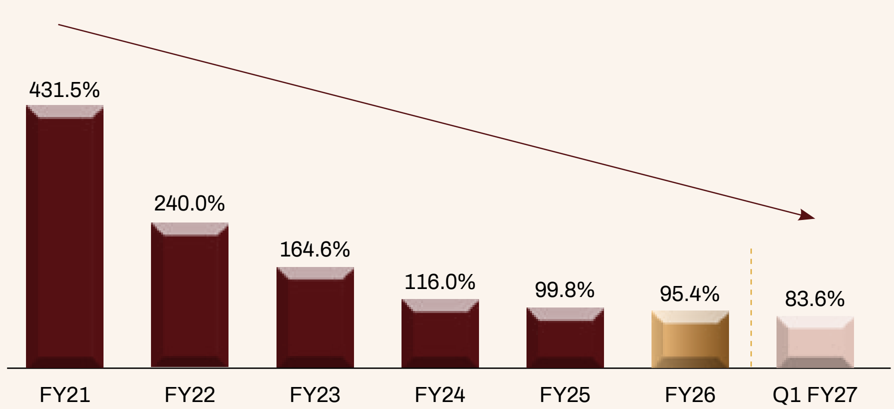
13 Retail Deposits Cost to Income ratio trend



C:I ratio of FY 2025-26 excludes the impact of fraud incident | Based on applicable internal transfer pricing of the Bank

- The C:I ratio in Deposits Business has consistently came down from 226.5% in FY 2021-22 to 148.1% over the last 4 years.
- We expect the trend to continue and reach 100% over the next 4-5 years.

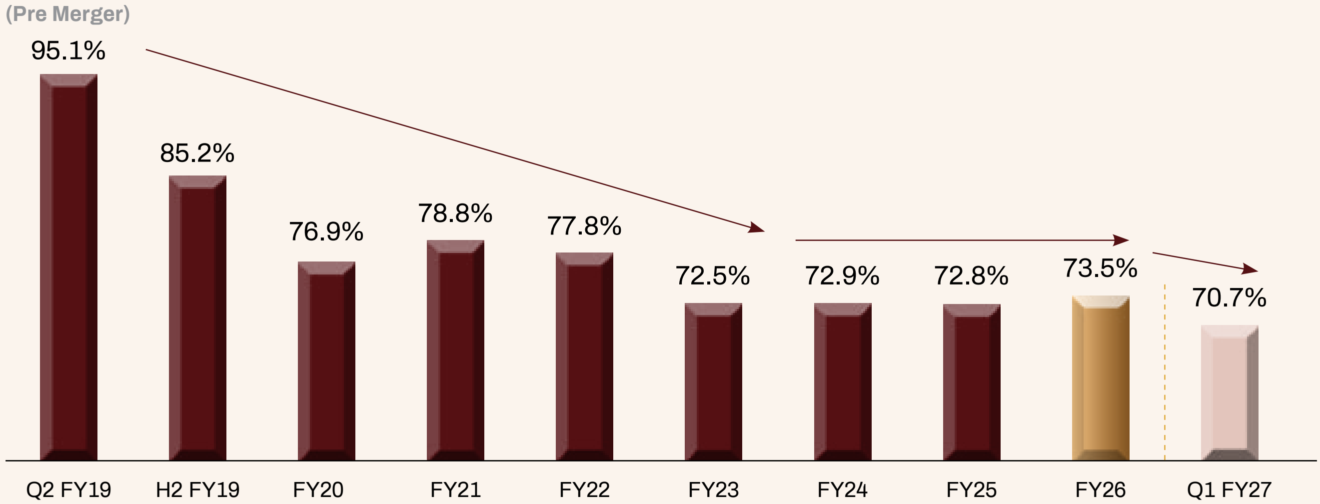
14 Credit Card Business Cost to Income ratio trend



Based on applicable internal transfer pricing of the Bank

- The C:I ratio for Credit Card business came down from 240% in FY 2021-22 to 83.6% by Q1 FY 2026-27.
- We expect the same trend to continue and reach the mid-sixties in the next 4-5 years.

15 Overall Bank: Cost to Income Ratio Trend (Excluding Trading Gain)

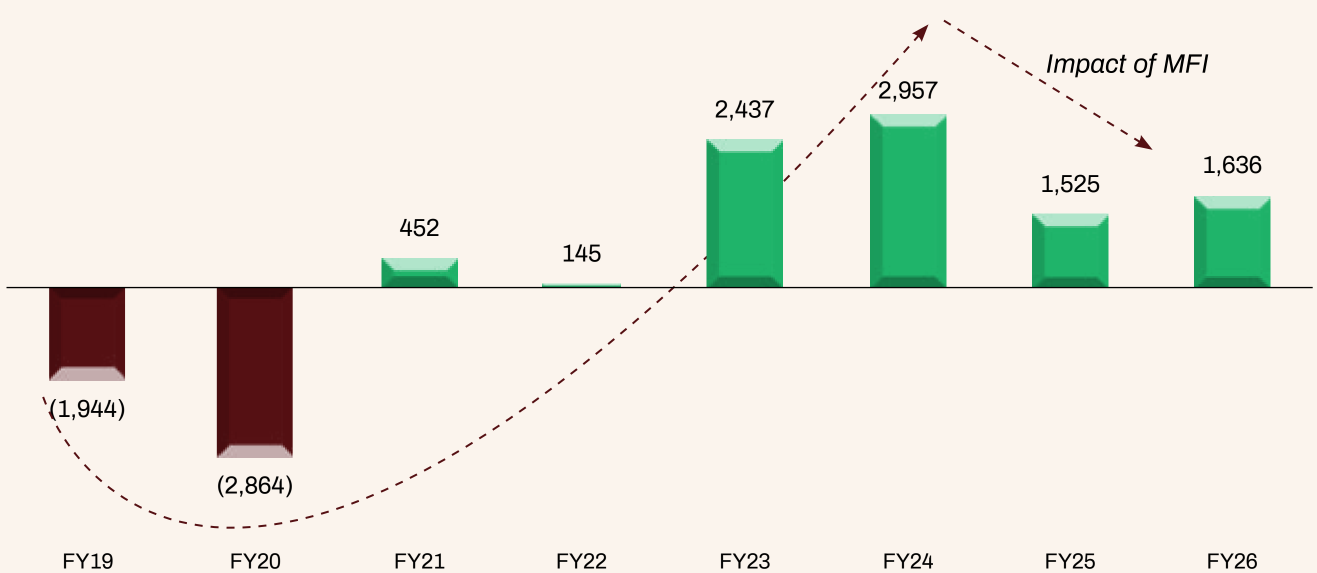


C:I ratio of FY 2025-26 excludes the impact of fraud incident

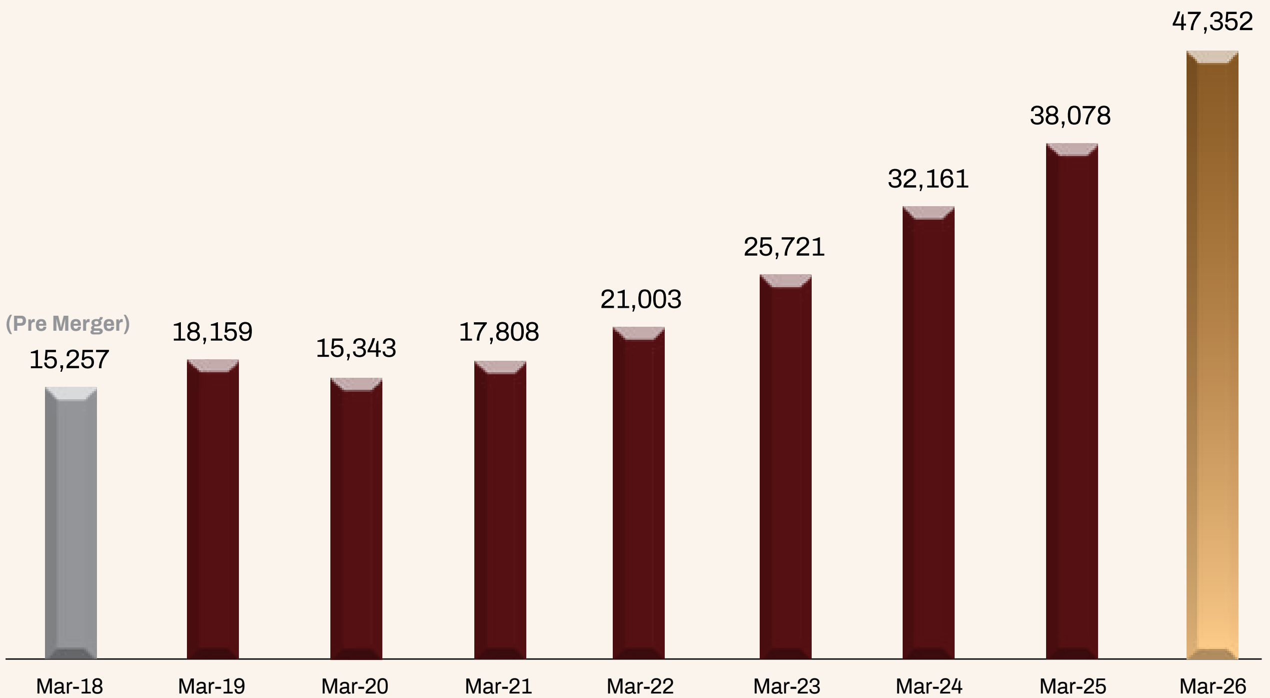
- The Bank's Cost to Income Ratio initially came down from 95.1% (pre-merger) → 85.2% (upon merger) → 72.5% (by FY 2022-23).
- However in the last 2 years, due to the Microfinance (MFI) crisis in India, the Bank reduced its MFI loan book from ₹13,344 crore as on March 31, 2024 to ₹6,698 crore currently. Since the MFI portfolio carried yields of ~23%, the sharp reduction in the book led to a meaningful decline in income and offset the operating leverage benefits from growth in the rest of the franchise.
- The MFI portfolio degrowth has bottomed out. It has begun to grow again on newer guardrails.
- From here, we expect the journey of reduction in Cost-to-Income ratio to resume. Hence, the improvement in operating leverage was clouded by microfinance income reduction.

16 Net Profit (₹crore)

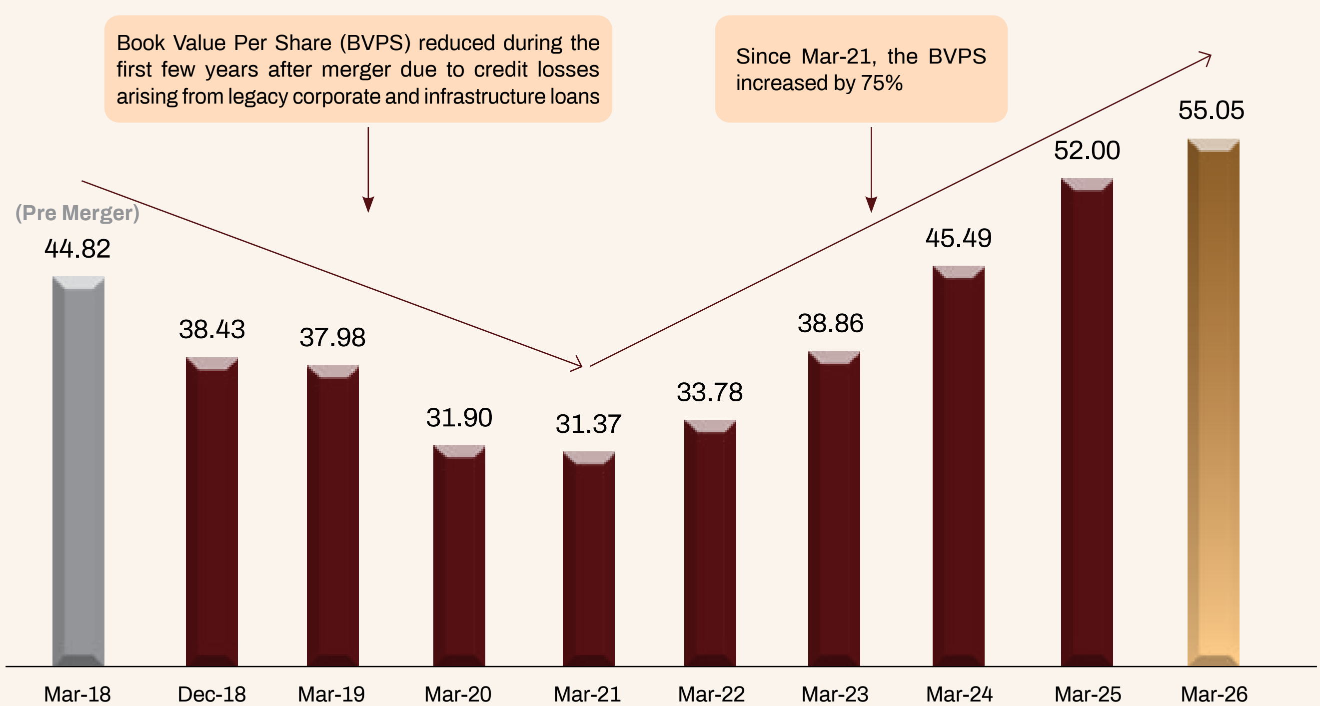
Profit after Tax (PAT) pertaining to Mar-26 includes the impact of the isolated fraud incident reported during Q4 FY 2025-26, excluding this PAT would be ₹2,119 crore in FY 2025-26.



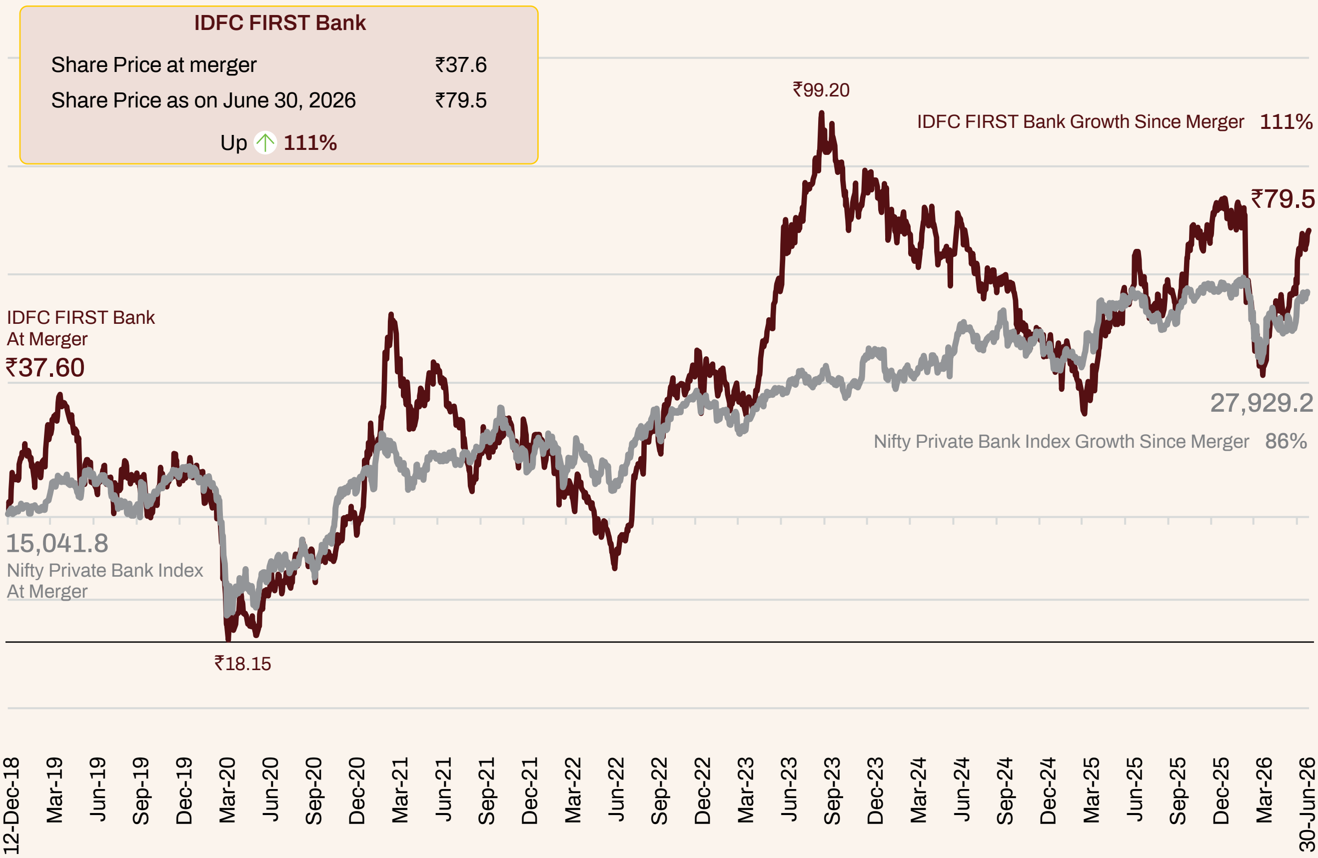
17 Net-worth (Shareholders' Fund) (₹crore)



18 Book Value per share (In ₹)



19 Share Price, Credit Rating & Awards



- On 12th December, 2018, the Bank received clearances from NCLT and on the following day, the Bank informed the exchanges about the receipt of final approval for merger and announced new management to take over. Hence, price considered is closing price of 12th December, 2018 i.e. price prevailing on the last trading day prior to this said public announcement.

20

Credit Rating:
Consistent Upward Trajectory, Anchored in Strengthened Fundamentals

Successive upgrades from India's leading credit rating agencies reflect improving profitability, a granular retail deposit franchise, strong capital position and resilient asset quality, culminating the highest 'AAA' rating on our Fixed Deposit Program

AAA

Fixed Deposit Program

OCT 2024

RATED BY
CRISIL

Highest degree of safety

AA+

Long Term Credit Rating

MAY-JUN 2023

RATED BY
ICRA
CARE
CRISIL
India Ratings
Brickworks

AA

Long Term Credit Rating

MAY 2019

RATED BY
ICRA
CARE

Awards & Events

FE Best Banks Awards 2025

Best Savings Product

Mint

Best Mid-Sized Bank Award 2024

Asian Banking & Finance

Mobile Banking & Payment Initiative of the Year

Best MSME Friendly Bank (Private Sector)

Jury Special Award for Supporting MSMEs

Best Bank for Creating Awareness among MSMEs (Private Sector)

CIMSME Awards

CMS ABF Award 2025

Dun & Bradstreet

India's Leading Private Bank (Mid) 2025

International Banker Award 2025

The Asset Triple Awards 2025

APY Annual Felicitation Program for FY 2024-25

Excellence Achiever for its Outstanding Performance in Atal Pension Yojana

ICC Green Urja Awards 2026

Green Champion Award by CII-IGBC

Best Green Banking Initiative, Global Fintech Fest 2025

Best Digital Transformation Award, Global Fintech Fest 2025

Cricket Catalyst Brand of the Year

FE Best Banks - Saving Product

SKOCH Award

Chairman's Statement

Resilience through Governance

More importantly, this experience validated our 'Customer FIRST' ethos, which must be upheld across every interaction and touchpoint.

Sanjeeb Chaudhuri
Chairman

As we scale and grow, we remain conscious that our progress is meaningful only when anchored in the trust and confidence of our customers.

Dear Stakeholders,

It gives me immense pleasure to present to you the Integrated Annual Report of IDFC FIRST Bank for FY 2025-26. Your Bank continued to strengthen the foundations of a long-term, sustainable institution while delivering steady progress across key strategic priorities. At the same time, your Bank remains committed to be agile, especially in a volatile, uncertain and complex world that is heavily influenced by technological disruptions and ever evolving operating context.

Navigating Uncertainty with Resilience

The global economy during FY 2025-26 entered a phase best described as one of cautious stability. The IMF in its April 2026 World Economic Outlook forecasts global growth to slow to 3.1% for CY 2026 from 3.4% in CY 2025, before a marginal recovery to 3.2% in CY 2027; however, the trajectory continues to be fragile with significant underlying uncertainties. Geopolitical tensions in West Asia escalated into a major conflict, disrupting key energy corridors and pushing Brent crude prices beyond USD 120 per barrel. Simultaneously, the closure of critical maritime routes in early 2026 sent ripples through global supply chains.

India once again demonstrated its economic resilience, emerging as a key driver of global growth with a GDP expansion of 7.6% in FY 2025–26. This strong performance was supported by robust private consumption. As inflation largely remained benign, the Reserve Bank of India undertook calibrated monetary policy actions, including cumulative repo rate reductions of 125 basis points to 5.25%. These measures, alongside sustained government investment in infrastructure, created a supportive ecosystem for economic expansion and credit growth.

In this volatile environment, your Bank chose to reinforce its core strengths. Recognising that resilience must precede growth, we proactively diversified our funding base and strengthened our defensive risk buffers. These measures were undertaken with a clear objective to ensure that our growth remains stable and largely insulated from external shocks, even as global conditions remain unpredictable.

The U.S. announced a 26% reciprocal tariff on Indian goods in April 2025. The tariffs were subsequently paused for 90 days, but the announcement itself created considerable uncertainty regarding exports, economic growth and sectors exposed to the U.S. market. Such fluctuations warranted a detailed review of the sensitivity of the Bank's portfolio to such developments. The Board reviewed the analysis and the actions taken to deal with the emerging situation.

During May 2025, changes to U.S. student visa processing requirements created uncertainty for Indian students pursuing higher education abroad. The Board reviewed the potential implications of these developments on the Bank's portfolio and business outlook.

Later in the year, volatility in oil prices arising from developments in the Middle East prompted a review of the potential impact on the Bank's portfolio. The Board reviewed the sectors most exposed to a sustained increase in oil prices and discussed the management's plans to mitigate the associated risks.

More recently, reports of uneven monsoon patterns prompted the Board to review the Bank's portfolio exposure across different parts of the country. The management presented a district-wise analysis of rainfall deficits, portfolio exposure, vulnerability to lower rainfall, sowing patterns and related risk indicators. The Board reviewed the potential impact and the action plan for closer monitoring and mitigation.

Strengthening Customer Trust through Accountability

As we scale and grow, we remain conscious that our progress is meaningful only when anchored in the trust and confidence of our customers. As noted earlier, we encountered an incident at a particular branch in Chandigarh during the year. The Bank responded with complete transparency, taking swift corrective actions and engaging directly with those affected to ensure that the resolution was fair, humane and accountable.

The Bank, being a technologically advanced institution, maintains strong digital controls, but in this case, it was a collusion between employees of the Bank, employees of the client, and certain third-party actors. Post the incident the Bank immediately ordered an independent forensic study and conducted a comprehensive review of all related processes across the Bank. This led to the implementation of additional controls and safeguards. The Board discussed the matter extensively in multiple meetings and reviewed the corrective actions taken by the Bank. The management team took accountability for the incident, and this was reflected in the compensation of key management personnel for FY27.

Robust Risk Management and Governance

The emphasis on accountability is closely supported by our continued focus on strengthening risk management and internal control systems. With active oversight from the Risk and Audit Committees of the Board, our systems are evolving from being reactive to increasingly predictive in nature.

During the year, the Board continued to devote significant time to discussions on risk management, cyber security, fraud prevention, operational resilience and regulatory compliance.

Regulatory compliance is a cornerstone of our governance philosophy. We view compliance as an important responsibility apart from being a statutory obligation. Our approach goes beyond adherence to the letter of the law, extending to the spirit of transparency, integrity and responsible banking. This ensures that we continue to be a trusted institution for regulators, customers, and shareholders alike.

The Board takes matters of governance very seriously. Any issue that falls short of the high standards that we expect of ourselves is reviewed carefully and addressed appropriately. The Board places a strong emphasis on transparency, accountability and doing the right thing. We believe that trust is built not only through business performance, but also through consistent adherence to strong values and governance standards.

We would like to share that multiple levels of management participate in Board and Committee meetings, giving Directors direct visibility into the Bank's operations, key risks, opportunities and challenges. It would be fair to say that the management maintains complete transparency with the board.

Embedding ESG into Core Strategy

Our commitment to sustainability and social responsibility has gained deeper integration into our business strategy. ESG considerations are increasingly embedded into our business decisions, product design and operational practices.

From expanding our portfolio of Green Deposits to strengthening our leadership in EV financing, we are aligning our growth with environmental and societal priorities. These efforts are reflected in our MSCI ESG Rating of 'A' which has been upgraded to 'AA" recently, and an improved S&P Global ESG Score of 56, underscoring our progress toward global standards in sustainable banking.

I am personally highly interested in this aspect as I feel this is one of the key issues facing the planet, and I often push the management to go more green and increase its focus on ESG.

Looking Ahead with Confidence

India is entering an important phase of economic development, and we believe the Bank is well positioned to participate meaningfully in this growth while maintaining a disciplined focus on governance, risk management and customer trust.

I would like to extend my sincere appreciation to all our stakeholders. I am grateful to our regulators for their guidance and continued support. I thank our customers for their trust and loyalty, and our employees for their dedication and commitment in serving all stakeholders. To our shareholders, I express my gratitude for your confidence and ongoing support.

Thank you all for being an integral part of our journey. As we reflect on the year gone by, we do so with a sense of accomplishment, having emerged stronger, more resilient, and better prepared for the future.

Warm regards,

Sanjeeb Chaudhuri
Chairman

Managing Director and CEO’s Statement

The Next Phase of Our Journey

V. Vaidyanathan
Managing Director & CEO

A core element of our culture is a deep focus on customers.

Technology enables inclusive lending at scale.

Dear Stakeholders,

Greetings! I hope this note finds you in good health and spirits. In this letter, I will share with you our performance for FY 2025-26, and then talk about the foundations we are laying to build a world-class bank in India.

We believe a world-class bank should represent the highest standards of customer experience, corporate governance, technology, and sound economics. In the following pages, I will share our progress on each of these areas. But first, let me begin with our financial performance.

For FY 2025-26, Loans and Advances increased 20% YoY to ₹2.84 lakh crore, Deposits increased 17% YoY to ₹2.94 lakh crore, CASA ratio stood at 49.8%, and Profit After Tax was underwhelming at ₹1,636 crore, up 7% over FY 2024-25. Excluding the impact of the fraud incident reported in Q4 FY 2025-26, which I discuss later in this letter, Profit After Tax would have been ₹2,119 crore, up 39% YoY.

As I write this letter, we have also announced our results for Q1 FY 2026-27. To keep this discussion current, I have incorporated these results where relevant. I am pleased to share that the Bank continued to make progress across key operating and financial parameters. As of Q1 FY 2026-27, our Loans and Advances crossed ₹2.98 lakh crore, up 20% YoY, while Total Deposits crossed ₹3.12 lakh crore, up 18% YoY. CASA Deposits stood at ₹1.58 lakh crore and the CASA ratio improved to 50.8%. Asset quality remained strong, with Gross NPA at 1.51% and Net NPA at 0.44%. During the quarter, the Bank reported Profit After Tax of over ₹1,000 crore for the first time in its history, and Return on Assets crossed 1%.

A core element of our culture is a deep focus on customers. Before launching a product, service, policy, or process, we ask ourselves whether we would be comfortable offering it to someone near and dear to us. This philosophy shapes the way we design our products and customer journeys.

We insist that all customer journeys, whether on mobile banking, internet banking, or other channels, are designed without dark patterns. As much as possible, we avoid asterisks in our advertisements because asterisks often hide a lot. We started a process to proactively notify customers

> *Our technology capabilities strengthen our corporate banking franchise. Advanced transaction banking platforms support cash management, trade finance and foreign exchange services at scale, with processing capabilities of up to 1,000 transactions per second.*

of the exact amount they need to maintain for the rest of the month so that they can avoid non-maintenance charges. Every branch is the home branch for every customer, and we do not levy any "non-home branch" charges. We display "Customer Service" prominently across our digital channels, including mobile banking, so that customers can access help easily when they need it.

Through improvements in product design and customer service, the Bank has continued to enhance customer experience. During FY 2025-26, the number of calls to our call centre declined by 22% through root cause analysis, even as our customer base grew by 20%. This is the second consecutive year of such improvement, indicating a steady reduction in customer friction points.

A modern technology stack

Over the last several years, we have invested significantly in building a modern, cloud-first, API-led technology architecture. The Bank today operates on a resilient, scalable platform with 99.9% availability standards for critical systems, a unified enterprise data platform with over 200 TB of data from more than 30 systems, and over 150 machine learning models and scorecards that support lending, customer engagement and risk management.

This technology stack delivers several important advantages.

First, it helps us raise retail deposits at scale. Our mobile banking has become important capability. By conventional productivity benchmarks of comparable banks publicly available data, achieving our scale of deposits within seven years would have required around 2,500 branches. We achieved it with just 1,155 branches.

Second, technology improves the unit economics of the Bank. Machine learning based underwriting, analytics and automated decisioning help us maintain NIM as a % of assets of 5.8% with only 1.1% of assets as credit cost, resulting in about 4.5% - 4.7% of risk adjusted NIM which should yield ROA of 1.7% in due course.

Third, technology enables inclusive lending at scale. The Bank disburses, collects and monitors approximately 1.5 million loans every month and manages around 18 million live loans across kirana shops, salons, mirco entreprenuers mobile phones, laptops, air conditioners, washing machines, etc. Such scale would not be possible without deep investments in data, analytics and automation.

Fourth, technology allows us to serve customers better across every channel. We now serve approximately 39 million customers through our mobile app, web platforms, branches, WhatsApp and contact centres, while maintaining a consistent experience across channels.

Fifth, our technology capabilities strengthen our corporate banking franchise. Advanced transaction banking platforms support cash management, trade finance and foreign exchange services at scale, with processing capabilities of up to 1,000 transactions per second. These capabilities helps build deep operating account relationships and current account balances.

Finally, technology strengthens risk management and controls. Advanced analytics monitor transactions and portfolios in minute detail, helping identify unusual behaviour, minimise mule accounts, strengthen fraud detection and improve portfolio monitoring across the Bank.

Most importantly, we have built this technology architecture for the future. We believe this technology foundation will continue to be a significant advantage for the Bank over the coming decade.

Unit Economics

The Bank's business model delivers a strong risk-adjusted Net Interest Margin of over 4.5% -4.7% (Net Interest Income less credit costs as a percentage of average assets).

However, since IDFCFB is an early-stage Bank, we have invested in new capabilities that were essential to build a long-term institution. These investments include:

- Setting up 1,155 branches, 1,110 ATMs. We built retail deposits from ₹10,400 crore as on 31st December 2018 to ₹2,38,090 crore as of 30th June 2026.
- Technology & analytics capabilities as described earlier in this note.

Advanced analytics monitor transactions and portfolios in minute detail, helping identify unusual behaviour, minimise mule accounts, strengthen fraud detection and improve portfolio monitoring across the Bank.

- Control systems for cybersecurity, AML, Mule monitoring, Fraud monitoring and other control functions.
- A top-class mobile banking app. Its rated #1 in India and #2 globally by renowed FORRESTER and has customer ratings of 4.9 on Google Play and 4.8 on App Store.
- Built Priority Sector Lending of about ₹1 lakh crore, which involved expansion to over 60,000 villages for financing agriculture, Small & Marginal farmers, and weaker sections. Since we were a domestic financial institution at the start, we did not have this capability earlier.
- Bank has launched and scaled up many new businesses like NR, wealth management, Commercial Vechiles, Rural Banking, Gold Loans, Tractor Loan etc.
- Set up successful Credit Cards of 4.8 Mn+ Cards
- Set up a FASTag business with 18 million active Fastag, 40% of all NETC issuer transactions by value are on IDFC FIRST.
- Bank has set up transaction Banking Services, including Cash, Trade, FX with over 2,300 clients

These investments were essential to build a large sustainable bank for the long term.

Asset Quality

We are happy to share that the bank continues to have high asset quality. As of 30th June 2026,

- 0-30 DPD collections are around 99.5% for retail portfolio
- 31- 90 DPD (also called SMA 1 and 2) is around 0.8% for retail portfolio
- GNPA is around 1.51% and Net NPA is 0.44% at Bank level
- Credit cost is 1.53% of loans or 1.13% of total assets at Bank level

Profitability

I am happy to share that in the first phase after the merger, the Bank increased its Return on Equity from 0% to 9% as per the most recent published financial results. As we enter the next phase, we expect Return on Equity to increase from 9% to 15% through continued growth and operating leverage, supported by the strong earning power of the underlying business model.

As evidenced by our latest quarterly results, the Bank reported its highest-ever quarterly Profit After Tax of ₹1,075 crore in Q1 FY27. We expect a profitability trajectory to continue into the remainder of FY27 and continue to improve into FY28. This expectation is supported by the operating leverage that is becoming visible in the Bank's financial performance.

In Q4 FY26, operating income grew by 17.1% while operating expenses grew by 12.3%. In Q1 FY27, operating income grew by 21.5% while operating expenses grew by 16.4%, we are experiencing positive profitability jaw of approximately 500 basis points.

I am happy to share that in the first phase after the merger, the Bank increased its Return on Equity from 0% to 9% as per the most recent published financial results. As we enter the next phase, we expect Return on Equity to increase from 9% to 15% through continued growth and operating leverage.

The Bank's reported cost-to-income ratio was 70.7% in Q1 FY27. However, a key metric to understand the Bank's underlying economics is the incremental cost-to-income ratio, which is 56%. Naturally, in due course, the incremental cost-income ratio will become the cost-income ratio of the bank as the bank scales up.

As the franchise continues to scale, we expect this operating leverage to support further improvement in profitability, capital generation and return ratios.

Incremental Cost: Income ratio

The Bank's reported cost-to-income ratio was 70.7% in Q1 FY27. However, a key metric to understand the Bank's underlying economics is the incremental cost-to-income ratio, which is 56%. Naturally, in due course, the incremental cost-income ratio will become the cost-income ratio of the bank as the bank scales up.

For context, the Bank's Cost-to-Income ratio came down from 95.1% (pre-merger) → 85.2% (upon merger with Capital First) → 70.7% (Q1FY27) currently. It was temporarily stuck at 73% for a couple of years as the bank shrank its microfinance loan book which reduced income Which neutralized productivity gains. We expect C:I to start reducing again based on the low incremental cost-income ratio.

As the cost-to-income ratio starts reducing, we expect ROE to increase to over 15%.

Fraud incident in Chandigarh Branch

In February 2026, a fraud incident was discovered at one of our branches in Chandigarh. I would like to share with our shareholders how it happened, the lessons we learnt from it, and the steps we have taken to strengthen our systems and controls so that such incidents do not recur.

This was a serious fraud involving certain employees of the Bank at a branch in Chandigarh, who colluded with certain employees of the customer and with third parties to perpetrate the fraud. This should not have happened.

Our Bank prides itself on maintaining high standards of control comparable with the best in the industry. As described earlier in this letter, we are a technologically advanced bank and use modern technology extensively in areas such as anti-money laundering, mule account detection and transaction monitoring. We have advanced machine learning models for both pre-onboarding and post-onboarding monitoring, which are among the most sophisticated in the industry.

However, this was a case of collusion involving multiple parties acting together to circumvent established controls.

The Bank responded with speed and transparency. On 21 February 2026, late on Saturday night, we announced the incident and shared as much information as possible with the public. On the first subsequent working day, Monday morning at 8:00 a.m., we held an analyst call and placed all relevant facts in the public domain. During that call, almost instinctively and as a matter of principle, we stated that since our employees were involved, we would want to pay for it.

At IDFC FIRST Bank, we have always spoken about principle-based banking. Accordingly, we did not take shelter behind lengthy investigations. Within the same working day, we compensated the counterparty on a principle basis.

Since the matter was serious, I personally flew to Chandigarh the same day and met senior administrative officials. I assured them of the Bank's bona fides, our culture and our commitment to doing the right thing. They appreciated the speed of our response and our willingness to accept responsibility where

The deposits stayed firm with us. We sincerely thank all our customers for your confidence in us.

Accordingly, apart from the customary disclosures of Gross NPA, Net NPA and provisions, the Bank discloses the entire funnel of asset quality at every stage of credit performance.

our employees were involved. Senior officials wrote to us with appreciation, and remarked, "We have known of AAA banks by financial strength. You are the first bank we have seen as AAA by moral conduct."

We promptly informed the stock exchanges of the payment. We also issued a full-page public advertisement the same day, which was published the following morning, to avoid any speculation on the matter. During the crisis, we also spoke to CNBC TV18 to address the issue transparently; and other spokespersons of the Bank also remained available to media throughout the episode.

We immediately commissioned an independent forensic investigation by KPMG to establish the facts, identify the root causes of the incident, determine accountability, and recommend measures to strengthen the control framework.

We published the forensic report and its findings in the public domain. The investigation confirmed that the incident arose from collusion involving certain employees and former employees of the Bank at the Chandigarh branch, certain employees of customers (i.e. departments of State Governments), and certain third parties.

The investigation also confirmed that this was an isolated incident involving a single branch of the Bank, and that similar incidents had not been observed at any of the Bank's other branches.

We immediately recognised the full impact of the incident in our financial statements for Q4 FY26.

Importantly, the records in the Bank's Core Banking System (CBS) were accurate. Customers received periodic account statements reflecting their balances and transactions and, where applicable, were notified through SMS alerts regarding transactions in their accounts.

Immediately after the incident, the Bank undertook a nationwide verification exercise and sent physical and/or email statements reflecting closing balances as of 28 February 2026 to all relevant Government and TASC (Trusts, Associations, Societies & Clubs) account holders across India. No discrepancies or claims were received from any other customers.

Based on the findings of the investigation, the Bank implemented additional preventive controls to strengthen oversight, particularly in relation to collusion risk at the branch level. These measures include oversight by a centralised team in addition to branch-level authorisation, enhanced customer communication processes, and other technology-led control mechanisms.

The measures implemented following the incident have further strengthened the Bank's control framework. We remain determined to build a world-class bank in India, anchored in strong governance, sound controls and principled conduct.

Thousands of customers, shareholders and well-wishers reached out to us through LinkedIn, email and other forums, expressing their confidence in the Bank and assuring us of their support. Many people who had known us professionally or personally over the years even recorded and shared videos in support of the Bank, saying that while mistakes may occur in any institution, IDFC FIRST Bank would never knowingly do wrong. We thanked everyone for this spontaneous outpouring of trust and goodwill.

Seven years ago we had started our retailization of deposits which rose from 27% to 80% during this period. Retail relationships are more sticky and diversified. Incidentally, during the same quarter (Q1 FY27) when this incident occured, we had also reduced interest rates on savings accounts. Yet the deposits stayed firm with us. We sincerely thank all our customers for your confidence in us. Thank you all.

The incident has reinforced in us the requirement to be more vigilant and never to be too sure of ourselves or our controls. We are determined not to let such an incident come our way again.

Governance

Our Board comprises of highly accomplished individuals who have led some of India's most respected institutions at senior levels. Individually and collectively, they uphold the highest standards of governance and conduct.

The Board expects complete transparency from the management team. Any matter with implications for governance receives close scrutiny and rigorous discussion. The directors are independent in their judgement,

> *Our MSCI ESG rating improved from A to AA, our S&P ESG score improved from 48 to 56, and the Bank is a constituent of the FTSE4Good Index Series.*

uncompromising in their standards, and unwavering in holding the institution accountable to its stated values and responsibilities.

As management, we derive great strength from this oversight. The Board's guidance, challenge and stewardship help ensure that the Bank remains firmly anchored in sound governance as we pursue our ambition of building a world-class institution.

Transparency

Transparency has been a core value of the Bank since its inception. Accordingly, apart from the customary disclosures of Gross NPA, Net NPA and provisions, the Bank discloses the entire funnel of asset quality at every stage of credit performance.

- 0-30 DPD collection performance for the last 16 quarters.
- 31-90 DPD product-wise trend for last 5 quarters
- 90+ DPD Gross NPA product-wise trend for last 5 quarters
- Net NPA product-wise trend for last 5 quarters
- A 15-year track record of Gross NPA and Net NPA performance across the Retail, Agri and MSME businesses.
- Credit cost Trends for the last six years and five trailing quarters.

These disclosures provide investors and the public complete visibility into every stage of the loan life cycle, from 0 DPD through to final loss recognition.

Similarly, on profitability, apart from overall profitability, the Bank discloses segment-wise cost-to-income ratios and their trends, enabling investors to better understand the underlying economics of the business.

ESG

Our businesses are naturally aligned with social good, supporting livelihoods, financial inclusion and responsible growth.

As of March 31, 2026, the Bank has mobilized more than ₹1,284 crore of green deposits and continued its strong green deposit mobilization in Q1-FY27. These deposits have been utilized to finance the green portfolio of the Bank, through financing for electric vehicles, renewable energy, solid waste management and recycling activities. Till date, we have financed over 2.6 lakh electric vehicles, supported over 3 lakh SMEs, disbursed over 20 lakh cattle loans and financed over 3.7 million women borrwers.

Beyond financing, we have embedded ESG into our day-to-day operations. Today, 36% of the Bank's premises are green building certified and over 5.6 lakh square feet of premises use green power.

Our MSCI ESG rating improved from A to AA, our S&P ESG score improved from 48 to 56, and the Bank is a constituent of the FTSE4Good Index Series.

Thank You,

As I conclude, I would like to express my sincere gratitude to all our stakeholders.

I thank our customers for choosing us and placing their trust in us. I thank our shareholders for their continued confidence and support as we build the Bank for the long term.

I thank our regulator, the Reserve Bank of India, and our supervisors for their guidance and oversight, which have immensely helped us build the Bank. The Indian banking regulator is respected across the world. We have seen first-hand their grace, support, and firmness, all in equal measure.

I thank our Board members for their stewardship, wisdom and commitment to the highest standards of governance.

Above all, I thank our talented employees, whose hard work and sense of purpose enable the Bank to serve millions of customers every day.

There is still much to do to build a world-class bank in India. We will focus on customer service, strong governance, sound controls and principled conduct.

Warm regards,

V. Vaidyanathan,
Managing Director & CEO

Executive Director's Statement

Customers at the Core

Pradeep Natarajan
Executive Director

We have prioritized a culture of total ownership, ensuring that our internal protocols are not just followed, but are deeply embedded in our DNA to better serve our patrons.

Dear Stakeholders,

The character of an institution is defined by its commitment to its values and its ability to emerge stronger from challenges. Throughout FY 2025–26, IDFC FIRST Bank demonstrated the discipline, accountability, and urgency that are the hallmarks of our organization. Above all, we have been guided by our 'Living by Customer FIRST' principles, ensuring that every internal process and strategic shift is measured by the value and ease it brings to our clients' lives, fostering a culture of empathy and excellence.

We have prioritized a culture of total ownership, ensuring that our internal protocols are not just followed, but are deeply embedded in our DNA to better serve our patrons. By enhancing our operational rigor and prioritizing transparency with our regulators, we have safeguarded the enduring reliability of the Bank. Our leadership remains deeply engaged with the frontline, ensuring that our teams stay focused on delivering consistent, uninterrupted, and world-class service. This hands-on approach ensures that we listen to our customers' feedback and pivot quickly to meet their evolving needs.

Our retail and MSME franchises continue to gain significant traction, supported by a stable and growing deposit base of ₹2.9 lakh crore. This reflects the continued trust our customers place in us and our success in providing products that truly resonate with their requirements. With a sharper operational focus and a more cohesive culture centered on customer well-being, we are well-positioned to translate our refined processes into sustained, long-term value for all stakeholders, ensuring that IDFC FIRST Bank remains a beacon of customer-centricity.

Warm regards,

Pradeep Natarajan
Executive Director

In the Press

Shining in the Spotlight

Mr. Sudhanshu Jain, CFO IDFC FIRST Bank in an interview with ET NOW

THE ECONOMIC TIMES

Costs and Provisions Down, IDFC Show should Continue This Year

ET Q&A

V VAIDYANATHAN
MD & CEO, IDFC FIRST BANK

This is your highest-ever quarterly profit, is it sustainable?

What's a realistic steady-state credit cost for the bank?

You have taken prudent provisions despite improving asset quality. Are you expecting any pressure ahead?

FUTURE ROADMAP

We want to be a complete universal bank catering to all segments of society, from large corporates to a micro-enterprise

Where do you see net interest margin (NIM) trending for the rest of FY27?

Where do you see demand in credit?

Wholesale book growth is strong, what is your strategy?

How much do you plan to raise on FCNR(B) deposits?

Mr. Sudhanshu Jain, CFO IDFC FIRST Bank in an interview with CNBC Awaaz

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Home > Business > IDFC FIRST Bank Enables GST Payments...

IDFC FIRST Bank Enables GST Payments for Customers and Non-Customers

ENABLES PAYMENT VIA UPI: Cards, Net Banking and Branches

Mumbai, Maharashtra, India – Business Wire India

New Delhi/Mumbai, Sept 2 (UNI) IDFC FIRST Bank is pleased to announce the facility to pay GST for both its customers as well as non-customers.

This enhances the convenience and accessibility for all taxpayers across the country through a wide range of digital channels.

IDFC FIRST Bank is among Private Sector Banks authorized for GST collections, reaffirming its commitment to offering universal banking solutions and comprehensive financial services to the wider ecosystem.

Mr. Ashish Singh, Head – Retail Liabilities at IDFC FIRST Bank, said:

"As a universal bank, our goal is to provide complete services to our customers. Customers and Non-customers of IDFC FIRST Bank can now make GST payment through UPI, Credit and Debit Cards. So, tax payments are now seamless, accessible, and inclusive.

This enhancement is a part of our broader effort to deliver world-class digital banking solutions and empower all taxpayers with a frictionless payment experience."

THE ECONOMIC TIMES

There is a Need to Expand Startups' Capital Pool: IDFC First Bank Chief

TEAM ET

Bengaluru: There is an urgent need to expand the availability of capital for the flourishing Indian startup ecosystem, IDFC First Bank chief executive and managing director V Vaidyanathan said.

Speaking at the ET Startup Awards, Vaidyanathan expressed concern over the low funding rate for new ventures and said even the most innovative ideas fail without adequate financial backing.

"In a recent meeting with a venture capital firm, I was told that out of approximately 1,000 startups that pitch to a VC, only about 40-50 receive financing. This conversion rate is disturbing, and hundreds of viable, good ideas are likely going unfunded," he said.

MISSING SPOTS

Out of 1,000 startups that pitch to a VC, only about 40-50 receive financing. Hundreds of viable, good ideas are likely going unfunded

India, which has a thriving startup ecosystem, needs to expand its capital base, Vaidyanathan said in his closing remarks at the event. There is huge potential for more disruption, especially from campuses and tier-2 and -3 cities.

He suggested that entities like colleges, which are currently unable to invest in venture capital funds due to their Section 8 (not-for-profit) status, be permitted to do so to expand the pool of capital. Vaidyanathan acknowledged the government's work in improving India's global image over the last decade. IDFC First Bank is working on developing a technology stack to cater to India's startups, he said.

mint

IDFC First Bank launches Zero Forex Diamond Reserve Credit Card for global travellers. Details here

IDFC FIRST's 'Diamond Reserve Credit Card' provides 0% forex markup, interest-free global ATM cash withdrawals, and lifetime reward points.

SPORTS MINT

Tata Mumbai Marathon's growing commercial muscle powers India's running economy

The Tata Mumbai Marathon (TMM), promoted by Procam International, will have its 21st edition on Sunday, January 18, 2026, extending its tradition as India's most renowned participatory athletic event.

The World Athletics Gold Label Race will attract a record 69,100 participants, comprising 65,400+ on-ground runners and 3,700+ virtual competitors, demonstrating the marathon's expanding size and national appeal.

Over the last two decades, the Tata Mumbai Marathon has been instrumental in creating India's running culture. This year's edition establishes new records, with 14,059 first-time full marathon participants, as well as significant increases in the Half Marathon and Open 10K categories. Increased female participation, faster finish times, and greater community involvement during the Dream Run demonstrate the growing popularity of running across demographics.

Shreepad Shende, Chief Marketing Officer, IDFC FIRST Bank, said:

"IDFC FIRST Bank is delighted to continue its partnership with the Tata Mumbai Marathon for yet another year. Tata Mumbai Marathon truly reflects the spirit of Mumbai and resonates perfectly with our core philosophy of 'Social Good'. At IDFC FIRST Bank, we celebrate every runner who chooses a healthier lifestyle and look forward to this iconic event that unites people from all walks of life."

IDFC FIRST Bank

IDFC FIRST Bank Unveils Gaj: - An Invitation-Only Metal Masterpiece for IDFC Private Banking Customers.

Mumbai, 29th December 2025: IDFC FIRST Bank announces the debut of Gaj: (pronounced Gajah in Sanskrit) Credit Card a premium, invitation-only metal credit card engineered for the Bank's discerning high-net-worth individuals (HNI). Gaj: Credit Card represents the pinnacle of Ashva- Mayura- Gaj: trilogy, the Bank's curated series of premium metal credit cards.

Shirish Bhandari, Head - Credit Cards, FASTag & Loyalty, IDFC FIRST Bank, said:

"Gaj: Credit Card reflects our deep respect for Indian heritage and its achievers. We designed this card to be complete in every respect- combining feature depth with an inspirational Indian design. As the pinnacle of our Ashva- Mayura- Gaj: trilogy, it honors the wisdom and strength of the modern Indian achiever."

Our Brand

Our BANK

In FY 2025-26, meaningful growth followed customer relevance. Anchored in our 'Near & Dear' philosophy, IDFC FIRST Bank scaled brand awareness to an all-time high by putting the customer first. From nationwide sports partnerships and digital storytelling to sustainable initiatives, this chapter explores how purpose-led investments deepened enduring trust and strengthened our consumer brand.

Building a 'Customer-FIRST' Consumer Brand

Financial Year 2025-26 marked a year of steady and purposeful progress for the IDFC FIRST Bank brand, guided by its Customer First ethos. Operating in a highly competitive and rapidly evolving banking environment, the Bank remained focused on strengthening brand salience, deepening trust, and nurturing enduring customer relationships across segments.

Every brand initiative during the year was anchored in a simple belief: meaningful growth follows customer relevance. Through disciplined, purpose-led brand investments and customer-centric storytelling, the Bank's Top of Mind Awareness (TOMA) reached an all-time high of 31. Besides improved recall, this milestone also signifies growing credibility, deeper emotional connection, and sustained trust built through consistently placing customer needs and aspirations at the center of communication.

Strategic Marketing Approach

Throughout the year, the Bank's marketing strategy remained anchored in a clear and pragmatic objective: delivering coherent, relevant, and effective communication within an increasingly fragmented media ecosystem. Recognizing shifts in consumer behavior and content consumption, IDFC FIRST Bank adopted an integrated, end-to-end approach across platforms. This ensured brand messaging remained not only consistent, but also authentic and empathetic to customer contexts.

This approach reinforced the Bank's Near & Dear philosophy, where every interaction, across channels and formats, was designed to feel accessible, human, and responsive to customers' real lives and moments.

Driving Awareness and Recall at Scale

Among the year's most significant awareness-building initiatives was the NRI-focused brand campaign, launched during the peak homecoming season between December 2025 and January 2026. Grounded in emotional insight, the campaign acknowledged the unique needs of non-resident Indians during periods of reconnection, reinforcing the Bank's role as a trusted financial partner across borders.

High-impact advertising during the Men's T20 World Cup across OTT platforms amplified reach and brand recall. Strategic placements during high-attention moments, such as DRS reviews and dot-ball sequences, enhanced memorability. The blend of contextual relevance, emotional resonance, and precise media execution significantly strengthened campaign effectiveness.

Experiential Marketing: Creating Meaningful Interactions

Cricket Premier League and FIRST Pitch

The third edition of the Cricket Premier League marked a significant expansion of the initiative, extending participation beyond housing societies to corporates, gymkhanas, and clubs. The tournament culminated in FIRST Pitch, a curated meet-and-greet event where winners were felicitated by Mumbai Indians players.

These immersive experiences were designed to foster authentic connections by enabling direct engagement with existing and prospective customers in environments reflecting shared interests and community spirit.

Participative Sports: Marathon Engagements

FY 2025-26 marked the fourth consecutive year of the Bank's participation in marathon events across Bengaluru, Hyderabad, New Delhi, Kolkata, and Mumbai. These associations delivered strong hyperlocal visibility while reinforcing the Bank's commitment to holistic well-being.

The Bank's distinctive narrative, 'Journey to the Start', intentionally shifted the spotlight from outcomes to the discipline, intent, and preparation required to begin. This philosophy closely reflects IDFC FIRST Bank's approach to financial wellbeing, centered on long-term preparedness, resilience, and responsible decision-making. The campaign achieved a reach of over 60 million across platforms, reinforcing the strength and relevance of this message at scale.

On-ground interactions extended beyond brand visibility to include financial literacy and safe banking awareness, further strengthening trust and relevance.

The Bank continued as the Title Sponsor of the second edition of the Indian Navy Half Marathon in Delhi, which witnessed participation from over 10,000 runners. Further strengthening its engagement with the armed forces, IDFC FIRST Bank also partnered with the Sekhon Air Force Marathon. Together, these initiatives underscore the Bank's commitment to nation-building by promoting fitness, resilience, and community participation, aligned with the values of discipline and service embodied by India's defense forces.

Segment-led Brand Building

Startup Banking: Ideabaaz Partnership

During the year, IDFC FIRST Bank strengthened its engagement with India's startup ecosystem through a strategic partnership with Ideabaaz. As the Startup Banking Partner, the Bank showcased tailored financial solutions for startups across various growth stages, reinforcing its positioning as a long-term financial partner supporting innovation, scalability, and sustainable growth.

The partnership aligned strongly with India's evolving startup landscape in Tier 2 and Tier 3 cities. Given the platform's scale, reach, and relevance, the association represented a prudent and impactful brand investment for the Bank.

Wealth and Private Banking: Global Wealth Summit

As the Presenting Partner at the Moneycontrol Global Wealth Summit 2026, the Bank engaged senior stakeholders from India's wealth and investment ecosystem. With participation from over 500 delegates, initiatives such as the FIRST Private Lounge, prominent on-ground branding, and thought leadership participation enhanced awareness and consideration of the Bank's Private Banking proposition among discerning audiences.

ESG Integration and Purpose-led Branding

Sustainable FIRST Trophy Initiative

In collaboration with the BCCI, IDFC FIRST Bank introduced a Sustainable Trophy for the India vs. New Zealand series, crafted from repurposed bats and balls. The initiative demonstrated how environmental responsibility can be meaningfully integrated into high-visibility platforms, aligning values with action.

Mumbai Climate Week

The Bank participated as Principal Partner of Mumbai Climate Week in February 2026. Through its 'FIRSTENSURE' initiative, IDFC FIRST Bank continued to advance sustainable finance by offering eco-friendly debit cards and enabling financing for over 2.5 lakh electric vehicles. These efforts reinforced the Bank's commitment to responsible, long-term value creation.

Building on a Strong Foundation

FY 2025-26 marked a year of consistent, thoughtful, and customer-first brand building for IDFC FIRST Bank. Each initiative across awareness, engagement, and purpose reflected the belief that trust is earned through relevance, empathy, and reliability.

As the Bank moves forward, it remains firmly committed to its vision of becoming the world's most customer-friendly bank, guided at every step by its 'Near & Dear' philosophy across products, services, and everyday interactions.

Products and Services

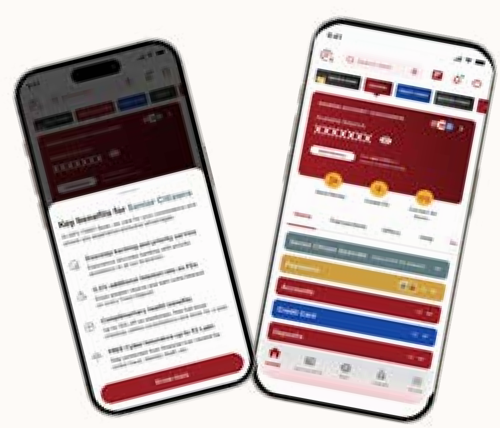
Our Products

Current Account

The IDFC FIRST Current Account platform is anchored in the Bank's Customer FIRST philosophy, delivering banking solutions that are aligned to the evolving needs of businesses across their lifecycle. Through a comprehensive suite of offerings tailored for domestic enterprises, merchants, startups, and importers/exporters, the Bank enables seamless business operations while addressing the distinct requirements of diverse customer segments. During the year, the Bank further strengthened its proposition through specialized account variants, including accounts for RERA-registered entities, EEFC accounts for foreign currency transactions, and SNRR accounts for non-resident customers. By combining segment-specific solutions with robust banking infrastructure and consistent service standards, the Bank continued to simplify business banking and support the growth aspirations of its customers.

Savings Account

The IDFC FIRST Savings Account platform is built on the Bank's Customer FIRST philosophy, with a differentiated approach that aligns banking solutions to customers' evolving financial needs across life stages. Through a portfolio of tailored offerings for salaried professionals, pensioners, defence personnel, high-net-worth individuals, and other customer segments, the Bank continues to deliver relevant and inclusive banking experiences. During the year, the Bank strengthened its proposition through specialized account programs such as Diamond Reserve, Nation First, Smart Salary Savings, and dedicated Pension Savings Accounts, while enhancing customer value through thoughtfully curated lifestyle benefits and digital-first solutions. The franchise also continued to promote financial inclusion and social security through the distribution of Government Security Schemes, reinforcing its commitment to delivering comprehensive, accessible, and customer-centric banking solutions.



Wealth Management

The Wealth and Private Banking business continued to strengthen its presence in the High Net Worth Individual (HNI) and Ultra High Net Worth Individual (UHNI) segment through a differentiated advisory-led proposition and relationship-driven engagement model. To support this growth, the Bank invested in capability-building initiatives, including structured training programs, investment knowledge sessions, and client engagement platforms. The franchise also leveraged strategic partnerships and platforms such as Hurun and the Global Wealth Summit to strengthen its visibility and positioning within the affluent segment, while enabling meaningful client engagement opportunities and expanding access to influential networks.

Credit Cards

At IDFC FIRST Bank, credit cards are more than a payment instrument; they are a powerful brand ambassador. As a product that sits in the customers' wallets and interacts with their daily lives, every tap, scan, and reward earned creates an opportunity to engage with customers, enhance their experience, and reinforce trust.

Credit cards uniquely combine payments, lending, and lifestyle benefits. As a result, they serve as a strategic gateway to deeper banking relationships and provide a high-impact platform for revenue growth, relevance, and stronger customer engagement.

Credit Cards at IDFC FIRST Bank are Built on a Customer FIRST Philosophy

The Customer FIRST philosophy ensures that every product decision reflects what genuinely benefits the customer rather than what is convenient for the Bank. This approach is evident in the design of the Bank's cards, which offers lifetime-free benefits with no minimum spend conditions, transparent billing, and interest-free periods on retail purchases. More importantly, it shapes the customer segments the Bank serves.

Toll and Transit

The Toll & Transit business continued to strengthen its leadership position within India's digital mobility ecosystem through scale, technology-led innovation, and active participation in the evolution of the country's tolling infrastructure. During the year, the Bank maintained its position as the country's largest FASTag issuer, with over 18 million active FASTags, while processing 40% of all NETC issuer transactions by value and routing 25% of NETC acquiring transactions by value through toll plazas powered by the Bank. These achievements reflect the Bank's robust technology infrastructure, extensive partner network, and operational excellence at scale. Further reinforcing its leadership, the Bank was selected as the acquiring bank for the Multi Lane Free Flow (MLFF) project at Mundka, Delhi, positioning it among the early participants in India's transition towards barrier-less, sensor-based tolling systems. The Bank also continued to deepen its engagement with government bodies and regulators, contributing to initiatives and discussions aimed at shaping a more efficient, digitally enabled, and future-ready tolling and transit payments ecosystem in India.

Two-Wheeler Loans

IDFC FIRST Bank's Two-Wheeler Loan franchise is built on speed, simplicity, and a customer-first philosophy. This has positioned the Bank among the leading two-wheeler financiers in India. Growth is driven by strong dealer partnerships, deep customer insights, and a digital-first operating model.

Correspondents have created a scalable solution for long-tail channels. This has significantly expanded reach while maintaining operational efficiency.

The credit framework leverages risk assessment combined with a differentiated customer scoring framework for rural and urban segments. This enables the Bank to balance scale with prudent risk management.

Car Loans

The pre-owned car industry recorded robust growth of 8.5% in FY'26 over FY'25, with demand increasingly shifting from metros to non-metros. Tier 2 cities now account for 62% of demand, largely driven by first-time buyers, while metros hold a 38% share.

As per industry report, vehicle preferences have also evolved—SUV demand has surged from 14% in FY'23 to 32% in FY'25, while the demand for hatchbacks has remained constant, sedan demand has declined from 27% to 16% during the same period.

Over the years, IDFC FIRST Bank has firmly established itself as a leading player in the Pre-Owned Car Loans segment with a disbursal growth of 30% YoY & book growth of 34% YoY, backed by a powerful combination of extensive distribution, tech-led journeys for onboarding, underwriting & disbursement leading to customer delight.

Consumer and Durable Loans

Enhancing customer experience remained a strategic priority with a strong focus on simplifying journeys, expanding digital self-service, and enabling faster, seamless resolutions for Consumer Durable customers, guided by Bank's Customer-First philosophy.

A key indicator of success was the significant decline in service requests despite continued growth in the business and customer base. The Easy Buy EMI Card franchise grew to 26 million customers, supported by enhanced digital capabilities such as card unblocking, loan closure, EMI information, document requests and real-time status tracking.

Business Banking

Micro, Small, and Medium Enterprises (MSMEs) play a central role in India's economic growth, as they contribute substantially to job creation, innovation, and enterprise development. To support national priorities such as Make in India, the Bank's Business Banking vertical offers a strong portfolio of financing solutions aligned to MSME requirements. These include working capital finance, term loans, equipment financing, and export-linked credit facilities, enabling enterprises to scale, invest in productive assets, and optimize liquidity management.

During the year, the Bank further advanced its Business Banking strategy by developing need based lending solutions aligned to the varying lifecycle and operating requirements of MSME customers. Building on this approach, CG Edge was launched to bridge the credit gap for micro and small enterprises by enabling access to collateral-free financing under a government guarantee framework. At the same time, Prime Plus was introduced to address higher value funding needs of mature enterprises, while Express BT was conceptualized to deliver faster and frictionless credit to customers with a proven repayment history. In addition, the Bank extended focused financing to Agri MSME customers, particularly manufacturers and warehouse operators, thereby strengthening support for enterprises linked to the agricultural value chain.

NRI Banking

The NRI Banking business continued to strengthen its proposition for the Global Indian through a combination of digital innovation, enhanced customer convenience, and targeted brand-building initiatives. During the year, the Bank launched one-click Global Savings Account opening at its International Banking Unit (IBU) in GIFT City, enabling NRIs to access foreign currency savings and deposit products within an internationally benchmarked regulatory framework. The business witnessed strong customer adoption, with deposits crossing USD 86 million at GIFT City. The Bank also introduced a fully digital Video KYC-based account opening process for NRIs in India and enabled seamless digital re-KYC through its mobile banking platform, significantly improving customer experience and accessibility. Complementing these initiatives, the Bank enhanced its brand visibility and customer engagement through a dedicated NRI campaign and curated outreach programmes across key cities, further strengthening relationships with the NRI community and reinforcing its position as a trusted banking partner for Global Indians.

Commercial Vehicle and Construction Equipment Loans

The Commercial Vehicle (CV) and Construction Equipment (CE) financing business serves a diverse customer base comprising first-time buyers, independent operators, fleet owners, MSMEs, infrastructure contractors, and captive users across sectors such as logistics, infrastructure, manufacturing, mining, agriculture, and consumption. As key enablers of economic activity, the CV and CE segments are closely linked to broader trends in infrastructure development, logistics expansion, industrial growth, and rural demand. The Bank offers financing solutions across the commercial mobility and equipment spectrum—from three-wheelers and small commercial vehicles to heavy-duty trucks, passenger buses, and large construction equipment—supporting a wide range of transportation, construction, and mining applications. In line with evolving market trends, the portfolio is also witnessing gradual adoption of alternate-fuel and electric vehicles, particularly in last-mile and intra-city mobility segments.

Government Banking

IDFC FIRST Bank continued its journey toward offering a full suite of services as a Universal Bank. During FY 2025-26, the Bank enabled Customs Duty, Central Excise, and Service Tax payments for customers. The Bank also enabled GST payments through a payment gateway, ensuring a seamless payment experience for customers and non-customers alike. In the previous financial year, the Bank had enabled CBDT and GST payments for customers. IDFC FIRST Bank is now live for all categories of Central Government tax payments.

During the year, the Bank collected taxes amounting to approximately ₹13,321 crore across 36.73 lakh transactions on behalf of the Government.

IDFC FIRST Bank is among a select group of private sector banks authorized to support tax payments across Direct Taxes (CBDT), GST, and Customs Duty. This enables customers to access a single, integrated banking destination for financial and statutory compliance. Having completed integration with the Central Pension Accounting Office (CPAO), the Bank now disburses civil pensions to Central Government pensioners. IDFC FIRST Bank has also received accreditation for EPFO collections.

Payment Solutions and Fintech

During FY 2025-26, the Bank strengthened its digital payments ecosystem across Payment Gateway (PG), NetBanking, and BBPS with a strong customer-first focus. The emphasis remained on ease of use, speed, reliability, and regulatory compliance.

NetBanking continued to support high-value and institutional customer requirements.

BBPS maintained strong momentum, with transaction value increasing approximately 62% year on year to ₹5,219 crore in March 2026, while transaction volumes grew approximately 12%. Strategic FinTech partnerships reduced biller onboarding timelines from approximately two months to nearly 15 days, significantly enhancing customer experience and speed-to-market.

Customer-centric innovation remained a key focus area. Under BBPS, the Bank participated in NBBL's Ideaspark - Consolidation of Bills initiative, with a prototype successfully demonstrated during the year. The initiative received industry recognition, with the BBPS team securing the Runner-Up award from NBBL, reinforcing the Bank's leadership in ecosystem innovation.

The Bank also redesigned the PG experience with a customer-first, convenience-led approach. This enabled end-to-end

PG onboarding and collections within the mobile banking application, simplifying operations and improving cash flow visibility for MSMEs and startups.

CMS Solutions for Corporate

Technology and Innovations

Smart Retry and Composite API for Intelligent Corporate Collections

As part of the continued evolution of its Transaction Banking capabilities, IDFC FIRST Bank enhanced its Cash Management Services (CMS) offering through the introduction of Smart Retry and a unified Composite API for Intelligent Corporate Collections.

In an increasingly complex and digitized financial ecosystem, reliable and efficient collections are critical for sustaining cash flows and improving operational performance. Smart Retry, enabled through a Composite API, marks a significant advancement in corporate collections by reengineering how collections are managed, optimized, and executed across multiple payment rails.

Smart Retry streamlines corporate collections by supporting dual mandate registration and transaction execution across UPI Autopay and eNACH through a single Composite API. The feature intelligently analyzes failure reasons and recommends the most suitable collection mode for retry. This enables corporates to switch from the primary rail to an alternate mode, improving success rates without manual analysis.

In cases where mandate-based retries are unlikely to succeed, Smart Retry also supports the issuance of quick payment gateway links for assisted collections. These recommendations are accessible through the interface, allowing operations and collections teams to initiate suggested transactions with a single click. This accelerates recovery while retaining full control and oversight.

By integrating directly with corporate ERP systems, Smart Retry automates the end-to-end collections lifecycle while delivering real-time visibility and actionable intelligence on transaction outcomes. This enables organizations to shift from reactive follow-ups to proactive, data-driven decision-making, enhancing operational efficiency and predictability.

Through Smart Retry, IDFC FIRST Bank reinforces its commitment to simplifying and optimizing corporate financial operations. The solution demonstrates how intelligent and scalable technology can address real-world complexity, enabling faster collections, higher success rates, and measurable productivity gains for corporates.

Customer FIRST

Smart Retry has been designed with a strong focus on corporate customer needs, simplifying collections while accommodating real-world complexity. By intelligently interpreting failure reasons and recommending the most effective next action, whether through an alternate mandate rail or a quick payment gateway link, the solution removes manual effort and guesswork for customers.

Its human-in-the-loop, one-click execution model ensures corporates retain full control and visibility, while seamless ERP integration fits naturally into existing workflows. The result is faster collections, higher success rates, and an improved experience for both corporates and their end customers.

Key capabilities and benefits include:

- **Dual Mandate Registration:**
  Corporates can onboard end customers on both UPI Autopay and eNACH mandates, reducing reliance on a single payment mode and improving onboarding success
- **Composite Bulk API for Unified Collections:**
  A single API enables mandate registration and transaction initiation across UPI Autopay and eNACH. This eliminates the need for multiple integrations, reduces operational complexity and time to market, and enables faster and more resilient collections at scale
- **Smart Retry with Rule-based Recommendations:**
  An intelligent rule engine analyzes failed transactions and provides tailored retry recommendations, improving recovery rates and reducing manual effort

~3 hours saved daily with instant visibility

Instant visibility into failed transaction statuses improves decision-making speed.

Automated collections through a single API

Automates collections through a single API, enabling trigger-based APIs for UPI Autopay and NACH mandates.

50% reduction in failures

Option to retry through an alternate mode in case of failed collections, improving success rates.

Tailored recommendations

Accelerates collections through retry mechanisms supported by a rule engine-based recommendation system.

Corporate Digital Solutions

Integrated Corporate Tax Payments on FIRST X.CEL

As part of its strategic digital innovation agenda and continued evolution of its Cash Management Services (CMS) franchise, IDFC FIRST Bank strengthened its corporate tax payment capabilities by building an integrated tax payments framework on the FIRST X.CEL (Corporate Engagement Layer) platform. This framework enables corporates to manage statutory tax payments through a unified, digital, and secure banking experience, while reducing complexity and manual dependency.

During the year, the Bank went live on ICEGATE 2.0, enabling seamless digital payment of Customs Duty for business customers. This integration allows customers to initiate tax payments directly on the ICEGATE portal and complete transactions through the FIRST X.CEL (Corporate Engagement Layer) platform, ensuring reliability, security, and end to end digitization of the payment process.

IDFC FIRST Bank is among a select group of private sector banks authorized to support tax payments across Direct Taxes, GST, and Customs. This positions the Bank to offer corporate customers a single, integrated platform for financial and statutory compliance.

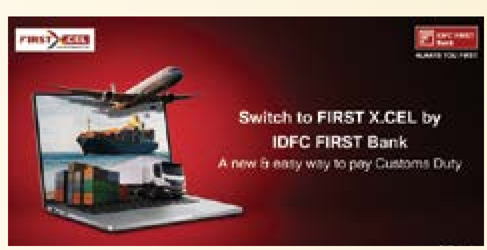
Through FIRST X.CEL, the Bank continues to deliver future ready digital solutions that simplify regulatory requirements while enabling a simpler, faster, and more secure way for corporates to meet their tax obligations.

Customer FIRST

Integrated Corporate Tax Payments on FIRST X.CEL simplify statutory compliance for corporate customers by combining reliability, control, and ease of execution within a unified digital banking experience. The solution embeds tax payment capabilities directly into the FIRST X.CEL platform and integrates seamlessly with government systems such as ICEGATE 2.0. As a result, corporates can complete Customs Duty and other statutory payments securely and end to-end through familiar banking workflows.

Key value propositions for customers include:

- Real-time transaction confirmation enhances visibility and builds confidence in payment completion
- Instant challan generation and download reduce manual intervention and processing delays
- A fully digital and intuitive payment journey streamlines execution and minimizes operational dependencies
- Year round digital payment availability supports timely compliance and improves cash flow planning
- Together, these capabilities deliver a streamlined and customer friendly experience, transforming statutory tax payments into a seamless extension of corporate transaction banking and treasury operations



Startup Banking & New Economy Group

Startup Banking and New Economy Group

From an Incubated Startup to a Unicorn: A Partner for India's Entrepreneurial Transformation

India's New Economy is scaling into a durable, institutional ecosystem, with nearly 2,00,000 DPIIT recognized startups and 125 plus unicorns, supported by strengthening capital formation and a maturing exits runway. Anchored in a strong customer first philosophy, IDFC FIRST Bank has continued to strengthen its engagement with this ecosystem by enhancing its value proposition and reinforcing its position as a trusted banking partner.

Startup Banking and the New Economy Group together form a strategic pillar focused on building deep, long-term, customer centric relationships within India's innovation ecosystem. With more than 34,000 startups served, including over 2,000 funded entities, the Bank supports companies across their lifecycle through a differentiated suite of offerings including curated lending solutions for pre profit startups, business credit cards with expense management, comprehensive API banking solutions, the BRAVO auto sweep FD facility on idle current account balances, next generation digital cash management, trade and supply chain finance, treasury solutions, GIFT City solutions, and global trade, and forex capabilities.

The Bank has strong ability to serve customers across different growth stages, with sharper focus on late growth and mature stage startups. Through the Dedicated Capital Account Desk, custodian operated accounts, and ecosystem led initiatives, the Bank enables access to capital while shaping a connected, high trust ecosystem. Beyond banking, our FIRSTWINGS Founder Success Program extends this value through Leap to Unicorn, FIRSTWINGS Startup Lounge, FIRST Symphony, FIRSTWINGS Connect, and ecosystem partnerships, reinforcing the Bank's role as a long term partner in the founder journey.

Propositions Coverage Model

FIRSTWINGS is the Bank's 360° startup banking program, designed to support founders and investors through comprehensive financial and ecosystem solutions.

Early-Stage Startups

Startup Current Account (zero balance*), BRAVO – auto-sweep facility, Business Credit Card, CGSS backed lending solutions up to 20 Cr

Growth & Mature Stage Startups

Curated Lending, API Banking, Corporate Cards with Expense Management portal, Next-gen Digital Cash Management, Trade & Supply Chain Finance, Dedicated Capital Account Desk, Private Banking for Founders

Financial Sponsors & Portfolio – VC & PE

Fund Accounting Solutions, Custodian Operated Accounts, Treasury Solutions (FDI/ODI/FX), GIFT City IBU facilities, IB tie-ups

Product Management & Strategic Ecosystem Partnerships

A Financial Literacy Platform

IDFC FIRST Academy

Simplifying Financial Education for Every Indian

In a country where only 27%[1] of the population is financially literate and India ranks a low 121st[2] globally in financial literacy, the need for accessible and trustworthy financial education is both urgent and critical. At IDFC FIRST Bank, we believe that every Indian irrespective of age, income, or geography, deserves access to free and reliable financial knowledge in order to make informed financial decisions. Guided by this belief, the Bank launched IDFC FIRST Academy on 1st January 2025 as its flagship financial literacy initiative an open, free, and trusted learning platform designed to simplify financial education and make it accessible to all.

[1]Source: SEBI,2019
[2]Source: S&P Global FinLit Survey, 2015

Building by Listening

Over the past 15 months, IDFC FIRST Academy expanded its outreach—particularly through engagements with NGOs, local communities, schools and colleges. This wider engagement gave the Bank valuable opportunities to listen and learn directly from people on the ground. One clear insight that emerged was that language is often the first and biggest barrier to understanding financial concepts, especially for those at the grassroots level.

Bank stakeholders engaging with NGO partners to understand grassroots financial learning needs

Learning that Connects to Real Life

Foundation
(Best Suited for Beginners)

11 Courses | **38** Topics

Intermediate
(Ideal for those who know their basics)

12 Courses | **78** Topics

Advanced
(Apt for honing financial skills)

12 Courses | **139** Topics

IDFC FIRST Academy offers a flexible learning experience across three levels—Foundation, Intermediate and Advanced, allowing learners to progress in a way that best suits their needs. The platform features 300+ topics delivered through 59+ hours of easy to understand, bite sized blogs and videos, designed to make learning engaging, practical and easy to absorb.

To address the needs of different learner groups and emerging financial themes, the Academy expanded its content offering with the introduction of specialized courses, including Finance Fundamentals for MSMEs, Finance for Startups, Behavioral Finance, and Government Securities.

Keeping the Customer FIRST

At IDFC FIRST Bank, being Customer FIRST means going beyond banking to enable customers to make confident financial decisions at every stage of life. Designed for ease, reach and inclusion, the Academy ensures accessibility by allowing learners to access courses seamlessly via desktop or mobile browsers at https://www.idfcfirstacademy.com/, while IDFC FIRST Bank customers can also engage with the Academy directly through the Mobile Banking App, integrating financial learning naturally into their everyday digital banking experience. In doing so, the Bank reinforces its belief that true customer-centricity lies in empowering people with the knowledge to make informed choices for their futures.

At IDFC FIRST Bank, we believe in creating meaningful impact by taking financial awareness directly to people.

Grassroots Engagement

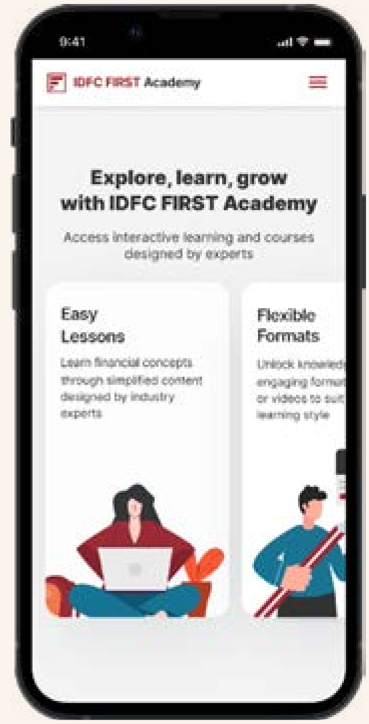
From urban neighborhoods to schools and rural communities, our teams connected with people at the grassroot-level, enabling meaningful conversations around financial well-being and responsible money management.

1,056+ IDFC FIRST Bank branches conducted community service meetings, engaging over 5,800 participants and 52+ financial literacy sessions were conducted across villages, schools and neighborhoods, reaching over 1,000+ participants.

Mass Media

We amplified our message through high-impact television presence during the ICC T20 World Cup our message reached millions nationwide, driving scale, visibility, and recall. 4.34 crore impressions and reaching 1.36 crore viewers

This reach was further strengthened by amplifying the message through radio, connecting with people across geographies (16 cities, reaching ~1.29 crore listeners)



Financial Literacy Week 2026: Nationwide Omnichannel Financial Awareness at Scale

IDFC FIRST Bank actively participated in Financial Literacy Week 2026, an Initiative by the Reserve Bank of India, with the theme "KYC – Your First Step to Safe Banking." During the week, IDFC FIRST Academy leveraged a high impact omnichannel approach to drive nationwide reach.

Measuring Impact

Together, these efforts have translated into meaningful engagement on the IDFC FIRST Academy platform, which has recorded 17.5+ lakh visits, over 56,000 registered learners, and 18,900+ certifications awarded to date, reflect IDFC FIRST Bank's mission to build a financially literate India.

56,000+ Total Registered Users	**18,900+** Total Certificates Issued
16,300+ Hours Total Time Spent on Academy	**17.5 lakh+** Hits Total Visits

Looking Ahead

Going forward, IDFC FIRST Academy will continue to expand its courses, content and features, while driving sustained engagement to broaden financial awareness. Through these efforts, IDFC FIRST Bank remains committed to making financial literacy a life skill, empowering Indians to navigate their financial journeys with clarity, confidence, and responsibility.

Our People

One Bank. Powered by People. Customer First.

At IDFC FIRST Bank, we believe that exceptional customer experiences begin with empowered employees. Every customer interaction, decision, and innovation is shaped by people who bring purpose, passion, and commitment to work every day.

Guided by our customer-first philosophy and One Bank mindset, we are building a culture where ethics, customer centricity, collaboration, and technology come together to create lasting value. As we pursue our vision of building a world-class Bank in India, we remain focused on strengthening talent quality, developing future-ready capabilities, and creating opportunities for growth. Through AI-enabled interventions, digital-first HR practices, leadership development, and continuous learning, we are equipping our employees to thrive in a rapidly evolving banking landscape.

At the heart of our people philosophy is a simple belief: every employee should have the opportunity to grow as the Bank grows. We continue to foster a culture of learning, meritocracy, accountability, and inclusion that encourages innovation and excellence.

As we look ahead, our commitment remains unchanged: to build a workplace where people feel valued, inspired, and empowered to do their best work.

Together, we are building a world-class institution, guided by ethics, powered by technology, and driven by people who put customers first.

Talent Acquisition Strategy

At IDFC FIRST Bank, Talent Acquisition strategy is focused on building a high-quality, future-ready workforce at scale. The Bank continues to strengthen its in-house capabilities through structured talent mapping, proactive sourcing, and deeper business alignment to attract the right talent across roles.

To enhance hiring efficiency, the Bank leverages advanced technology and AI-led tools, across the hiring lifecycle, from sourcing and screening to selection. This has accelerated turnaround times, improved decision-making and streamlined the candidate experience through simplified application journeys and digitally enabled processes.

These efforts were recognized through the **'LinkedIn Talent Insights Pioneer 2025'** award for Talent Acquisition and Talent Strategy, reinforcing the Bank's commitment to excellence, innovation, and consistency across the hiring ecosystem.

In parallel, the Bank remains committed to strengthening hiring quality through standardized assessments, interviewer capability building, and data-backed insights. Together, these efforts support a robust talent pipeline while driving consistency, agility, and excellence across the hiring ecosystem.

Campus Engagement

The Bank's campus initiatives remained a strong pipeline for future-ready talent, with over 250 students onboarded across premier institutes through flagship programs.

Engagement was strengthened through Leader Connects and Campus Ambassador programs, enabling meaningful interactions between students and senior leaders, including alumni. The internship program on-boarded about 45 high potential students, with 36% earning pre-placement offers based on their performance.

Flagship initiatives like FAME (First AMong Equals) and the Technology Code-a-thon helped identify top talent across campuses. Additionally, targeted engagements across leading institutions, including IIMs, IITs, and other premier schools, further expanded the Bank's reach.

Through scholarships and curated engagements, the Bank continues to attract, nurture, and build a strong pipeline of high-potential talent aligned with its growth journey.

Employer Branding

The Bank continued to strengthen its employer brand by creating meaningful, high-impact touchpoints across the talent lifecycle. As a result, engagement on its careers platform witnessed a significant surge, with candidate applications exceeding 1 lakh per month, reflecting the growing strength of its brand and value proposition.

This momentum was reinforced through prestigious accolades, including **India's Best Employers 2025** by TIME in partnership with Statista and **AmbitionBox Employee Choice Awards as a Top-Rated Banking Company** for three consecutive years (2024–2026). The Bank's LinkedIn community grew to over 1.77 million followers, while its employer reputation strengthened further, with ratings of 4.1 on Glassdoor and 4 on AmbitionBox.

Internally, the Bank strengthened alignment and a shared sense of purpose through structured communication platforms and leadership series that enabled transparent dialogue, strengthened leadership connect, and reinforced the One Bank philosophy across the organization.

Talent Management and Culture

As IDFC FIRST Bank progresses towards becoming a skills-based organization, FY 2025-26 focused on deepening the adoption of our AI-driven talent marketplace as a core enabler of career growth. The platform empowers employees to showcase skills, explore internal opportunities, take on cross-functional gigs, and access mentorship, fostering a transparent and opportunity-driven ecosystem. Skills Symposium 3.0 brought together 1,400+ employees across business teams to showcase capabilities spanning data, GenAI, risk, and customer experience, while enabling cross-functional collaboration and knowledge sharing.

Internal mobility remained central to the Bank's talent philosophy. Through these platforms employees gain greater visibility to internal growth opportunities. Strong employee participation reflected growing aspirations for career mobility within the Bank.

Governance and Compliance

Our HR governance framework is built on the foundation of robust statutory, regulatory, and internal compliance practices, consistently upheld across all offices and branches of the organization. Statutory obligations are fulfilled on time, backed by accurate remittance processing and thorough maintenance of compliance records. All mandatory returns, filings, and disclosures are submitted within prescribed timelines, ensuring complete transparency and accountability with regulatory authorities.

Our HR function continues to demonstrate a strong Operational Risk Management (ORM) rating, reflecting consistent adherence to the Bank's operational risk principles and control standards. In addition, senior management committees conduct regular reviews of HR policies, processes, and operating practices, providing comprehensive oversight and governance. This structured approach underscores the Bank's commitment to excellence in governance and the adoption of risk-aligned people practices.

Rewards and Benefits

Our compensation, recognition, and rewards programs are designed in line with industry best practices and informed by regular market benchmarking. We follow a robust performance management framework comprising an annual appraisal cycle and a mid-year review, anchored in clear goal setting, continuous feedback, and strong alignment with business objectives.

Performance outcomes drive a differentiated rewards approach that includes both short-term and long-term incentives. Rewards comprise annual bonuses, performance-linked incentive payouts and Employee Stock Options (ESOPs) for sustained performance and long-term value creation.

Employee Well-being

At IDFC FIRST Bank, employee well-being is a core commitment, guided by the Tann-Mann-Dhan (Physical · Mental · Financial) philosophy to support a thriving workforce.

During the year, the Bank strengthened mental health support through an enhanced Employee Assistance Program (EAP), offering free psychiatric consultations, unlimited counseling sessions, and seamless app-based access. These enhancements made mental health support more comprehensive, accessible, and seamless, ensuring timely and confidential care whenever needed.

We introduced the Voluntary Insta DIGI Term Life Insurance Plan: a fully paperless, mobile-enabled solution requiring no medical tests. With corporate-negotiated premiums and flexible payment options, it puts meaningful financial protection within reach of every employee, simply and affordably.

Two Step-A-Thon fitness challenges, run through our Wellness App, drew participation from over 3,000 employees, a testament to the culture of health we are actively building. These were complemented by preventive health screenings, onsite wellness engagements, themed awareness campaigns, and year-round wellness programs fostering sustained, organization-wide participation. Our group insurance offerings were further enhanced to expand coverage breadth, improve flexibility, and reduce out-of-pocket costs, giving employees and their families greater choice and financial peace of mind.

These efforts reflect our unwavering resolve to build a workplace where every employee feels supported, valued, and empowered to thrive personally and professionally.

Learning and Development

At IDFC FIRST Bank, Learning and Development continues to play a pivotal role in shaping a future-ready and customer-first workforce. Over the last year, the Bank has institutionalized programs that shape potential into performance. Initiatives for Management Trainee Development, Emerging Bankers Program and FIRST LEAP Program combine immersive onboarding, real business problem-solving, and on-the-job development to build capability and context.

In parallel, the Bank continues to strengthen on-the-job capability through targeted training programs and experiential learning interventions. Its flagship initiatives focus on building domain expertise, cross-functional understanding, and role readiness, enabling employees to navigate complexity and deliver with confidence.

A key highlight has been building a digitally fluent and AI-ready workforce. Through workshops and the launch of iLearn, our next-generation digital learning platform, the Bank has enabled a seamless, personalized, and continuous learning experience. These efforts have also driven productivity and innovation gains.

Additionally, initiatives such as the Blockbuster Learning Week and the Habit Calendar have embedded learning in everyday work, driving sustained engagement and self-directed growth.

Most notably, the Bank's strengths-based culture earned global recognition through the prestigious **Gallup Exceptional Workplace award, making it the only organization in India to receive this honor**. The recognition reflects its commitment to adopting ways of working that recognize natural talent areas in employees and provide an environment to lead with them.

Together, these efforts reflect the Bank's belief that when people grow, the organization grows with them.

Life at IDFC FIRST Bank

Building Connection and Engagement

A key highlight of the year was the celebration of the Bank's 7th Foundation Day, which brought together employees across offices and branches nationwide. Marked by high energy, leadership engagement, and collaborative activities, the celebration reflected a shared journey while strengthening unity and belonging across the organization.

Creative platforms such as the Clicks@FIRST photography contest further encourage self-expression and collaboration, bringing employees together beyond work while supporting meaningful causes. Together, these initiatives help build a vibrant and inclusive workplace that celebrates individuality, strengthens connections, and reinforces a shared sense of purpose.

Employees are provided with meaningful opportunities to connect, collaborate, and engage through a diverse range of initiatives spanning sports, wellness, and community impact. From high-energy sporting events and wellness challenges to volunteering initiatives that enable employees to contribute to larger social causes, the Bank fosters a culture of participation and purpose.

Customer-centric Culture

Customer centricity is deeply embedded in the Bank's culture through structured initiatives and enterprise-wide programs. The ICARE framework-Involvement, Courtesy, Active Listening, Resolution, and Empathy is supported by structured learning and engagement initiatives. Further reinforcing its customer-first philosophy, CX Week was celebrated across 1,000+ branches, strengthening the collective commitment to delivering exceptional experiences.

At IDFC FIRST Bank, employees are encouraged to actively contribute to innovation and improvement through structured platforms that enable idea generation and problem-solving. These initiatives empower teams to drive meaningful change, enhance processes, and deliver better outcomes for customers and the business.

Corporate Social Responsibility

Building Stronger Communities Together

Rachana Iyer
Head - Corporate Social Responsibility

Over the years, we have learned that meaningful social progress cannot be built through funding alone.

Dear Stakeholders,

Over the years, our work through FIRST IMPACT has reaffirmed a simple belief: the right opportunity, at the right time, can change the course of a life. A scholarship enables a young person to pursue higher education. A grassroots organization grows into a stronger institution. A woman farmer becomes the owner of an enterprise. An early-stage entrepreneur develops a solution with the potential to improve thousands of lives. While these journeys are different, they all reinforce the same belief.

Banking has always been about more than financial services. At its heart, it is about creating opportunity, enabling aspirations and contributing to India's long-term development. At IDFC FIRST Bank, this philosophy shapes the way we serve our customers, build our business and approach Corporate Social Responsibility.

Through FIRST IMPACT, we bring the institutional strengths of IDFC FIRST Bank to the social sector. Financial support is only one part of our contribution. As a bank, we bring strong governance, disciplined processes, robust systems, technology, rigorous monitoring and reporting, and the ability to convene partners across sectors. These institutional strengths allow us to contribute in ways that go well beyond funding. This commitment is reinforced by the active oversight of our CSR Committee, chaired by our MD & CEO, Mr. V. Vaidyanathan. His continued engagement with our partners, regular program reviews and strategic guidance ensure that our work remains accountable and aligned with the Bank's long-term purpose.

Over the years, we have learned that meaningful social progress cannot be built through funding alone.

Funding can catalyse change. Sustained change, however, depends on stronger institutions, capable leaders and communities that are equipped to shape their own future. That is why we invest as much in building organizational capacity, strengthening governance, training frontline teams and developing local leadership as we do in supporting programs themselves.

This belief guides every decision we make. We focus on creating capability rather than dependency, strengthening institutions rather than simply supporting projects, and enabling solutions that continue creating value long after our role as a partner has ended.

It also shapes where we invest. We have consistently chosen to work in areas that remain underserved, partnering with early-stage non-profits, backing social entrepreneurs developing innovative solutions, and investing in rural India where access to quality services, institutional capacity and sustained funding often remain limited. Meaningful change often begins where the need is greatest and where patient, long-term partnerships can build strong foundations.

Across our education initiatives, we have supported more than 3,100 scholars, enabling talented young people from economically weaker backgrounds to pursue higher education and unlock opportunities that may otherwise have remained beyond reach. Education remains one of the most powerful drivers of social and economic mobility.

Disability and early intervention continue to be among the most underserved areas within the social sector, particularly in rural India. Through Ek Prayas, we have partnered with early-stage grassroots organizations to bring quality early intervention services

Rachana Iyer, Head CSR, visiting community-level interventions of Ek Prayas program to understand the impact of the Bank's support

> *Today, FIRST IMPACT has reached over one crore individuals across India. While this milestone is significant, our greatest contribution lies not simply in the scale of our work, but in the stronger institutions we help build, the opportunities we help create, and the confidence we help nurture within communities.*

closer to families of children with developmental delays, intellectual disabilities and autism. Alongside establishing 13 Early Intervention Centers, we have invested in strengthening partner organizations through improved governance, leadership, fundraising and program management, helping them build the institutional capacity to continue serving their communities independently.

In rural livelihoods, we continue to support women-led Farmer Producer Organizations through Shwetdhara that enable communities to move from participation towards ownership. Today, over 17,500 women are shareholders across these enterprises, demonstrating the power of community ownership in creating resilient local economies.

Innovation remains another important pillar of our portfolio. Through IGNITE, we have now supported 52 startups working across HealthTech, GreenTech, AgriTech, FinTech and AI for Social Good, helping early-stage innovators develop scalable solutions to complex social challenges.

FIRST IMPACT is strengthened by the active participation of colleagues across the Bank. Through Lend-A-Shoulder, employees share their time, skills and professional expertise with our partners and communities, extending the strengths of the Bank beyond financial support.

Today, FIRST IMPACT has reached over one crore individuals across India. While this milestone is significant, our greatest contribution lies not simply in the scale of our work, but in the stronger institutions we help build, the opportunities we help create, and the confidence we help nurture within communities.

Our role is not simply to support people and institutions, but to leave them stronger than when we first partnered with them.

Rachana Iyer
Head - Corporate Social Responsibility

A Letter to Our MBA Scholars by MD & CEO

Dear Stakeholders,

Welcome to the Batch of IDFC FIRST Scholars 2026

At IDFC FIRST Bank, we started our Scholarship Program to assist you with higher education. We understand that being financially constrained distracts you from pursuing your studies.

I would like to first appreciate that each of you have earned admission into MBA or Engineering courses through your own hard work and determination. It is amazing of you that despite your constraints, you have come this far. You and your families should be proud of this. We are only lightening the financial burden for you.

Over the years the program has grown to cover 2,743 scholars, including many MBA students across over 167 colleges in India. This year alone, we are supporting around 700 scholars across colleges in more than 26 states.

When I met many of you at the conclave, I was encouraged by the quality of your thinking and your questions. I also want to leave you with one thought.

It's about the use of your time. Today, we are living in a digital and AI driven world where a lot of your time naturally goes online. There is nothing wrong with that. But it is easy to spend hours on content that adds no real value. Some casual scrolling is understandable, but if you are not careful, it can easily take away hours of your productive time every day.

Mobile and AI tools can help you learn faster than ever before. You can build skills, understand concepts, and prepare yourself for the real world. Please be conscious about how you use your time.

I am also happy to see that many of you are connecting with mentors at our Bank and building a growing alumni network. Since the mentors are already on the job, they can help you with a good understanding of the BFSI industry, and the different functions and business lines within banking. They can help you think what kind of opportunity might suit you as you enter from education to work. Please make full use of this.

My best wishes to all of you.

Warm regards,

V. Vaidyanathan
Managing Director and Chief Executive Officer
IDFC FIRST Bank

IDFC FIRST Bank MBA Scholars with the Bank leadership at MBA Conclave 4.0

Swati Bhalla, Head - Digital Transformation & Customer Experience, shares insights with IDFC FIRST Bank MBA Scholars at the conclave

Rachana Iyer, Head - Corporate Social Responsibility, delivers the keynote address at MBA Conclave 4.0

Focus Areas

At IDFC FIRST Bank, our CSR initiative, FIRST IMPACT, works to improve lives through programs focused on livelihoods, education, and entrepreneurship across rural and urban communities.

We align our efforts with the United Nations Sustainable Development Goals (SDGs) to ensure our programs create meaningful and long-term impact. The SDG framework helps us plan, implement, measure, and report our initiatives effectively while supporting sustainable and inclusive development.

Below is the mapping of our CSR themes and initiatives to the relevant SDGs.

Livelihoods

Advancing SDG 1, 5, 8, 10 through income generation and women's economic empowerment

Education

Driving SDG 3, 4, 10 through equitable access to higher education and inclusive, early education

Entrepreneurship

Enabling SDG 8, 9, 10 through supporting innovative social solutions

Community Outreach

The following figures provide an overview of the people, institutions, and communities reached through FIRST IMPACT initiatives across our focus areas. These numbers reflect progress made till date.

Livelihoods and Entrepreneurship

Shwetdhara

76,968
Farmers supported

880
Villages and Gram Sakhis supported

2,02,487
Artificial Inseminations (Ai) completed

₹39,04,88,915
Revenue generated by 4 FPCS

Catalyst for Social Action

127
Care leavers supported

IGNITE

52
Startups supported

4
Incubators supported

Education

Scholarships

3,192
Scholars supported

239
Colleges supported

Ek Prayas

1,983
Individuals supported (including children and parents)

13
Centers supported

Employee Volunteering

Lend-A-Shoulder

7,34,229
Community members supported

50,810
Employee volunteers engaged

Program Highlights

IDFC FIRST Bank leaders share industry insights with the scholars at the MBA conclave 4.0

FIRST IMPACT Team at the cattle feed production plant launch in Rajasthan, under the Shwetdhara Program

FIRST IMPACT Team inaugurates the Ek Prayas Early Intervention Center in Chhat. Sambhaji Nagar, Maharashtra

IDFC FIRST Bank leaders, DSE leaders and scholars at the computer lab inauguration and scholar meet

FIRST IMPACT team with startups, mentors and incubation team of SINE, IIT Bombay

Scholarships

The IDFC FIRST Bank's scholarship programs follow a direct, need-based scholarship delivery model, designed to expand access to higher education through targeted financial support for meritorious students from economically weaker backgrounds.

These scholarships enable students to pursue professional and postgraduate courses such as management, engineering, and economics, by addressing financial barriers that often impede academic progression. By supporting students at critical stages of higher education, the programs promote continuity of learning, reduce dropout risks, and strengthen pathways to long term employment and income mobility.

These scholarships represent a direct investment in human capital development, emphasizing academic outcomes and career readiness. Alongside covering tuition or essential living expenses, the programs allow scholars to focus fully on their studies, skill development, and professional preparation.

Together, the scholarship portfolio reflects the Bank's commitment to enabling equitable access to quality higher education and supporting the development of a skilled, future-ready workforce.

Detailed program-wise performance is presented in the following sections.

Mr. V. Vaidyanathan, MD & CEO, engages with MBA scholars, learning about their journeys, aspirations, and career goals

MBA Scholarship Program

The IDFC FIRST Bank MBA Scholarship Program provides need-based financial assistance to students from families with an annual income below ₹6 lakh, enabling enrollment in accredited full-time MBA programs across India.

Since 2016, the program has supported 2,743 scholars across 167 institutions, including 710 students from the MBA 2025-27 batch in FY 2025-26.

The scholarship support reduces financial stress, lowers dropout risk, and allows scholars to focus on academic performance and career preparation. By reducing financial barriers, the program improves enrolment, retention, and completion rates in postgraduate management education, contributing to workforce readiness in high-growth sectors.

MBA scholars receiving certificates for being a part of the MBA Scholarship Engagement Program

MBA Scholarships

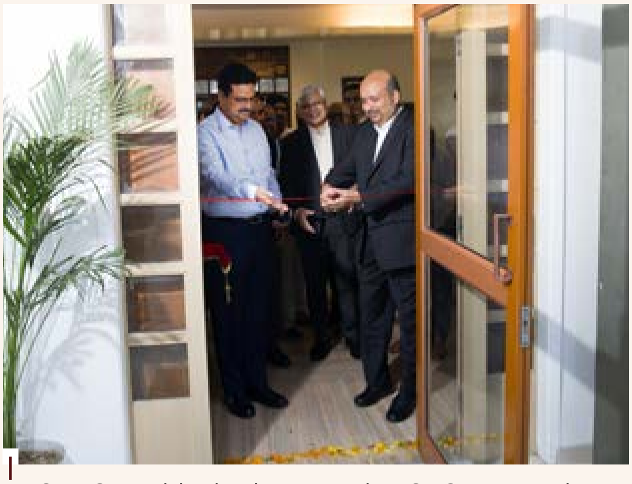
2,743

Scholars supported till date

M.A. Economics Scholarship Program

The IDFC FIRST Bank's M. A. Economics Scholarship Program is implemented in partnership with the Delhi School of Economics. It supports students from families with an annual income below ₹8 lakh by covering food and lodging expenses.

The program supports 70 scholars annually and has benefited 127 scholars since 2024, including 59 scholars from the 2025-27 batch. It is also complemented by investments in infrastructure such as computer laboratory refurbishment for the students. Together, these efforts strengthen access to advanced economics education and contribute to skills development for careers in research, policymaking, academia, and development sectors.



IDFC FIRST Bank leaders inaugurate the DSE Computer Lab

Engineering Scholarship Program

The IDFC FIRST Bank's Engineering Scholarship Program supports students from low-income households to pursue BTech/BE degrees at select institutions by covering a portion of tuition fees.

Since 2023, the program has benefited 322 students, including 226 scholars from the Engineering 2025-29 batch supported in FY 2024-25. The initiative enables continued participation in STEM education and supports the development of technical skills relevant to industry needs. It also enhances employability and income-generation potential while supporting India's industrial and infrastructure growth.

Economics Scholarships

127

Scholars supported till date

Engineering Scholarships

322

Scholars supported till date

Key Findings from the Impact Assessment Study

To evaluate the long-term outcomes of the IDFC FIRST MBA Scholarship Program, an impact assessment was conducted by EY covering scholars* of 2019-22 batch. The findings presented here reflect the program's contribution to their academic, career, and personal development.

Target Segment/Scale & Reach

73% from families earning

< ₹3 lakh/year

53%

First-generation graduates

63%

Had no prior income before MBA

Well-being & Academic Impact

98% reported

Reduced financial stress

95% reported

Reduced household financial pressure

80% reported

Improved academic focus

Career Outcomes

96%

Currently employed

89%

Secured campus placements

~75% earning

> ₹9 lakh annually

Income Mobility

47% earning

>3x Pre-MBA household income

Up to **12**X income growth

For lowest-income households

95%

Contribute financially to families

**N=79 out of 981 students pertaining to 2019-22 batch*

"Looking back, academics was where I challenged myself the most, achieving 95% in Class 10 and 81% in Class 12. While pursuing BSc Agriculture, my aspirations extended beyond textbooks as I sought opportunity and growth.

Coming from a family where my mother is the only earning member, financing my education was a significant challenge. Receiving the IDFC FIRST Bank MBA Scholarship 2025-27 provided much-needed support at a critical time. The scholarship amount was directly utilized towards my college fees, helping lower my overall loan burden.

I am deeply grateful to IDFC FIRST Bank for supporting my academic journey and enabling me to pursue my PGDM with greater stability and peace of mind. I aspire to build a career as a risk management professional in the banking and finance sector."

Scholar's Name: **Aastika Vinod Katarkar**
Batch: 2025-27
Course: PGDM (Banking & Finance)

"I come from hardship, but I refuse to be defined by it. Through education and persistence, I am building a future that transforms my parents' sacrifices into pride and stability.

My father, a daily wage laborer, worked tirelessly despite an unpredictable income. His resilience taught me that education is the only way forward. After scoring 89% in Class 12 under the UP Board, I pursued a degree in Economics at Banaras Hindu University. A master's degree felt like a necessary step toward securing a better future for my family.

My journey to Delhi School of Economics was straightforward, but when I finally secured my admission with a score of 162, it felt like a victory for my entire family.

The IDFC FIRST Bank M.A. Economics Scholarship 2025-27 eased financial pressure on my family and equipped me with essential resources like a laptop and study materials. Looking ahead, I aspire to build a stable career, support my parents and eventually become an assistant professor. I am deeply grateful to IDFC FIRST Bank for believing in my potential and supporting my journey."

Scholar's Name: **Karuna Nidhan Pandey**
Batch: 2025-27
Course: MA Economics

"What makes me admirable, perhaps, is my ability to navigate uncertainty with quiet strength, balancing both ambition and responsibility in the same heart. While I have always seen myself as an average student, I never let that limit my efforts. Securing admission to NIT Rourkela for BTech in Electrical Engineering became a meaningful achievement in my journey.

At the same time, with my elder brother pursuing his graduation, managing the educational expenses of both children became challenging for my family. Receiving the IDFC FIRST Bank Engineering Scholarship 2025-29 changed everything. It helped cover my college fees, which was my most immediate and pressing need, and eased a significant share of the financial pressure on my family.

Today, I see my future in the core electrical sector with greater conviction. I aspire to become an electrical engineer and contribute to a field that powers industries and strengthens infrastructure."

Scholar's Name: **Ankita Dalei**
Batch: 2025-29
Course: BTech (Electrical Engineering)

Ek Prayas

Saumya receiving speech therapy at the Ek Prayas Center, Bakshi Ka Talab, Lucknow, with her mother learning therapy techniques to support continued intervention at home

> "We are just like everyone else, please do not see us as different. Even if we are slow learners, we too wish to read and write, own a car, to have a good job, and to explore the world.
>
> Just because I am differently paced in learning does not mean the world feels different to me."

Rishikesh Kolapkar,
A young adult on the autism spectrum, Aarambh Autism Center

IDFC First Bank's Ek Prayas initiative supports children with developmental delays, including intellectual disabilities and autism, in rural and underserved communities. Access to early intervention and specialized support in these geographies remains limited due to a shortage of trained professionals, inadequate infrastructure, and socioeconomic constraints. These gaps often lead to delayed identification and intervention, adversely impacting a child's developmental outcomes and long-term social inclusion.

To bridge these gaps, the program partners with early-stage grassroots NGOs to establish Ek Prayas Centers that deliver structured, child-centric interventions while fostering awareness and acceptance within communities. Equal emphasis is placed on empowering caregivers and strengthening local support ecosystems, ensuring children are supported not only within the Centers but also within their homes and social environments.

To date, 13 Ek Prayas Centers have been established, collectively reaching 1,372 unique children. Recognizing the critical role of families in a child's development, the program trained 891 parents in home-based therapy practices. It also provided structured training to 185 staff members across partner organizations to enhance service quality. Additionally, 329 children gained access to social entitlement schemes, while 82 children received aids and assistive appliances, helping address functional and financial barriers to inclusion. 12 parents were also supported through livelihood interventions, strengthening household stability and caregiving capacity.

Beyond direct service delivery, Ek Prayas follows a structured three year graduation-based support model focused on strengthening the institutional capacity of partner organizations. Under this approach, eight NGO partners received targeted organizational development support through formal training and ongoing mentorship. The support covered critical areas such as fundraising, program management, time and resource planning, and financial management. This sustained capacity-building process enabled partner organizations to strengthen their internal systems, improve governance and operational efficiency, and progressively evolve into financially and operationally sustainable institutions. This enabled them to continue and scale their work independently beyond the period of the Bank's support.

IDFC FIRST Bank continued its engagement with partner organizations across diverse geographies. These included Shri B. D. Tatti and SANKALPA in Karnataka, Bandhu Purulia in West Bengal, SPARC India in Uttar Pradesh, the Delhi Council for Child Welfare (DCCW) in Delhi, and Aarambh Autism Center in Maharashtra. Through these partnerships, Ek Prayas is contributing to the creation of inclusive spaces where children are recognized not for their limitations, but for their potential.

13

Ek Prayas centers established

1,372

Unique children supported

1,983

Individuals supported till date

FIRST IMPACT team interacting with Ek Prayas program staff during the inauguration of the Huvina Hadagali Ek Prayas Center.

Strengthening Early Intervention through Community Leadership

Aparna comes from a rural, financially constrained household. She completed her education up to Class 9. Seeking stable work while staying connected to her village, she joined Bandhu Purulia – Ek Prayas on 1st May, 2022 as a volunteer. In her initial role, she supported classroom activities, assisted teachers during sessions, helped manage children, participated in special program days, and developed Teaching Learning Materials (TLMs). This exposure familiarized her with structured learning environments and early childhood routines.

With growing confidence and hands-on experience, Aparna was appointed as Support Staff on 1st April, 2024. In this role, she worked closely with two children as a shadow teacher, providing individualized support while also assisting classroom teachers in their daily activities. Through regular engagement with children and families, she developed practical skills in identifying early developmental concerns and supporting inclusive learning practices.

Recognizing her consistency and commitment, Aparna was promoted to Assistant Teacher on 1st April, 2025. She took on greater responsibility by independently conducting co-curricular activities such as dance, music, and craft, contributing to the holistic development of children and strengthening her leadership skills within the school environment.

Aparna from Bandhu, Purulia, received the certificate for successfully completing the 2-day Organizational Development (OD) training on fundraising, supported by IDFC FIRST Bank

Aparna (Community Head) from Bandhu Purulia delivering therapy interventions to children at the Ek Prayas Center.

Her journey reached a significant milestone on 1st December, 2025 when Aparna became Field Level in Charge. She now oversees the Community Based Rehabilitation (CBR) model across 9 Gram Panchayats, supports frontline teams, and manages program reporting. Families across villages rely on her as a trusted and familiar point of contact, someone who connects program support with everyday community needs.

Today, Aparna's journey from a volunteer to a community-level leader highlights the impact of Ek Prayas and IDFC FIRST Bank's investment in local capacity building. Her progression demonstrates how empowering individuals from within the community can strengthen sustainable early intervention and child development efforts.

Aparna at the Bandhu Purulia Center

Entrepreneurship

IGNITE Program

The IDFC FIRST Bank's IGNITE Program is a startup incubation initiative in partnership with incubator partners SINE and FITT. The program supports startups working across HealthTech, GreenTech, and AI for Social Good. It also focuses on deploying scalable, technology-led pilots that address social and environmental challenges such as education access, employment generation, public health, climate resilience, and sustainable livelihoods. CSR funds are utilized by startups for pilot deployments, capacity building, and impact measurement prior to scaling.

In FY 2025-26, the program supported 23 startups with grants ranging from ₹15-30 lakh per startup. Under the FITT partnership, 15 startups received technical workshops, business development sessions, and investor interactions, while under SINE, 8 startups received a total of 37 hours of mentorship. Through structured mentorship, investor connects, and ecosystem support, the program enables startups to build field validated, replicable solutions that translate CSR capital into long term, system-level impact rather than one-time interventions.

52

Startups supported till date

FIRST IMPACT Team Member, Vidhi Singh at deployment site of startups, Chandigarh

The program focuses on nurturing early stage startups through partnering with credible incubators and startup ecosystems. These collaborations enable young entrepreneurs to access mentorship, infrastructure, technical expertise, and market linkages essential for transforming ideas into scalable solutions. The aim is to catalyze job creation, promote inclusive growth, and contribute to a resilient, innovation-driven economy by supporting innovation at the grassroots level.

FIRST IMPACT Team Member, Vidhi Singh at deployment site of startups, Delhi

Startup Maharathi Program

IDFC FIRST Bank, in partnership with incubator partner C CAMP, supports early to growth-stage startups through the Startup Maharathi Challenge, India's largest innovation challenge. The program focuses on key sectors such as AgriTech and FinTech. It addresses systemic challenges including inefficient farming practices, post-harvest losses, climate vulnerability, limited financial inclusion, high MSME lending costs, and operational inefficiencies in digital finance.

Participating startups work across areas such as precision farming, drone and satellite-based crop monitoring, cold chain logistics, agri fintech solutions, digital farmer marketplaces, micro lending, insurtech, AI-driven fraud detection, and blockchain-based payments.

Since its inception, the program has supported 27 startups, offering prize money of up to ₹5 lakh per startup. Of these, 11 startups participated in structured bootcamps, while 7 completed in depth mentorship programs. The program enables startups to refine their solutions and strengthen their business models. They also validate use cases aimed at improving farm productivity, resource efficiency, access to finance, and digital transparency, supporting scalable innovation across rural and underserved markets.

Lend-A-Shoulder

Employee volunteers receive recognition from the Bank's leadership at the annual Champions of Social Good Awards ceremony

Lend-A-Shoulder (LAS): Strategy and Collective Execution in FY 2025-26

IDFC FIRST Bank's employee volunteering program, Lend-A-Shoulder (LAS), is a community-forward initiative designed to enable structured engagement in community development through the contribution of time, skills, and expertise.

Aligned to the Social Good pillar of the Bank, LAS reflects its commitment to creating sustainable social impact. At the same time, it fosters a strong culture of purpose and responsibility among employees.

At the start of FY 2025-26, the LAS program was anchored in creating tangible, long-term impact through thoughtfully designed interventions and meaningful cross-functional collaboration. Community needs were systematically mapped, enabling a clear understanding of priority areas and allowing interventions to be designed with measurable outcomes in mind.

Implementation was planned via a combination of:

- Direct interventions under FIRST IMPACT
- Partnership-led programs with credible NGO partners, including Head Held High, ensuring both scale and depth of impact across communities and cause areas

Collective Execution by Key Stakeholders

The successful execution of the strategy was driven by the coming together of multiple internal stakeholders, each playing a distinct yet complementary role.

Leadership led from the front by aligning team strengths by committing pledges that were consistently honored.

Goodwill Ambassadors played a critical role in mobilizing employees, maintaining momentum, and ensuring sustained engagement across initiatives.

Employees across functions contributed their time and expertise, enabling interventions that were targeted, collaborative, and impact-driven.

This shared ownership and collaboration among stakeholders resulted in smoother execution, deeper engagement, and a more powerful impact on communities and individuals.

Key Interventions across Thematic areas

IDFC FIRST Bank employee volunteers creating teaching learning materials to enhance learning in schools and NGO Centers

Education Support

To strengthen foundational education, volunteers focused on creating learning aids for students, teaching resources for educators, and enhanced school infrastructure. These efforts fostered welcoming, learner-friendly environments and improved learning outcomes in schools across multiple cities.

Youth Mentorship

To empower young people, mentoring sessions were conducted on career readiness, workplace preparedness, communication skills, and personality development. These engagements enhanced awareness, built confidence, and supported informed decision-making among participating youth.

IDFC FIRST Bank employee volunteers putting together a floating wetland to improve the flora and fauna of local waterbodies

Inclusion Initiatives

In line with the Bank's commitment to inclusive and equitable education, employees supported the creation of customized learning aids for students with visual impairments, enabling improved accessibility and more inclusive learning experiences.

Community Health

As part of community well-being efforts, blood donation camps were organized, contributing to lifesaving support for patients while promoting voluntary participation and broader community engagement.

Environmental Engagement

Environmental sustainability initiatives focused on lake restoration, with employees coming together to support ecosystem rejuvenation, biodiversity conservation, and improved water quality for surrounding communities.

Support at a Glance

50,810

Employee volunteers engaged

75,002

Volunteering hours donated

7,34,229

Community members supported till date

IDFC FIRST Bank employees participating in a school infrastructure improvement initiative to create engaging and lively classroom environments

Voices of Impact

Leaders of Social Good

To me, the Lend-A-Shoulder volunteering program represents the power of purposeful leadership and shared ownership. What began with a clear intent to do social good grew into a movement, mobilizing 3,125 volunteers across branches in 41 cities through a single, collective effort.

What truly stood out was the passion and purpose with which teams across branches came together. Social Good Week, celebrated bank-wide, created a powerful opportunity for employees to unite as one organization and give back to society through volunteering, collaboration, and collective responsibility.

During the week, volunteers from branch banking teams across India joined forces to create meaningful impact. From assembling learning tools and STEM kits, to building bicycles for children, supporting green initiatives, and contributing to blood donation drives, every effort reflected the true spirit of Lend-A-Shoulder. Together, we created 2,529 resources which were distributed among 22,818 students and individuals.

This achievement was never about numbers alone. It was about ownership, collaboration, and the shared belief that each of us can be a force for good. I am deeply grateful to the teams and goodwill ambassadors who stepped up with enthusiasm, compassion, and discipline.

Sachin Mehta
Head - Branch Banking

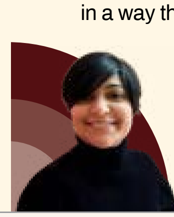
Champions for Social Good

Giving back to society is an important part of who we are, and this year's mentoring initiative with students supported by Jeevan Dhara provided a meaningful avenue for the Data and Analytics team to contribute. Through one-on-one interactions focused on careers in data science and AI, we engaged closely with students and understood their aspirations, challenges, and immense potential.

What stood out most was the students' curiosity and enthusiasm. Their eagerness to learn, ask questions, and explore new possibilities in emerging fields like AI was inspiring. Equally rewarding was seeing their confidence grow over the short span of these sessions.

The initiative also offered valuable learnings for our mentors. It reinforced the importance of simplifying complex concepts, being patient listeners, and tailoring guidance to individual needs. More importantly, it reminded us that mentorship is a two-way exchange. While we shared knowledge and insights, we also gained fresh perspectives and a deeper appreciation of resilience and ambition.

Overall, this engagement fostered a meaningful connection between our team and the community. It has strengthened our commitment to nurturing future talent while contributing in a way that creates lasting impact.



Mukulika Mandal
Goodwill Ambassador
Head - Consumer Lending and Fraud Analytics

Shwetdhara

Empowering Women, Transforming Dairy, Strengthening Rural India

Ms. Gangamma N R, a Gram Sakhi from Bevinahalli village of Davanagere PVK, feeding green fodder to her cattle

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. Shwetdhara addresses these issues by promoting scientific dairy practices, providing nutrition advice, empowering women farmers, and enhancing technological infrastructure to improve productivity and livelihoods. Together, these efforts have created a new ecosystem of last-mile service delivery that boosts farmer incomes and livestock health.

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 76,968 farmers. By enhancing the productivity of milch animals, Shwetdhara is helping women dairy farmers increase their income.

At its core, Shwetdhara is driven by the belief that when women lead, communities thrive. The program has trained 880 Gram Sakhis as livestock service providers, business facilitators, and community leaders, offering animal health interventions, breed improvement, and livestock nutrition advisory. It has also advanced gender inclusion within the livestock value chain by building women's capacities in specialized, traditionally male-dominated functions such as Artificial Insemination Technicians (AITs), strengthening last-mile delivery of breeding services.

In addition, Shwetdhara has established four women-led Farmer Producer Companies (FPCs) with over 14,000 women shareholders, enhancing their financial independence. Its digital platform improves efficiency with real-time data and training modules, making it a scalable rural livelihood model.

Support Since Inception

57,475

Farmers supported in FY 2025-26

76,968

Farmers supported till date

880

Villages across Karnataka, Rajasthan and Madhya Pradesh with active Gram Sakhis in each village

2,02,487

Artificial Inseminations (AI) completed

108

Employees in leadership and operational roles

48

Artificial Insemination Technicians (AITs)

Voices of Impact

From a Quiet Beginning to Leading the Way - Kamla's Journey of Change

Rajasthan - In a village where dairy farming followed routines passed down for generations, Kamla Choudhary had always known the rhythm of the work. Feeding cattle, managing the household, and supporting the family were all familiar, but it also came with quiet limitations. Milk yields were low, animal health was uncertain, and decisions were rarely hers to make.

When she first heard about the Shwetdhara program from neighboring villages, it felt like a distant idea. But curiosity led her to take the first step. In December 2018, Kamla joined as a Gram Sakhi.

On paper, her role was simple: mobilize farmers, organize trainings, and share her learnings as a Gram Sakhi. In reality, it meant stepping into spaces women around her rarely occupied. Encouraging others to adopt new practices often came with resistance. Even asking women to step out of the ghunghat required both conviction and courage.

What made that journey possible was her determination and the support of her family and in-laws, who stood by her as she began to step into a more public role.

As she continued, learning became central to her work. Through Shwetdhara's training and capacity-building efforts, Kamla began to understand the science behind better animal nutrition, timely health services, and the importance of breed improvement. Over time, these helped farmers adopt improved practices.

In 2019, she advanced to the role of Lead Gram Sakhi, supporting 32 other women like her. By 2021, she was guiding 16 villages as an Assistant Trainer, sharing knowledge, shaping how it was understood and applied on the ground. Farmers began to see tangible changes: healthier cattle, reduced medical expenses, and improved milk yields.

Kamla taking a staff review meeting at her PVK.

Kamla Choudhary, a Gram Sakhi from Rajasthan under the Shwetdhara program, was felicitated at the NDTV–IDFC Mission Impact Finale held in New Delhi

By 2022, Kamla had taken on the role of a Pashu Vikas Kendra (PVK) Coordinator, overseeing 40 villages, working alongside cluster coordinators, and supporting thousands of farmers. What had once been a modest beginning had evolved into a leadership position where she was influencing systems at scale. She connected farmers to doorstep services, enabled access to veterinary care, and strengthened the adoption of better dairy practices across communities.

Alongside this professional growth, a personal transformation was taking place.

"Earlier, I would hesitate to speak," she says. "Now, I can stand in front of 500 people and share my thoughts with confidence."

That confidence extended beyond her own journey. Women in her village, inspired by her journey, began envisioning different futures for themselves, one where they could contribute, earn, and take decisions independently. The idea of being atmanirbhar or self-reliant became more real, more visible.

This transformation received national recognition when Kamla traveled to New Delhi to receive an award at an event hosted by NDTV. For many in her village, it was the first time they saw someone from their own community represented on a national platform.

Despite her growing responsibilities, Kamla herself continues to balance both worlds. She manages her cattle and family, while also leading her work across villages. For her, the two strengthen each other.

Her journey, from a Gram Sakhi to a recognized leader, eventually found its way to a national stage. As she accepted recognition on television, she carried not just her own story, but the pride of an entire community that had witnessed her growth.

Today, Kamla's work has impacted over 4,000 women and their dairy farming families, helping build more resilient rural livelihoods.

Beyond the numbers, however, her story reflects something deeper. It shows how access to the right knowledge, consistent support, and opportunities to lead can transform not just individual lives, but entire ecosystems.

Catalyst for Social Action

FIRST IMPACT team with students of the Aftercare Livelihood Program

IDFC FIRST Bank–Catalyst for Social Action Aftercare Livelihood Program supports Care Leavers transitioning from institutional care to independent and dignified livelihoods. Designed as a structured, long-term aftercare initiative, the program focuses on education, employability, and life skills, equipping vulnerable youth not only to enter the workforce but also to sustain themselves with confidence over time. During FY 2025-26, the program onboarded 89 new Care Leavers, achieving 100% of its enrollment targets, across Mumbai, Pune, Odisha, and parts of central India, prioritizing complete orphans and single parent youth.

Following a continuum-based education-to-employment pathway, the program provides career counseling, aptitude assessment, individual career planning, access to market relevant skill training and higher education, ongoing mentoring, and job placement support. All enrolled Care Leavers were successfully admitted into courses aligned with high demand sectors such as healthcare, technical trades, IT/ITES, finance, hospitality, and emerging services. Earlier cohorts recorded a 72% placement rate, with entry-level salaries ranging from ₹8,000 to ₹25,000, enabling early income stability.

Beyond education and employment, the program integrates life readiness components including financial literacy, conversational English, job readiness, alumni networks, and sustained institutional engagement. With strong digital adoption (86% utilization) and personalized case management exceeding follow up targets, the initiative is evolving into a scalable and replicable aftercare model. It demonstrates how focused CSR investments can deliver measurable, long term livelihood outcomes for youth transitioning out of care.

127

Care leavers supported till date

Voices of Impact

"My journey has not been easy, but it has been deeply transformative. After losing my father at a young age, I moved from Odisha to Mumbai and grew up in a Child Care Institution. Amid unfamiliar surroundings and uncertainty about my future after turning 18, education became my strongest foundation.

During this critical phase, CSA played a pivotal role in shaping my future. Through career guidance, personalized counseling, and a structured aftercare plan, I was able to pursue my Master of Social Work at a reputed institute. CSA's support ranging from educational assistance and life skills training to spoken English and emotional wellness support helped me build confidence, clarity, and professional readiness.

Today, I am proud to be working as a Program Officer at CSA itself. Contributing to the same organization that once supported me is deeply fulfilling. My journey reflects the impact of consistent guidance, belief, and strong aftercare systems in creating meaningful opportunities."

Arundhati S. (Name changed),
Mumbai

Partners' Speak

With the support of IDFC FIRST Bank, the Shwetdhara project is strengthening rural dairy livelihoods by enabling small women farmers to access organized services, quality inputs, and sustainable market linkages through Jovita Milk Producer Company Limited. This partnership has helped us significantly scale our reach across 200 villages, strengthen farmer institutions, and expand last-mile access to critical services such as veterinary care, artificial insemination, nutrition, and capacity building. It has also empowered women through the Gram Sakhi initiative, while demonstrating a scalable model replicated in new geographies.

Radheyshyam Dixit,
MD, Ananda
SHWETDHARA

The IGNITE partnership with IDFC FIRST Bank has strengthened SINE, IIT Bombay's ability to support social entrepreneurs at a crucial early stage by combining grant support with structured mentorship and ecosystem access. This enables founders to move faster from idea to implementation while staying focused on real social impact. Over time, the collaboration will help build a strong pipeline of scalable, mission-driven enterprises and contribute to a more connected and impact-oriented innovation ecosystem.

Prasad Shetty,
VP - SINE, IIT Bombay
IGNITE

At SANKALPA, we believe every child deserves the right start. With the steadfast support of IDFC FIRST Bank, we are strengthening early intervention services, empowering parents, and building inclusive community-based rehabilitation models. This partnership has allowed us to grow our reach, invest in skilled teams, and create stronger community networks—bringing us closer to a future where children with disabilities can access timely support, achieve better developmental outcomes, and live with dignity and independence.

Suresh J,
Founder, SANKALPA
EK PRAYAS

Scholarships are essential stepping stones in a student's journey. They create a necessary bridge, helping young people continue on the path they have envisioned for themselves.

When IDFC FIRST Bank reached out to us, many students had applied for support. It gives them much-needed financial relief, helping them meet immediate fee obligations and continue their education without disruption. I would say that it makes a significant difference.

When you enable someone to fulfill their dreams, create access, and open doors to opportunities, the impact goes far beyond. I believe that if you feed a hungry stomach for a day, you are doing social service. But if you feed a hungry mind for a lifetime, there can be no greater service than that.

If one had to do CSR, I would like to see more corporates investing in this space. By creating human capital for individuals and for the country, they can make a lasting impact. What could be a better way to pay back?

Dr. Kavita Pathak,
Director and Professor of Marketing, Jaipuria Institute of Management, Lucknow
IDFC FIRST SCHOLARSHIPS

Quality healthcare should not be limited by geography or resources. With the support of the IDFC FIRST Bank IGNITE Program, we were able to bring our innovation closer to underserved communities. Beyond enabling testing, the project demonstrated how technology-enabled screening can bridge the gap between diagnosis and treatment through same-day risk assessment and timely referral of high-risk cases. It highlighted the potential of digital health solutions to support early risk identification and faster clinical decision-making. We are grateful to IDFC FIRST Bank for empowering purpose-driven innovation and helping startups like ours create meaningful impact in people's lives.

Dr. Nisha Yadav
& Dr. Saugandha Das
Co-Founder & Director
Edhaa Innovations Private Limited
IGNITE

Environmental, Social and Governance

Enabling Sustainability Responsibly

Saptarshi Bapari
Head - Investor Relations and ESG

As we deepen our commitment to sustainability, we recognize that living by customer-first principles also means aligning our growth with the long-term well-being of our customers, communities, and the environment.

Dear Stakeholders,

At IDFC FIRST Bank, our journey has consistently been anchored in our core philosophy of being a customer-first institution. Over the years, this principle has guided how we design our products, engage with communities, and build a responsible and resilient organization. Today, as we deepen our commitment to sustainability, we recognize that living by customer-first principles also means aligning our growth with the long-term well-being of our customers, communities, and the environment.

Our ESG journey has evolved from foundational commitments to a more integrated, outcomes-driven approach where sustainability is not a parallel agenda, but an extension of our customer-centricity. By embedding ESG considerations into our strategy, operations, and decision-making, we aim to create enduring value while responding to the evolving expectations of stakeholders in a rapidly changing world.

Customer-centric Sustainable Finance

Putting customers first requires us to enable access to responsible and future-ready financial solutions. We have continued to align our lending portfolio toward sectors that support both customer needs and a sustainable economy.

During the year, we raised ₹1,284+ crore through green deposits, channeling funds into renewable energy, clean mobility, and water conservation, resulting in an estimated avoidance of 221 lakh+ kg of CO_2e emissions.

Our renewable energy financing portfolio is around 30% of the overall green book, while our expanding electric vehicle financing portfolio forms 59% and continues to support the transition towards cleaner mobility.

Today, 17% of our loan book is aligned to our Sustainable Finance Framework, reflecting how customer needs and sustainability outcomes are increasingly converging.

Responsible Banking in a Changing Climate

Being customer-first also means anticipating and managing long-term risks that may impact our customers and the broader economy. Climate change is one such systemic risk, and we are progressively embedding climate considerations into our risk frameworks, lending decisions, and operations.

Our approach is guided by a Board-approved ESG Policy, GHG Emissions Management Policy and a defined net-zero glide path for Scope 1 & 2 emissions by 2050. We have expanded our use of renewable energy across offices. 4.2 lakh+ sq. ft. of operational area is connected to green sources as of March 2026. This further improved by 33% in Q1 FY 2026-27, with the total area under green power standing at 5.6 lakh+ sq. ft.

By integrating climate risk into credit evaluation and portfolio monitoring, we are strengthening resilience, not only for the Bank, but also for the customers and sectors we serve.

Deepening Inclusion with Purpose

Our customer-first philosophy is most visible in our commitment to financial inclusion. We continue to serve underserved segments through tailored products, accessible delivery models, and inclusive financing solutions. The Bank has a comprehensive rural product portfolio to drive its financial inclusion objective. As of March 31, 2026, the rural portfolio of the Bank was at ₹24,146 crore which includes products like Kisan Credit Card, Microfinance through Joint Liability Groups, Loans to rural micro-entrepreneurs, tractor loans etc. We served over 37 lakh women borrowers in FY26.

Beyond access, we aim to enable meaningful participation through digital inclusion, simplified onboarding, and financial literacy initiatives such as the IDFC FIRST Academy. Our community initiatives – including tree plantation, employee volunteering, and engagement – further reinforce our commitment to building sustainable livelihoods and resilient communities.

Embedding Sustainability in Everyday Actions

Living by customer-first principles requires building trust, and trust is shaped by how responsibly we operate. We are therefore embedding sustainability into daily actions across the organization.

Through structured employee engagement, mandatory ESG training, and internal collaboration, we are fostering awareness and accountability at every level. Initiatives such as eco-friendly debit cards, sustainable mobility programs, and environmental campaigns reflect our focus on reducing our environmental footprint while enhancing employee participation.

These efforts ensure that sustainability is not limited to strategy but is lived across the organization.

Strengthening Governance, Building Trust

Customer trust is underpinned by strong governance. Our ESG framework is supported by Board-level oversight, robust policies, and structured accountability mechanisms that ensure responsible decision-making.

We continue to enhance our disclosures, refine our materiality approach, and align with global best practices. Our continued improvement in ESG ratings and inclusion in indices such as FTSE4Good, reflects our commitment to transparency and performance.

The Road Ahead

As we look ahead, our path is clear – to embed customer-first thinking into every aspect of our ESG journey.

We will continue to scale sustainable finance, strengthen climate resilience, expand inclusion, and enhance governance frameworks. More importantly, we will remain focused on delivering outcomes that matter to our customers – solutions that are responsible, inclusive, and future-ready.

At IDFC FIRST Bank, we believe that being truly customer-first means creating lasting value not just for today, but for generations to come.

Regards,

Saptarshi Bapari
Head - Investor Relations and ESG

ESG Highlights

Green Deposits

₹1,284+ crore of Green Deposits raised and **221** lakh+ kg CO_2e avoided from lending aligned to Green Deposits in FY 2025-26

Clean Transportation

1.02 lakh+ electric vehicles financed through Green Deposits in FY 2025-26

Financial Inclusion

₹24,146 crore live portfolio under rural financing as of March 31, 2026

Women Borrowers

37 lakh+ women borrowers served in FY 2025-26

Green Power

5.6 lakh+ sq. ft. carpet area is connected to green power as of June 30, 2026

CSR and ESG Committee

ESG and Climate governance at Board level, meeting quarterly on strategy and implementation

Policies

Board-approved ESG, GHG Emissions Management, and Green Deposits Policies

ESG Ratings

Progressive improvement in our ESG ratings across global and SEBI-registered ESG rating providers. The Bank is also a constituent company of the FTSE4Good Index Series.

ESG at IDFC FIRST Bank

IDFC FIRST Bank is deeply committed to advancing sustainability and responsible business practices through a strong Environmental, Social, and Governance (ESG) framework. The Bank's ESG strategy is driven by a combination of short-term and long-term initiatives, designed to align with global best practices while ensuring meaningful, measurable impact.

All ESG initiatives are unified under the 'FIRST ENSURE' identity, which reflects the Bank's core philosophy of enabling sustainable growth with accountability and responsibility.

FIRST ENSURE

ESG @ IDFC FIRST Bank

ESG Governance

The Bank's ESG agenda is governed through a well-defined, multi-tiered structure comprising Board-level oversight, management-level direction, and cross-functional execution. This framework ensures strong governance, strategic alignment, and effective implementation.

Board-Level Committee

- Provides strategic direction and oversight on ESG matters through quarterly meetings of the CSR and ESG Committee
- Chaired by the Managing Director and CEO

Management-Level Committee

- Meets quarterly to drive ESG-related management decisions and monitor progress
- Ensures integration of sustainability into core business functions
- Comprises executive leadership, including CXOs and functional heads

Steering Committee and Working Group

- Cross-functional working group with domain expertise responsible for executing the ESG agenda
- Supports and coordinates ESG initiatives through a dedicated ESG team

ESG Policy

IDFC FIRST Bank has established a Board-approved ESG Policy that guides the integration of sustainability across business, risk management, operations, and disclosures. It provides a structured framework to embed ESG considerations into lending, governance, and stakeholder engagement, enabling effective management of risks and opportunities. The Policy defines key pillars such as ESG risk management, sustainable finance, and reporting, to promote transparency, accountability, and long-term value creation.

ESG Targets and Progress

The Bank has successfully delivered on its previously committed ESG targets, achieving all key objectives within or ahead of the defined timelines. These achievements reflect the concerted action and efforts undertaken across the Bank.

The Bank has now taken an annual target for its sustainable lending portfolio growth, which is presented in the 'Sustainable Finance' section of this Report.

Building a Culture of Sustainability

The Bank's ESG initiatives, communications, awareness, and training programs are integrated under its unified ESG identity, FIRST ENSURE. Through this program, the Bank undertakes several initiatives to foster accountability and embed sustainability across its workforce.

Eco-friendly Debit Cards

On World Environment Day 2025, the Bank launched recycled debit cards for every new employee. Made from 99% recycled plastic, these eco-friendly cards reflect the Bank's commitment to sustainable product innovation. By reusing plastic materials, these cards help reduce carbon footprint, dependence on virgin plastic, and minimize waste diverted to landfill.

17,000+ cards issued

Replacing conventional plastic

99% reduction

In virgin plastic usage

85 kg*

Of plastic reused

**Assuming weight of a standard debit card to be around 5 grams*

Sustainable Mobility

The Bank encourages the adoption of sustainable commuting practices by promoting the use of electric vehicles among employees. EV charging infrastructure was deployed across multiple large offices, complemented by preferential financing terms under the Company Owned Car (COC) Policy. These initiatives support the transition to low-emission mobility while enhancing employee participation in its sustainability journey.

ESG Intranet Portal

ESG Intranet Portal engages employees with sustainability through resources, training, and updates, while encouraging participation and enabling employees to contribute actively as ESG champions. The intranet portal is a dedicated window where employees can learn more about the Bank's ESG initiatives, pledge support, offer participation, and access knowledge pieces. Together with this portal, a mandatory ESG course is assigned to every employee on joining, giving them a primer on sustainability and ESG.

Tree Plantation Initiative

Supporting both local biodiversity and community welfare, IDFC FIRST Bank has undertaken a tree plantation initiative under the FIRST ENSURE program. Over the past three years, the Bank has planted and continues to maintain 30,000+ tree saplings, with an aim to create an urban mini-forest with native species. Beyond environmental benefits such as improved air quality and enhanced biodiversity, the initiative also supports livelihood generation for local women, who maintain these mini-forests.

30,000+

Tree saplings maintained

183 tonnes

Of carbon sequestered

240+ full and part-time

Gardeners engaged

844 tonnes

Of oxygen generated

IDFC FIRST Bank Tree Plantation Project in Madurai

A local gardener watering our tree saplings at the plantation site

Thought Leadership

Mumbai Climate Week

IDFC FIRST Bank served as a Principal Partner for the inaugural Mumbai Climate Week, anchoring the event. Held in February 2026, Mumbai Climate Week was a large-scale platform that brought together global and national leaders to advance climate dialogue and action for the Global South.

As the first event of its kind and scale in India, it served as an important forum for stakeholder engagement, solution showcases, and collaborative discussions on sustainable development. The event was headlined by Cabinet Ministers from both Government of India and State Governments, alongside global leaders, sustainability practitioners, corporates and community representatives.

At the session 'Financing at Scale: Mobilizing Trillions for the Global South', the Bank highlighted the need for large-scale capital mobilization to support sustainable development and shared its progress in green deposits, renewable energy, and clean mobility financing. The event was attended by senior leaders from across the Bank's Assets, Liabilities, Toll & Transit, and Corporate Functions, underscoring the institution's collective commitment to sustainable finance.

Global and national leaders across policymaking, industry and think tanks from over 30 countries at the Mumbai Climate Week

Interactive Engagement

The Bank showcased its sustainability initiatives through an interactive booth under the FIRST ENSURE program, engaging stakeholders across government, academia, and industry through experiential tools and discussions.

Through this participation, the Bank reinforced its commitment to driving thought leadership, fostering partnerships, and enabling a sustainable and inclusive transition.

IDFC FIRST Bank stall at the Mumbai Climate Week being visited by Union and State Ministers, industry representatives, citizens and students

Engagement with PCAF

IDFC FIRST Bank is among the very first banks in India to become a signatory to the Partnership for Carbon Accounting Financials (PCAF), reinforcing its commitment to measuring and managing financed emissions through globally recognized methodologies.

During the year, the Bank further strengthened its engagement with PCAF and played an active role in advancing climate finance discussions in India. As Co-Vice Chair of the India Chapter, it helped shape the local agenda and participated in the launch of the India Chapter.

In addition, the Bank actively participated in the PCAF India Summit. It contributed to panel discussions on the role of financial institutions in India's net-zero transition and the advancement of women in sustainable finance.

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2

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First PCAF Accelerator session in India being held at IDFC FIRST Bank premises, BKC, Mumbai

Further, IDFC FIRST Bank hosted the first-ever PCAF Accelerator session in India, hosting representatives from various financial institutions, think tanks, and technology providers. The Accelerator program played a key role in capacity building of current and prospective PCAF signatories, assisting them in estimating their financed emissions.

These voluntary efforts reflect the Bank's commitment to strengthening industry collaboration, front-lining industry-first initiatives and thereby supporting the transition toward a low-carbon economy.

3

Advancing the UN SDGs as an Official UNGC Supporter

IDFC FIRST Bank is an official supporter of the United Nations Global Compact (UNGC), reaffirming its commitment to advancing responsible business practices and contributing to the achievement of the Sustainable Development Goals (SDGs).

IDFC FIRST Bank moderating a plenary session on 'Financing a Better Tomorrow' at the UNGCNI Western Regional Convention 2025

Through this engagement, the Bank aligns its strategies and operations with globally recognized principles across human rights, labor, environment, and anti-corruption. The approach focuses on integrating these principles into business practices, governance frameworks, and stakeholder engagement processes.

The Bank further strengthens its contribution to the SDGs through initiatives in sustainable finance, financial inclusion, and community development. These efforts support collective action and contribute to inclusive and resilient economic growth.

Employee Engagement

IDFC FIRST Bank strengthens its employee engagement on sustainability through structured awareness and participation initiatives across locations. During the year, 5,600+ employees participated in ESG-related programs, reflecting growing interest and involvement toward ESG among the workforce.

5,600+ employees

Participated in ESG-related programs

World Environment Day celebrations in our offices

Panel discussion with IGBC on Green Buildings

The Bank further conducted an e-waste collection drive during the year, providing an avenue for employees to safely dispose of their personal e-waste. The initiative attracted participation from 20 locations and enabled the collection of over 270 kg of e-waste, which the Bank disposed of in an environmentally responsible manner.

270+ kg

E-waste collected across 20 locations

E-waste collection pods for employees to dispose of personal e-waste during an e-waste collection drive

Another key initiative was the Food Waste Reduction Week, where workshops and awareness sessions were hosted, which witnessed strong participation from employees. The Bank also conducted capacity-building sessions, including a nationwide bio-enzyme workshop, as well as expert-led discussions on green buildings, sustainable travel, and air quality.

Employees actively participating in a bio-enzyme workshop held at IDFC FIRST Bank premises

These initiatives aim to foster behavioral change, enhance environmental awareness, and embed sustainability into everyday actions, supporting a culture of shared responsibility across the workforce.

ESG Awards

IDFC FIRST Bank's efforts and initiatives in the ESG space have earned recognition across multiple forums. A few recent awards are showcased below.

UBS Sustainability Summit & Awards

Sustainability Impact Award
(June 2026)

ICC Green Urja Awards

Financial Institution in Green Energy – Gold
(February 2026)

Global Fintech Awards

Best Green Banking Initiative
(October 2025)

SKOCH ESG Awards

Green Infrastructure – Silver
(September 2025)

IGBC Green Mumbai Summit

Green Visionary Award
(September 2025)

AFAI Indian Climate Leader Awards

Outstanding Private Bank in Green Finance
(January 2025)

Value Creation Model

Inputs | **Our Business Activities**

Financial Capital

- Shareholders' funds: ₹47,352 crore
- External borrowings: ₹36,621 crore
- Balance sheet size: ₹3,99,780 crore

Manufactured Capital

- Total offices: 53
- Asset outlets: 289
- Liability branches: 1,147
- 4 offices connected to the green power grid
- 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

Human Capital

- Strong and diverse workforce of skilled and competent employees
- Customer-first culture, built on ethics and integrity
- Learning hours (annual): 20 lakh+

Social & Relationship Capital

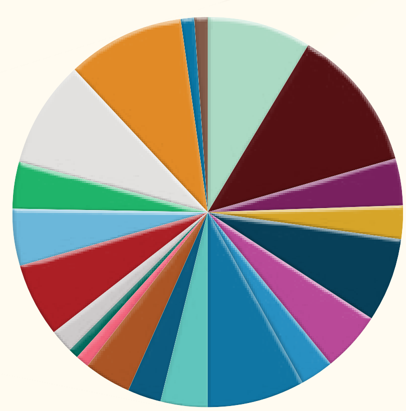
- CSR expenditure in FY 2025-26: ₹42.04 crore
- Employee volunteering hours: 21,575
- Signatory to PCAF since August 2024
- Participant of UNGC since November 2022

Natural Capital

- Board-approved ESG Policy, GHG Emissions Management Policy and Green Deposits Policy
- ESMS framework for evaluating large-ticket business and wholesale loans

Composition of loan assets:

₹2,90,278 crore



Outputs

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 9%
- Loan Against Property 12%
- Business Banking 4%
- KCC 3%
- Salaried Personal Loan 7%
- Digital Personal Loan 5%
- Credit Card 3%
- Two Wheeler Loan 8%
- Car Loan 4%
- CV/CE Financing 3%
- Consumer Durable Loans 3%
- Gold Loan 1%
- Education Loan 1%
- Other Retail 2%
- Rural Finance 6%
- Micro Credit & MSME Loans 5%
- Small Business and Professional Loan 4%
- Corporates Loans 8%
- Financial Institutions 10%
- Other Corporates 1%
- Infrastructure Financing 1%

Customer Deposits
₹2,84,453 crore

CASA Deposits
₹1,46,650 crore

Loan Assets
₹2,90,278 crore

Outcomes

Financial Capital

- Profit after tax: ₹1,636 crore
- Return on equity: 3.76%
- Capital adequacy ratio: 15.60%
- GNPA: 1.61%
- NNPA: 0.48%

Manufactured Capital

- Coverage: 25 states, 5 UTs
- 1.4 million sq. ft. (36% of total carpet area) green building certified, including Corporate Head Office rated as IGBC Platinum
- ISO 14001 & 45001 for 15 offices

Intellectual Capital

- IDFC FIRST Bank mobile app rated 4.9 on the Play Store and 4.8 on the App Store
- 29.8 Mn+ app registrations
- 48% YoY growth in UPI payments

Human Capital

- Employee engagement score: 87/100
- Company mood score: 4.3/5

Social & Relationship Capital

- CASA deposits growth: 51.8% (7-year CAGR)
- Individuals impacted positively through employee volunteering (FY 2025-26): 1,88,739

Natural Capital

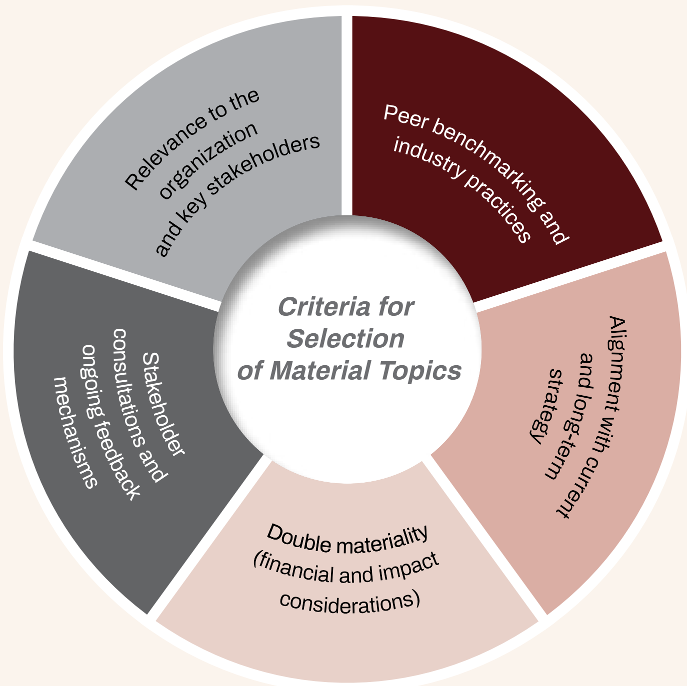
- Emissions intensity (Scope 1 & 2) reduction: 33% basis loan book size
- E-Waste recycled: 4.75 MT
- Trees planted in Madurai, Tamil Nadu: 30,000+

Materiality

IDFC FIRST Bank conducts periodic materiality reviews to identify and prioritize the ESG topics most relevant to its stakeholders and business strategy. In FY 2025-26, the Bank reviewed its material topics through a double materiality lens, ensuring alignment with both financial risk and impact considerations. This approach enables the Bank to strengthen its focus on areas that drive long-term value creation while addressing its broader environmental and social responsibilities.

Process and Selection of Topics

The materiality assessment follows a structured and strong methodology, incorporating internal and external perspectives to identify, evaluate, and prioritize ESG topics. The process is aligned with global standards and integrates stakeholder expectations with strategic business priorities.



Materiality Assessment Process

The materiality assessment is undertaken through the following steps:

1. Identification of a comprehensive universe of ESG topics through peer benchmarking and reference to global standards such as SASB and GRI
2. Shortlisting of 26 key topics based on stakeholder engagement and internal evaluation
3. Assessment of each topic based on risk and opportunity, along with likelihood and impact, to determine a Total Materiality Score (TMS)
4. Prioritization of topics based on TMS rankings
5. Identification of 17 topics in the top quartile as most critical for value creation and impact (LEAD topics)
6. Annual review to ensure continued alignment with evolving risks, strategy, and double materiality considerations

Materiality Matrix

The Bank categorizes material topics into three tiers based on their significance:

LEAD Topics

These represent highest priority areas, where the Bank aims to be a frontrunner through focused efforts, strategic initiatives, and regular performance monitoring and disclosure.

MANAGE Topics

These topics are actively managed through policies, processes, and stakeholder engagement, contributing to operational effectiveness and long-term value creation.

COMPLY Topics

These areas are addressed through adherence to regulatory requirements and internal standards, with ongoing monitoring to ensure compliance and responsiveness to evolving 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
- Risk management
- Learning and development
- Employee wellness
- Climate action, climate risk management, and decarbonization
- Emissions and environmental footprint management
- Transparency, disclosures and stakeholder communications

MANAGE

- Operational environmental footprint
- Diversity, equity, inclusion and meritocracy
- E&S compliance for business loans and project finance
- Employee development
- Financed emissions
- Responsible procurement and supply chain management

COMPLY

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

Note: Details of top material topics have been covered in the Business Responsibility and Sustainability Report (BRSR)

Sustainable Finance

IDFC FIRST Bank recognizes the critical role it plays in supporting the country's transition to a more sustainable and resilient economy. 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 environment friendly activities.

Highlights

₹**1,284**+ crore

Raised through Green Deposits in FY 2025-26

221 lakh+ kg CO_2e emissions

Avoided through assets funded by Green Deposits in FY 2025-26

12.26 MWp p.a. Solar Production capacity

Enabled via Green Deposits in FY 2025-26

1.02 lakh+ Electric Vehicles

Financed through Green Deposits in FY 2025-26

Green Deposits

In FY 2025-26, IDFC FIRST Bank raised ₹1,284+ crore through Green Deposits. The Bank allocated the entire proceeds to eligible green sectors such as electric mobility, renewable energy, and water conservation.

Based on independently validated impact assessments, this financing enabled an estimated avoidance of 221 lakh+ kg of CO_2e emissions. This outcome demonstrates the tangible environmental benefits of the Bank's sustainable financing initiatives.

The Bank's Green Deposit disclosures, including details on allocation and impact reporting, are available on the Bank's ESG Disclosures webpage.

Sustainable Finance

The Bank has developed a Sustainable Finance Framework, to define and govern the classification of eligible Green and Social lending activities. The Framework has been designed by drawing upon relevant Indian regulatory guidance, internationally recognized sustainable finance taxonomies, and leading market frameworks, ensuring alignment with emerging best practices in Sustainable Finance.

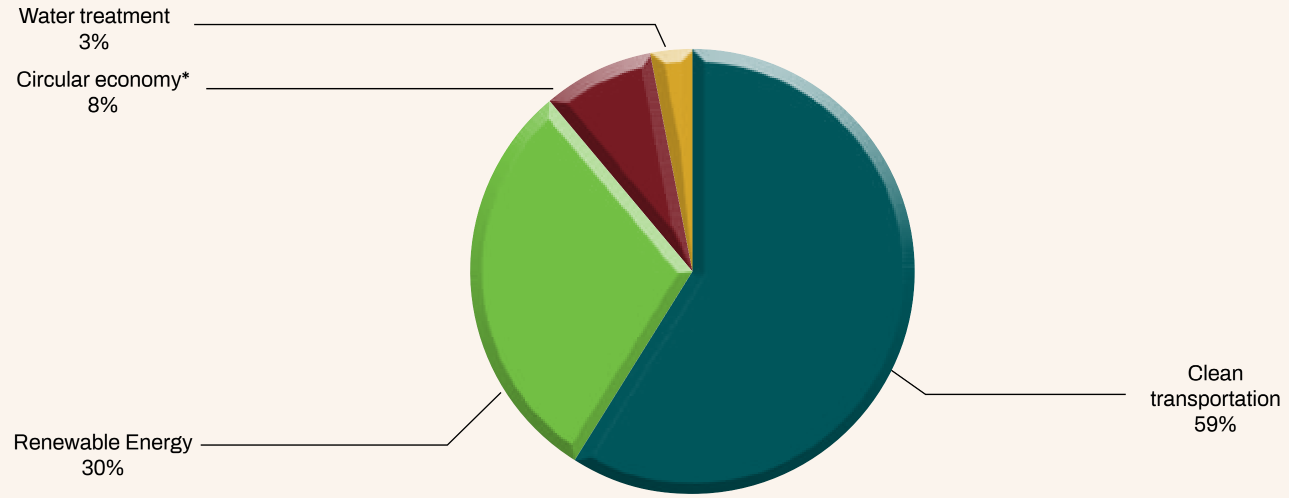
In line with the Framework, the Bank's sustainable finance portfolio accounts for nearly 17% of the Bank's loan book, reflecting the continued integration of sustainability considerations into its business strategy. The Bank offers a diversified suite of sustainable financing solutions across corporate, SME, and retail segments, supporting responsible and inclusive growth. The Bank's sustainable finance portfolio stood at ₹48,890 crore, comprising ₹4,017 crore of green financing and ₹44,873 crore of social financing as of March 31, 2026.

Within its Green Portfolio, 59% of lending is directed towards clean transportation and 30% towards renewable energy across corporate and retail portfolios, reflecting the Bank's strong commitment to advancing clean mobility and supporting the transition to a low-carbon economy.

The Bank's Social Portfolio is similarly diversified, with 60% of financing directed towards JLG, micro loans to individuals and MSMEs, and funding provided to financial institutions for onward lending to socially aligned activities. A further 21% supports agriculture-related activities, while the remaining 19% is deployed towards education, healthcare, food security and other sectors, reinforcing the Bank's commitment to advancing financial inclusion and generating positive social impact.

Green Portfolio

A breakup of the Bank's green lending across wholesale and retail products is given below:



*Circular Economy includes lending to solid waste management and recycling activities

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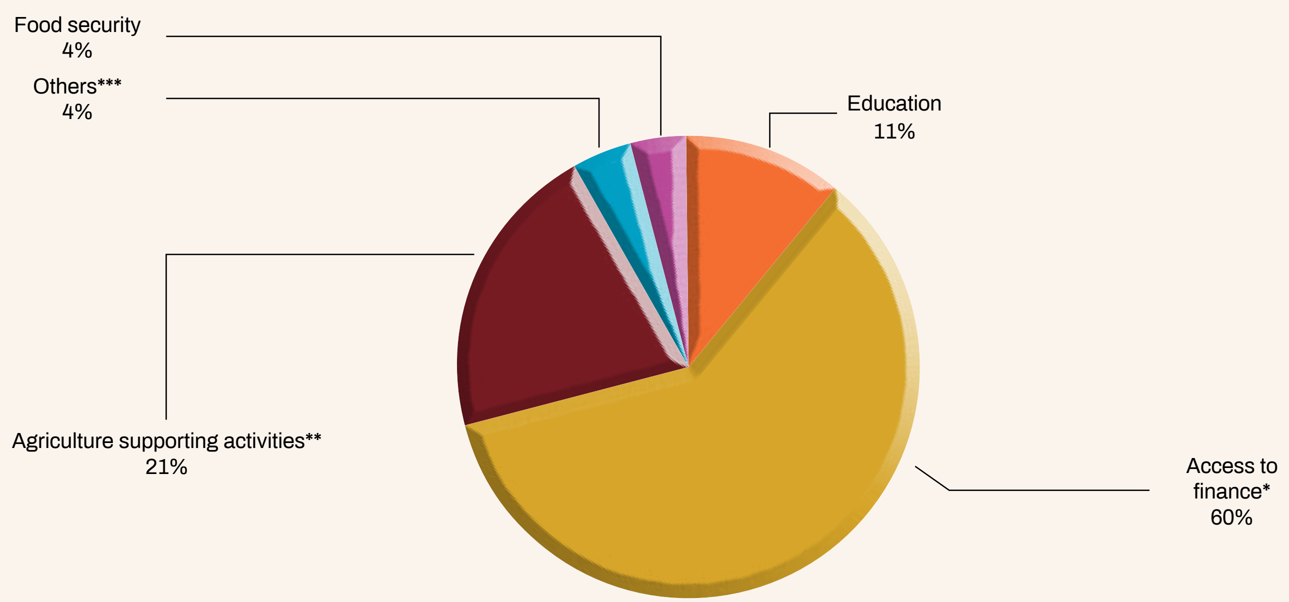
Social Portfolio

A breakup of the Bank's social lending, across wholesale and retail products is given below:



*Access to finance: Refers to loans extended towards affordable, Micro and MSME segments
**Agriculture supporting activities: Includes lending towards agriculture & allied activities (including Kisan Credit card)
***Others: Healthcare, Digital inclusion, Water & Sanitation, Community Development, Social Inclusion & Access

Growing the Sustainable Finance Portfolio

Building on the progress in scaling sustainable finance and aligning the portfolio with climate priorities, the Bank has established a focused target to guide its next phase of growth. This forward-looking commitment strengthens the sustainable finance portfolio and reinforces the Bank's intent to deliver measurable environmental and social outcomes through its financing activities. To strengthen sustainable and inclusive finance, the Bank targets 19% YoY growth in its green and social lending portfolio, in FY 2026-27, across retail and wholesale businesses.

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 operations and lending activities.

Highlights

Net Zero

Glide path identified for Scope 1 & 2 emissions by 2050

GHG Emissions Management Policy

Is Board-approved

5.6 lakh+ sq. ft.

Operational area connected to green power sources as of June 30, 2026

33% YoY reduction

In emissions intensity (Scope 1 & 2) basis loan book size

Climate Action and Risk Governance

IDFC FIRST Bank recognizes climate change as a systemic risk with implications for financial stability, economic resilience, and long-term value creation. As a responsible financial institution, the Bank is progressively embedding climate considerations into its strategy, portfolio decisions, and risk management frameworks. The Bank's approach is anchored in enabling a low-carbon transition while strengthening resilience to climate-related risks across its operations and lending portfolio.

Climate Action

The Bank continues to align its financing and risk assessment approaches with evolving climate priorities. Climate risk is integrated into the Bank's risk management processes through structured assessments of physical risks arising from extreme weather events and transition risks linked to the shift toward a low-carbon economy. These considerations are embedded in its credit evaluation, portfolio monitoring, and sectoral strategies, particularly across climate-sensitive geographies and industries.

The Bank undertakes climate risk assessments for identified exposures in line with defined thresholds under its **Credit Policy**. These assessments are conducted across short-, medium-, and long-term time horizons, enabling the Bank to proactively identify and manage evolving climate-related risks and opportunities.

In line with its responsible financing approach, the Bank has embedded environmental and social risk assessment into its credit appraisal processes. Its Environmental Management Systems and Procedures are guided by the IFC Performance Standards and Equator Principles for applicable projects and transactions. The Bank also maintains an exclusion framework, drawn from the IFC Exclusion List, which prohibits financing activities that do not meet defined sustainability norms. Considering emerging regulations, technology risks, and legal risks, the Bank has identified sectors which are prone to transition risk arising from climate change. Accordingly, the Bank has taken exposure threshold for these sectors. It also monitors high-emission industries to support a balanced and risk-aware transition toward a greener economy.

Risk Governance

The Board is responsible for oversight of risk management, supported by the Risk Management Committee and various management-level committees. The Risk Management Committee, chaired by an Independent Director, reviews key risk areas, including credit, market, liquidity, operational, and information security risks. It also oversees critical frameworks such as ICAAP and stress testing to ensure preparedness for adverse scenarios.

The Bank has established a Board-approved **Risk Management Policy** that provides a structured framework for identifying, measuring, mitigating, and reporting risks in line with its defined risk appetite and risk-return considerations. This framework is supported by clear escalation mechanisms and accountability structures, enabling proactive management of emerging risks, including climate-related risks.

Net Zero and Decarbonization

IDFC FIRST Bank actively measures and reports its Scope 1, 2 and 3 emissions, with FY 2022-23 to FY 2024-25 serving as the preparatory phase for baselining. The Bank commenced emissions reporting from FY 2022-23, and significantly enhanced the coverage of its GHG inventory the following two years.

This encompassed inclusion of additional Scope 1 categories such as emissions from fire extinguishers and other fugitive sources alongside diesel consumption. Under Scope 2 emissions, the Bank also incorporated electricity consumption from data centers. In addition, it continues to report on relevant categories of Scope 3 emissions.

Further, the Bank became one among the first financial institutions to join the Partnership for Carbon Accounting Financials (PCAF) India Chapter for financed emissions (Scope 3, Category 15). It also conducted a comprehensive exercise to baseline its financed emissions across corporate and select retail portfolios. Additionally, the Bank disclosed financed emissions from its vehicles portfolio and obtained a third-party assurance for the same, thereby marking an industry-first initiative.

Decarbonization Strategy and Progress

IDFC FIRST Bank has established a long-term decarbonization target covering 100% of Scope 1 & 2 emissions. The Bank aims to reduce absolute emissions by 95% by FY 2049-50 from a FY 2024-25 baseline. This target for operational emissions is prepared in alignment with science-based principles and provides a strong foundation for tracking emissions reduction over time.

The Bank's decarbonization strategy is guided by its Board-approved GHG Emissions Management Policy. In line with this Policy, the Bank connected multiple large offices to green power and secured green building certifications to improve energy and resource efficiency. It also transitioned from diesel generators to UPS, wherever feasible.

IDFC FIRST Bank further embeds decarbonization within its operations through energy efficiency, digital transformation, and the adoption of green infrastructure, optimizing resource use across the facilities. As part of this approach, the Bank continues to expand renewable energy adoption. 4.2 lakh+ sq. ft. of the Bank's operational area is connected to green sources as of March 2026. This further improved by 33% in Q1 FY 2026-27, with the total area under green power standing at 5.6 lakh+ sq. ft. This is further complemented by the Bank's commitment to green certified offices and branches, which enhance its overall energy efficiency while fostering a better working environment.

In FY 2025-26, renewable energy consumption increased from 6,856.68 GJ to 15,085.73 GJ, more than doubling over the period. Correspondingly, Scope 2 emissions from non-renewable sources declined from 42,284.12 tCO_2e to 40,285.63 tCO_2e. Overall, emissions intensity (Scope 1 & 2) basis loan book size reduced by 33% YoY, from 0.26 to 0.17 tCO_2e per ₹ crore. Similarly, emissions intensity (Scope 1 & 2) on a total income basis, reduced by over 28% YoY, from 1.42 to 1.02 tCO_2e per ₹ crore, reflecting enhanced operational efficiency and the continued shift toward cleaner energy sources.

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.

Highlights

37 lakh+

Women borrowers served in FY 2025-26

20 lakh+

Employee learning hours in FY 2025-26

21,575

Employee volunteering hours in FY 2025-26

Financial Inclusion

IDFC FIRST Bank has established a comprehensive financial inclusion framework to expand access to formal financial services for underserved segments. The Bank anchors its approach in continuous innovation, a customer-first approach, with products and services informed by market research, customer insights, and feedback mechanisms.

The Bank also tailors delivery channels to address the diverse needs of customers, ensuring accessibility, usability, and inclusion across geographies and socio-economic groups.

Products and Services

The Bank offers a comprehensive portfolio of financial products tailored to underserved segments, including microfinance, MSME lending, rural credit, and consumption-linked financing. Product design is guided by customer needs, ensuring affordability, simplicity, and relevance.

Inclusive Financing

The Bank's product suite also includes livelihood loans, mobility loans, and microcredit solutions, addressing critical development needs such as income generation and access to basic infrastructure.

By aligning product design with socio-economic needs, it aims to deliver measurable improvements in customer well-being and build long-term financial resilience.

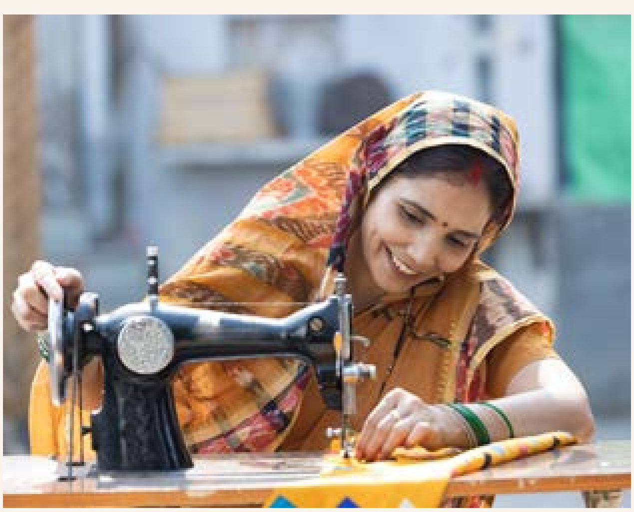
To further strengthen financial inclusion, the Bank continues to expand and innovate its offerings to improve access for first-time and low-income customers, while remaining aligned with inclusive growth priorities and responsible finance principles.

The Bank delivers financial inclusion at scale through targeted outreach and diversified credit solutions. In FY 2025-26:

- Bank disbursed ₹4,499 crore of microfinance loans through joint liability groups to women borrowers in the rural areas.
- Bank disbursed ₹2,771 crore of Kisan Credit Card loans to rural farmers across India.
- Bank disbursed ₹4,902 crore of loans to finance rural micro-entrepreneurs for their livelihood and productive activities including financing for dairy, cattle, sericulture, poultry, firm irrigation etc.
- Altogether, the bank has served more than 37 lakh women borrowers in FY26.

₹24,146 crore

Rural Finance Portfolio as on March 31, 2026



Digital Inclusion

The Bank adopts a hybrid delivery model combining physical outreach with digital platforms to improve accessibility. Simplified onboarding, intuitive interfaces, and multi-channel service delivery ensure that customers across varying levels of financial literacy can effectively access banking services. This approach reduces barriers to adoption, expands reach in remote geographies, and strengthens overall inclusion outcomes.

Non-financial Support

The Bank complements its financial products with structured outreach and awareness initiatives designed to address behavioral and informational barriers to financial inclusion. Through these programs, it strengthens customer understanding, builds trust, and enables effective utilization of financial services, particularly across rural and underserved segments.

In addition to expanding access, the Bank promotes adoption and sustained usage of financial services. Through this approach, it aims to drive outcome-oriented inclusion and foster long-term financial engagement.

IDFC FIRST Academy

IDFC FIRST Bank promotes financial literacy and capability building through platforms such as the IDFC FIRST Academy. This online Academy provides free and accessible learning resources across financial, economic, and social themes, enabling individuals to enhance their knowledge and make informed financial decisions.

The Bank's approach extends beyond basic literacy to broader knowledge empowerment, including awareness of responsible financial behavior and digital banking practices. This approach helps build long-term customer capability and supports meaningful participation in formal financial systems.

39

Courses

17.5 lakh+

Total visits

56,000+

Total registered users

16,300+

Total hours spent on Academy

18,900+

Total certifications issued

FIRST Symphony

FIRST Symphony is a curated platform that enables startups to engage directly with the Bank's leadership, gain access to real-world banking use cases, and receive operational feedback. The program supports customer discovery, co-innovation, and enterprise-scale opportunities, including the potential to act as an anchor customer and distribution partner.

The Bank further strengthens its innovation ecosystem and promotes sustainable entrepreneurship by connecting startups with mentorship, networks, and growth opportunities.

Partnerships

IDFC FIRST Bank collaborates with community-based stakeholders, local influencers, and village networks to strengthen financial literacy and deepen financial inclusion in rural communities. Such engagements promote responsible financial behavior and build greater financial resilience within underserved communities.

During FY 2025-26, through the JLG team's participation in Lend-A-Shoulder Volunteering Program, the Bank helped women in rural communities better understand formal financial services and protect themselves from the growing risks of financial fraud, under the theme Financial Literacy at the Grassroots. Through this initiative, the Bank extended its impact beyond lending, by empowering individuals with the knowledge and confidence to make informed financial decisions such as:

- **Financial Literacy and Responsible Borrowing:** By conducting grassroots awareness sessions on responsible borrowing, credit scores, timely repayments, and the importance of maintaining a healthy credit profile
- **Fraud Prevention and Savings Awareness:** Educating participants on identifying digital frauds, safeguarding personal financial information, and developing long-term savings and investment habits
- **Employee Volunteering for Community Impact:** 107 employee volunteers engaged with 584 rural participants across 15 locations in 9 states, strengthening financial awareness and trust within the communities served by the Bank

Community-based Financial Literacy and Outreach

IDFC FIRST Bank complements its financial literacy initiatives with community-based programs that build financial confidence at the grassroots level.

Through the FIRST IMPACT – Lend-A-Shoulder program, employees volunteer with NGO partners to deliver practical, hands-on learning on everyday banking and financial decision-making.

During the year, volunteers from Hubli and Betadur branches collaborated with BD Tatti Memorial Trust to engage children and families through interactive sessions, combining experiential learning with financial awareness.

- **55 volunteers engaged**
- **1,000+ lives impacted**

These initiatives strengthen trust in formal financial systems, support informed financial behavior, and extend our inclusion efforts beyond access to meaningful usage.

Customer Relations

At IDFC FIRST Bank, customer centricity forms the core of its business strategy, supported by structured governance and clearly defined responsibilities across functions. Customer relationship management is further embedded within its operations to ensure consistent service delivery, ethical conduct, and responsiveness to evolving customer expectations. The Bank's policies and processes are also designed to promote fair treatment, transparency, and trust across all customer interactions and channels.

Customer Engagement

The Bank actively engages with customers through a comprehensive customer relationship management framework designed to understand evolving needs, enhance customer experience, and strengthen long-term relationships. Customers can seek support, raise service requests, provide feedback, or lodge complaints through multiple digital and physical channels, including email, website, mobile application, social media platforms, AI-based chatbots, online forms, dedicated contact center helplines, and in-person interactions at branches.

The Bank has established structured processes to capture, analyse, and respond to customer feedback on an ongoing basis. Insights gathered through these interactions are systematically integrated into product development, service enhancements, and customer experience initiatives, helping ensure that products and services remain relevant, accessible, and customer-centric. The Bank also maintains dedicated mechanisms to support elderly and differently abled customers, with service features and assistance tailored to improve accessibility and ease of banking.

Customer engagement is facilitated through a wide range of digital and offline touchpoints. Digital channels include email, website, mobile banking application, SMS, social media, and chatbot interfaces, while offline channels include branch banking, phone calls, advertisements, and notice boards. These multiple engagement channels enable the Bank to maintain continuous dialogue with customers and respond effectively to their expectations and feedback.

Grievance Redressal

IDFC FIRST Bank has established a strong grievance redressal framework, as outlined in its publicly available Customer Grievance Redressal Policy. The framework includes clearly defined processes, multi-level escalation mechanisms, and committed timelines for resolution.

The Bank provides customers with multiple accessible channels to raise concerns. Customer complaints are managed through a defined grievance redressal process that includes acknowledgement of complaint receipt, transparent communication on expected resolution timelines, regular status updates where required, and timely resolution in line with established service standards. The Bank systematically tracks, monitors, and resolves complaints in a fair and timely manner.

This structured and regulator-aligned approach strengthens accountability, enhances customer trust, and supports continuous improvement in service quality.

Health and Safety

IDFC FIRST Bank is committed to maintaining a safe, healthy, and conducive work environment for its employees, contract workers, customers, business partners, visitors, and consultants. The Bank's Health and Safety Policy applies across all offices and is built on the principles of risk prevention, employee well-being, and stakeholder engagement, with a focus on continual improvement of safety performance. The Policy outlines measures to provide safe workplaces, monitor workplace conditions, deliver health and safety training and awareness programs, while managing occupational risks through appropriate supervision, controls, emergency preparedness, and response mechanisms. The Bank also conducts periodic health and safety assessments along with emergency evacuation drills to strengthen workplace resilience and safety culture.

The Bank follows a structured approach to health and safety management, supported by regular reviews and continuous improvement initiatives. Health and safety considerations are integrated into operational processes through workplace monitoring, employee awareness programs, and risk assessments, with active stakeholder participation.

To further reinforce its commitment, fifteen of the Bank's large offices are certified to ISO 45001 and ISO 14001 standards, providing independent assurance on the effectiveness of its occupational health, safety, and environmental management systems. These certifications, together with internal reviews and external assessments, help strengthen governance, enhance compliance, and drive ongoing improvement in health and safety performance.

Human Rights

IDFC FIRST Bank maintains a publicly disclosed, organization-wide Human Rights Policy aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. It reflects a strong commitment to respecting internationally recognized human rights and aims to avoid, mitigate, and address adverse impacts arising from its operations and business relationships.

The Bank also adopts a zero-tolerance approach to human rights violations and embeds these principles into its governance, risk management, and decision-making processes.

The Policy prohibits human trafficking, forced labor, and child labor, while upholding the rights to freedom of association, collective bargaining, and non-discrimination. These commitments are integrated into the Bank's employment practices to ensure equitable treatment, safe working conditions, and respect for employee rights.

IDFC FIRST Bank also emphasizes dignity, inclusion, and fair opportunity, addressing human rights risks relevant to its operations while promoting ethical conduct and responsible business practices.

The Bank further extends its human rights commitments across the value chain, including suppliers, contractors, and business partners. Through contractual obligations, due diligence processes, and monitoring mechanisms, the Bank ensures adherence to defined standards. By embedding human rights considerations into procurement and stakeholder engagement, it strengthens accountability and promotes responsible conduct across its ecosystem.

15 large offices

ISO 45001 and ISO 14001 certified

Employees

At IDFC FIRST Bank, people remain central to building a resilient, future-ready, and sustainable institution. It focuses on attracting, developing, and retaining a diverse and high-performing workforce through a skills-first approach, merit-based practices, and continuous learning opportunities.

The Bank further fosters an inclusive and empowering work environment supported by robust policies, employee well-being initiatives, and structured career pathways. This enables the employees to contribute meaningfully to organizational success and support long-term value creation.

Equal Opportunity and Inclusion

Equal opportunity and inclusion are embedded in the Bank's people philosophy. The Bank commits to fair and equitable treatment of all employees and maintains zero tolerance for discrimination based on gender, religion, or social background. This principle extends across compensation, rewards, and benefits, ensuring consistency, transparency, and merit-based outcomes.

Over the past three years, the Bank has made steady progress in enhancing gender diversity, particularly among early-career talent and new hires. Targeted initiatives such as the Maternity Buddy program and daycare support have contributed to improved representation and retention of women employees.

To support working parents, it further provides childcare facilities for returning mothers and offer parental leave for both caregivers, aligned with regulatory requirements and inclusive workforce practices.

The Bank also maintains a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace with a zero-tolerance approach. Mandatory training is conducted for all employees, reinforcing awareness, accountability, and the creation of a safe and respectful workplace.

Employee Development Programs

IDFC FIRST Bank has established structured employee development programs that extend beyond role-based training to focus on continuous upskilling, leadership development, and future-readiness. These programs are aligned with the Bank's business strategy and delivered through blended learning formats to ensure accessibility and scalability. This approach enables employees to build critical capabilities, enhance performance, and contribute effectively to organizational growth and innovation.

Learning Methods

The Bank leverages a range of learning methods, including coaching and mentoring programs, to enable experiential learning and leadership development. Meanwhile, internal platforms, collaborative forums, and cross-functional networks promote knowledge sharing and peer learning. These initiatives support capability building across all levels and foster a culture of continuous learning and professional development.

Key Employee Development Programs

	CRISIL Credit Power Certification	Leadership Stack
Description >	A four-level certification program designed to build expertise in credit appraisal, financial analysis, risk assessment, and credit decision-making through practitioner-led learning, case studies, assessments, and analytical tools.	A flagship leadership development program that strengthens critical thinking, strategy, technology, data storytelling, and AI adoption capabilities among senior leaders.
Business Benefits >	Strengthens credit underwriting capabilities, supports internal career progression, enables higher delegation limits, and improves flexibility across multiple product portfolios.	Helps leaders enhance strategic thinking, improve execution capabilities, build stakeholder influence, and leverage emerging technologies to address evolving business needs.
Impact >	Improved underwriting expertise, supported career growth, strengthened credit decision-making, and created a more agile workforce capable of handling multiple products.	Strengthened leadership effectiveness, strategic decision-making, technology readiness, and organizational capability across the senior leadership team.
% FTE Participation >	40% of employees participated in the certification program.	40-50% of senior leadership covered annually.

In addition, the Bank supports digital transition programs to equip employees with emerging technology skills and provide structured career transition mechanisms to enable workforce adaptability and continuity.

Workforce Coverage

The Bank promotes a culture of awareness and compliance across its extended workforce by requiring consultants and contractual staff to complete mandatory training programs, such as POSH and cybersecurity modules, under the oversight of respective business verticals.

Employee Support Programs

The Bank offers comprehensive employee support programs focused on mental, physical, and financial well-being. These include employee assistance programs, wellness sessions, and sports and health initiatives that promote preventive healthcare and overall well-being. Consequently, these initiatives contribute to improved employee engagement, reduced absenteeism, and enhanced productivity.

Family Benefits and Infrastructure

The Bank provides family-friendly benefits, including childcare support, lactation facilities, and related infrastructure, to support employees with caregiving responsibilities. These initiatives foster an inclusive workplace environment that enables employees to balance both personal and professional commitments efficiently, reflecting the Bank's commitment to diversity, inclusion, and employee well-being.

Paid Leave and Care Benefits

The Bank offers paid parental leave for both primary and secondary caregivers, along with additional paid family and care leave. These benefits support employees during critical life stages and reinforce its commitment to equitable and supportive workforce practices.

Flexible Hours and Work Conditions

The Bank provides flexible working hours and work-from-home options under defined circumstances, such as adverse weather conditions and medical emergency grounds, subject to managerial approval and internal processes. This enables employees to balance professional and personal responsibilities while maintaining productivity and engagement.

Governance

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

Highlights

73%

Independent Directors as of March 31, 2026

18%

Women Directors as of March 31, 2026

ESG Policy

Is Board-Approved

ISO 27001

Certified Information Security Management Systems

Corporate Governance

At IDFC FIRST Bank, corporate governance forms the foundation of its institutional strength and long-term value creation. The Bank operates through a single-tier Board structure, supported by 11 Board Committees, which are predominantly chaired by and comprising Independent Directors. This governance framework enables effective oversight, informed decision-making, and strengthens accountability across the organization.

Board Composition

As of March 31, 2026, the Board composition reflects an appropriate balance of Executive, Independent, and Non-Executive Directors, enabling diverse perspectives and effective oversight of management.

- Board Diversity: 18% of Directors, i.e., 02 are women
- Board Independence: 73% of Directors, i.e., 08 are Independent Directors

This balanced structure supports strong deliberations and ensures that governance and strategic priorities remain aligned.

Board Independence

Board independence remains central to IDFC FIRST Bank's governance philosophy. The Bank obtains formal annual declarations from all Independent Directors at the time of their appointment and during the first Board meeting of each financial year. These declarations confirm compliance with Section 149(6) of the Companies Act, SEBI Listing Regulations, and the Code for Independent Directors.

The Board affirms that all Independent Directors continue to meet the prescribed standards of integrity, expertise, and proficiency, with no changes affecting their independence during the year. All Independent Directors are registered with the Indian Institute of Corporate Affairs (IICA) databank, reinforcing the strength and credibility of the Bank's governance framework.

Board Diversity

Diversity is embedded in the Board's composition through a formally articulated Board Diversity Policy, with a commitment towards non-discrimination on the basis of gender, race, or nationality. This approach enables a wider range of perspectives in Board discussions and decision-making. As of the end of the reporting period, the Board comprises two women Directors, reflecting the Bank's continued focus on fostering inclusive governance.

Board Leadership

The Board is chaired by a Non-Executive Independent Chairperson (Part-Time), ensuring a clear demarcation between oversight and executive management. This structure enhances objectivity in Board deliberations, strengthens independence, and mitigates potential conflicts of interest, thereby reinforcing stakeholder confidence.

Board Accountability and Effectiveness

The Board continues to demonstrate a high level of engagement and effectiveness. Attendance across meetings remained above 95% during the year, reflecting active participation by directors.

An annual evaluation of the Board, its Committees, and Individual Directors is undertaken to assess performance and identify areas for enhancement. Directors are liable to retire by rotation at the Annual General Meeting of the Bank in terms of the requirement under the Companies Act, 2013, and any amendments to bylaws (as set out under the Articles of Associations) require shareholders' approval. There is no limitation on Directors' liability, underscoring the principles of accountability and fiduciary responsibility.

The Bank has also established a comprehensive framework for MD & CEO and senior leadership succession, overseen by the Nomination and Remuneration Committee and the Board, ensuring continuity and leadership resilience.

Information Security

Over the past decade, the increasing frequency and sophistication of cyber threats have elevated information security to a material enterprise risk. Risks from system failures, human error, malicious attacks, and external disruptions may result in operational losses, regulatory penalties, and reputational impact.

Accordingly, the Bank prioritizes robust information security controls and resilience frameworks to safeguard critical data, ensure business continuity, and protect long-term value, in line with evolving regulatory expectations and stakeholder priorities.

Information Security Governance

IDFC FIRST Bank has established formal governance structures for information security, with oversight at the Board level through the IT Strategy Committee and the Risk Management Committee, chaired by Independent Directors. This ensures that cybersecurity risks receive appropriate attention at the highest level.

At the executive level, the Chief Information Security Officer (CISO) is responsible for implementation, monitoring, and continuous strengthening of controls. This structure ensures clear accountability and enterprise-wide integration of cybersecurity risk management.

Information Security Policy

The Bank has established comprehensive **Information Security Policy** aligned with global best practices, anchored on the principles of confidentiality, integrity, and availability.

The Policy reinforces the Bank's commitment to continuous improvement, proactive threat monitoring, and secure handling of data across its lifecycle. It also defines responsibilities for employees and establishes security expectations for third parties, ensuring robust risk mitigation across the value chain.

Information Security Management Program

The Bank's information security practices are ISO 27001 and PCI DSS certified reflecting adherence to globally recognized information security standards. These certifications provide assurance on robust management practices, including adoption of best practices and regulatory-aligned cybersecurity controls.

The Bank undertakes periodic internal and external assessments to validate the effectiveness of its security framework. It also maintains continuous monitoring of its technology environment for proactive threat detection, incident identification, and timely remediation.

In addition, the Bank conducts enterprise-wide information security awareness and training programs to strengthen organizational preparedness and reinforce a strong security culture.

Incident Management and Security Culture

The Bank continues to strengthen its security culture through mandatory training programs, structured incident response frameworks, and clearly defined escalation protocols. Employees are actively encouraged to identify and report potential threats, reinforcing their role as the first line of defence.

The Bank's incident management capability is designed to enable timely detection, response, and recovery from cyber events through coordinated action across relevant teams. This continued focus on awareness, accountability, and responsiveness enhances the Bank's cyber resilience and its ability to manage evolving cyber risks effectively.

Board of Directors

Where Vision Meets Accountability

Mr. Sanjeeb Chaudhuri

Part-Time Non-Executive Chairperson
(Independent Director)

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 in 2016 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 Program. He is also a Global Mentor at the Columbia Business School Center for Technology Management.

Mr. V. Vaidyanathan

Managing Director & CEO

Mr. Vaidyanathan (Vaidya) joined ICICI Bank in 2000 and became Executive Director in 2006. In 2009, he was appointed MD & CEO of ICICI Prudential Life Insurance. In 2010, he acquired a stake in a listed NBFC, exited its existing businesses, and built a retail and MSME lending franchise focused on underserved and new-to-credit customers using technology-driven underwriting and scorecards. He secured backing from leading private equity investors, completed a leveraged management buyout, raised fresh equity, and founded Capital First in 2012. To obtain a banking license, he merged Capital First with IDFC Bank and became the Managing Director & CEO of the merged entity, renamed IDFC FIRST Bank. He is pursuing the vision to build a world-class bank in India, guided by ethics, powered by technology, and for the Bank to be a force for social good.

Mr. Pradeep Natarajan

Executive Director

Mr. Pradeep Natarajan has been in a leadership role with IDFC FIRST Bank since December 2018 and currently serves as Head of Retail Banking. He is deeply committed to the Bank's vision of building a world-class bank in India, guided by ethics, powered by technology, and serving as a force for social good. Mr. Natarajan is a customer-focused and respected industry leader with broad expertise across Business Development, Technology, Risk Analytics, Debt Management, Project Management, Customer Service, Marketing, and Retail Banking. Prior to joining the Bank, he held leadership positions at Standard Chartered Bank, Dell India, Religare Macquarie Wealth Management, and Capital First Limited. He is a management graduate from Sydenham Institute of Management Studies (Class of 1998) and holds a bachelor's degree in Mechanical Engineering. His professional experience spans Banking, Technology, and Wealth Management, and he has played an important role in building and scaling the Bank's retail franchise.

Mr. Aashish Kamat

Independent Director

Mr. Aashish Kamat has over 32 years of corporate experience, including 24 years in banking and financial services, six years in public accounting, and two years in private equity. Until March 31, 2021, he was Co-Managing Partner of the GCC Asia Growth Fund. He served as Country Head of UBS India from 2012 until his early retirement in January 2018. Prior to that, he was Regional COO/CFO for Asia Pacific at JP Morgan, based in Hong Kong. Earlier, in New York, he served as Global Controller for the Investment Bank at JP Morgan and as Global CFO for the Investment Bank and Consumer & Mortgage Products at Bank of America. He began his career with Coopers & Lybrand in 1988 before joining JP Morgan in 1994. Mr. Kamat holds a B.A. in Accounting from Franklin & Marshall College, USA, and is a Certified Public Accountant (CPA).

Ms. Matangi Gowrishankar

Independent Director

Ms. Matangi Gowrishankar, a business and human resources professional, has over four decades of experience in senior leadership roles across India and overseas. She is an experienced Independent Director and has worked with large multinational corporations in regional and global roles across Banking, IT, Financial Services, Manufacturing, Sports & Fitness, and Oil & Gas. As an Executive Coach, she has worked with senior leaders and leadership teams across career stages and actively mentors leaders across 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 at Harvard and Cornell and is a qualified Neuroscience and Brain-Based Coach, with expertise in using psychometric tools to enhance leadership capabilities.

Mrs. Pankajam Sridevi

Independent Director

Mrs. Pankajam Sridevi is a transformational leader with over 35 years of experience across manufacturing, technology, and banking. She served as Managing Director of Commonwealth Bank of Australia (India) from November 2019 to June 2024 and, prior to that, held several global leadership positions with ANZ Banking Services. She has extensive experience in governance, technology, operations, risk management, and regulatory engagement across India, Australia, Asia, Europe, and the USA. Mrs. Sridevi has led large-scale automation and digitisation initiatives and built high-performing teams across India, Australia, the Philippines, and China, overseeing a workforce of over 16,000 employees. She has represented organisations before regulators including APRA, AUSTRAC, HKMA, and MAS, and has chaired boards, Audit Committees, and Risk Committees of banking entities. An active industry leader and speaker, she has received several recognitions, including the Top 30 Tech Emerging Leaders in India Award, Women Super Achiever Award, Woman CEO of the Year Award, NCEDP Helen Keller Award, and DEI Catalyst Award.

Mr. Pravir Vohra

Independent Director

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 banking career with State Bank of India, where he spent over 23 years in senior business and technology roles in India and overseas. He subsequently served as Vice President, Corporate Services Group at Times Bank and joined ICICI Bank in 2000, heading several functions including the Retail Technology Group and Technology Management Group. From 2005 to 2012, he was President and Group CTO at ICICI Bank. Following his retirement, he mentored payments start-ups and completed a two-year assignment with the New Development Bank, Shanghai. Mr. Vohra brings deep expertise in IT architecture, financial products, process re-engineering, technology operations, and strategy, and continues to serve on the Technology Advisory Committees of BSE Limited, Indian Clearing Corporation, and NPCI.

Mr. S Ganesh Kumar

Independent Director

Mr. S. Ganesh Kumar is an MBA, B.Sc., Diploma in Banking, B.G.L., and CAIIB. He spent over three decades with the Reserve Bank of India and retired as Executive Director. His responsibilities included Payment and Settlement Systems, strategic planning for the RBI, and management of foreign exchange reserves and external investments. He played a key role in establishing institutions such as the National Payments Corporation of India (NPCI), Reserve Bank Information Technology Pvt. Ltd. (ReBIT), and Indian Financial Technology and Allied Services (IFTAS). He was associated with the National Cyber Security Council of the Government of India and contributed to the framing of India's Payment and Settlement Systems Act. Mr. Kumar has deep expertise in payments, technology, and financial sector infrastructure, and played an important role in the ideation, design, and development of innovative technology-based retail payment systems in India, including several systems now operated by NPCI.

Mr. Sudhir Kapadia

Independent Director

Mr. Sudhir Kapadia is a Chartered Accountant with over three decades of experience advising Indian and multinational companies on tax strategy and efficiency. He is widely recognised for his expertise in taxation and its impact on business and the economy. Mr. Kapadia is the former President of the Bombay Chamber of Commerce and Industry and continues as a permanent invitee to its Board. He is also a member of the CII National Committee on MNCs. An alumnus of St. Xavier's High School, H.R. College of Commerce & Economics, the Institute of Chartered Accountants of India, and the Institute of Chartered Financial Analysts of India, he has also completed executive leadership programmes at IMD and Harvard Business School, including the Journey to Boardroom programme. He is a regular speaker at national and international forums and contributes actively to thought leadership on taxation, business, and public policy.

Mr. Uday Bhansali

Independent Director

Mr. Uday Bhansali is a Chartered Accountant and a graduate of Sydenham College, Mumbai University. He began his career with Arthur Andersen's Consulting division (now Accenture) in 1987 and spent over 20 years with the firm across India, the Middle East, and Asia, becoming an International Partner in 1999 and later Head of Asia Pacific Energy. He joined Kotak Mahindra Capital as Executive Director in 2008 and General Electric in 2010 as Executive Vice President, Business Development, South Asia. From 2015 to 2024, he served as President, Financial Advisory, Deloitte India, and was a member of Deloitte India, Asia Pacific, and Global Financial Advisory leadership teams. Mr. Bhansali has extensive experience in mergers and acquisitions, IPO advisory, business transformation, valuations, forensics, restructuring, and bankruptcy, with particular expertise in banking and financial services. He is also a member of the BFSI Committee of the Bombay Chamber of Commerce and Industry.

Mr. Narendra Ostawal

Non-Executive Non-Independent Director
Nominee of Currant Sea Investments B.V.
(an affiliate company of global growth investor Warburg Pincus LLC)

Mr. Narendra Ostawal is a Managing Director and leads Warburg Pincus's investment advisory activities in India. He joined Warburg Pincus in 2007 and since then has been working with the firm's Indian affiliate. Prior to joining Warburg Pincus, Mr. Ostawal was an Associate with 3i India and McKinsey & Company. He holds a Chartered Accountancy degree from The Institute of Chartered Accountants of India and an MBA from Indian Institute of Management, Bangalore.

Directors' Report

Dear Members,

The Board of Directors **('Board')** of IDFC FIRST Bank Limited (**'IDFC FIRST Bank'** or the **'Bank'**) is pleased to present the Annual Report together with the Audited Financial Statements, for the Financial Year (**'FY'**) ended March 31, 2026.

STATE OF AFFAIRS OF THE BANK

Since the merger of Capital First and IDFC Bank in December 2018, the Bank has successfully transformed itself from an infrastructure-focused institution into a technology-driven Universal Bank, anchored in a customer-first culture, technology-led innovation, and strong ethical values at its core. Through calibrated product diversification, robust loan growth with steady asset quality, and the development of a granular and sticky retail deposit franchise, the Bank has established strong foundations for sustainable growth. The Bank has continued to strengthen its balance sheet, expand its customer franchise, and enhance its operating capabilities while maintaining stable asset quality and high standards of governance. The key achievements of the Bank during FY 2025-26 are highlighted below:

1. **Growth in Funded Assets:**

- Loans and Advances (including credit substitutes and net of IBPC) increased to ₹ 2,90,278 crore as on March 31, 2026, by 20% YoY from ₹ 2,41,926 crore as on March 31, 2025.
- The Bank has increased its corporate (non-infra) loan book by 31% to ₹ 52,492 crore as on March 31, 2026.
- Infrastructure financing reduced by 14% on a YoY basis and now constitutes less than 1% of total loans and advances as on March 31, 2026.
- Exposure to top 20 single borrowers was stable at 5% as of March 31, 2026.
- Similarly, the Bank's exposure to top 5 industries remained stable at 20% as on March 31, 2026, which has further strengthened the balance sheet.

2. **Growth in Retail Liabilities:**

- The Bank continues to be a customer-focused institution, with a strong emphasis on service quality, digital capabilities, and governance standards.
- In the recent period, the Bank has further reinforced its control environment and customer-centric processes, with a renewed focus on strengthening trust and resilience. These efforts, alongside its digital strengths, continue to support customer acquisition and contribute to the steady growth of its deposit franchise.
- The total deposits including certificate of deposits increased by 17% YoY to reach ₹ 2,94,475 crore as of March 31, 2026, from ₹ 2,52,065 crore as of March 31, 2025.
- Customer Deposits of the Bank increased to ₹ 2,84,453 crore as on March 31, 2026, as compared to ₹ 2,42,543 crore as on March 31, 2025, YoY increase of 17%.
- The total CASA Deposits increased to ₹ 1,46,650 crore as on March 31, 2026, from ₹ 1,18,237 crore as on March 31, 2025, YoY increase of 24%.

  Average CASA Ratio for FY 2025-26 stood at 48.8% as compared to 46.1% for FY 2024-25.
- Retail Deposits are now 79% of the overall customer deposits as of March 31, 2026, in line with the strategic priority to retailize the deposits. During the year Retail Deposits grew from ₹ 1,91,268 crore to ₹ 2,23,899 crore, YoY increase of 17%.
- The Bank has repaid all pre-merger legacy borrowings alongside reducing the dependency on certificate of deposits and building a high-quality retail deposits franchise.

3. **Growth in Core Earnings:**

During FY 2025-26, IDFC FIRST Bank further strengthened its earnings profile, demonstrating resilience and continued progress in its transformation journey. The Bank maintained a strong core earnings trajectory, driven by healthy growth in operating income and core operating profit. This performance was supported by expansion of the loan portfolio, sustained growth in the CASA franchise, improving operating leverage, and the continued maturation of newer businesses, including credit cards and wealth management.

During the Q4 FY 2025-26, the Bank identified and reported a fraud incident. The entire financial impact of the incident, amounting to ₹ 646 crore (₹ 483 crore post-tax), has been fully recognised in the financial statements for the year. The Bank undertook a comprehensive review of its processes and control environment and has initiated measures to further strengthen its internal controls, risk management framework, and governance practices, incorporating learnings from the incident, with a view to enhancing operational resilience and mitigating future risks.

- Healthy Net Interest Income ('**NII**') Growth: The NII increased by 10.0% to ₹ 21,215 crore in FY 2025-26 from ₹ 19,292 crore in FY 2024-25. The moderation in NII was attributable to decline in high-yielding microfinance portfolio and reduction in repo rate by 125 bps since February 2025.

- 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 2025-26 was at 5.75% as compared to 6.09% in FY 2024-25, reflecting changes in portfolio mix and yield dynamics during the year

- Steady growth in Total Income (NII + Fees and Other Income + Trading Income): The total income for the full year increased by 11.6% to ₹ 29,363 crore in FY 2025-26 from ₹ 26,314 crore in FY 2024-25, reflecting continued business momentum across core segments.

- Core Operating Profit: For the full year, the Operating Profit de-grew by 1.0% to ₹ 6,997 crore in FY 2025-26 from ₹ 7,069 crore in FY 2024-25.

- Provision: For the full year, total Provisions stood at ₹ 5,653 crore in FY 2025-26 as compared to ₹ 5,515 crore in FY 2024-25.

- Profit After Tax: The Net Profit for the FY 2025-26 was ₹ 1,636 crore as compared to ₹ 1,525 crore in FY 2024-25, reflecting the combined effect of operating performance, provisioning discipline, and the full recognition of the fraud-related impact during the year.

4. Asset Quality of the Bank:

- Bank's Gross NPA ratio as of March 31, 2026, stood at 1.61% as compared to 1.87% as of March 31, 2025.
- Bank's Net NPA ratio as of March 31, 2026, stood at 0.48% as compared to 0.53% as of March 31, 2025.
- The Gross NPA % in the Retail, Agri & MSME Finance Book stood at 1.47% as of March 31, 2026, as compared to 1.70% as of March 31, 2025.
- Net NPA ratio of this segment stood at 0.56% as of March 31, 2026, as compared to 0.62% as of March 31, 2025.
- The microfinance (MFI) sector is experiencing a strong resurgence following past asset-quality challenges. As a result, the GNPA ratio improved materially to 4.72% as of March 31, 2026, compared to 7.71% as of March 31, 2025.

5. Strong Capital Adequacy:

Capital Adequacy Ratio stood at 15.60% with CET-1 Ratio at 13.73% as of March 31, 2026.

6. Strong Franchise:

As on March 31, 2026, the Bank has built a national footprint through the operation of 1,147 branches (out of which 777 are Urban Branches and 370 are Rural Branches, reflecting an overall addition of 145 branches during FY 2025-26) across India, 289 asset outlets, 1,050 ATMs and 694 Corporate Business Correspondent ('**BC**') branches.

Points of Presence comparison chart:

Particulars	FY 2025-26	FY 2024-25
Urban Bank Branches	777	657
Rural Bank Branches	370	345
ATMs (including Recyclers)	1,050	1,041
Asset Service Branches	289	274
Rural BC Branches (IDFC FIRST Bharat Limited)	637	637
Other BC Branches	57	68

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.idfcfirst.bank.in.

Directors' Report

FINANCIAL HIGHLIGHTS

(₹ in crore)

Particulars	FY 2025-26	FY 2024-25
Deposits	2,94,475	2,52,065
Borrowings	36,621	38,975
Investments	85,966	80,716
Advances	2,80,391	2,33,113
Total Assets / Liabilities	3,99,780	3,43,819
Total Income	48,422	43,523
Profit Before Tax	1,833	1,900
Net Profit	1,636	1,525
Balance in Profit & Loss Account brought forward from previous year	1,708	(688)
Amount available for Appropriations	3,344	2,111
Appropriations		
Transfer to Statutory Reserve	410	385
Transfer to Capital Reserve	201	88
Transfer to Special Reserve	26	30
Transfer from Investment Fluctuation Reserve	(95)	(100)
Proposed dividend (includes tax on dividend)	296	
Balance in profit and loss account carried forward	2,507	1,708
Capital adequacy ratio (Basel III)	15.60%	15.48%
Gross NPA %	1.61%	1.87%
Net NPA %	0.48%	0.53%

DIVIDEND

The Board at its meeting held on April 25, 2026, recommended a dividend of ₹ 0.25 per equity share of face value of ₹ 10 each (equivalent to 2.50% of the face value) for the financial year ended March 31, 2026, subject to the approval of the shareholders at the ensuing Annual General Meeting (**'AGM'**) of the Bank.

Pursuant to Regulation 43A of the Securities and Exchange Board of India **('SEBI'**) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**'SEBI Listing Regulations'**), the Bank has adopted a Dividend Distribution Policy that seeks to maintain an appropriate balance between rewarding shareholders through distribution of profits and retaining adequate capital to support the Bank's long-term growth, business requirements, and financial strength.

This Policy is available on the Bank's website: www.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Codes and Policies'.

Capital Adequacy

As at March 31, 2026, the Bank remained well capitalised, with a Capital Adequacy Ratio (**'CAR'**) of 15.60% under the Basel III framework, comfortably above the regulatory requirement of 11.50%. The Bank's Tier I CAR stood at 13.73%, reflecting the strength of its core capital base and its continued focus on maintaining a prudent capital structure.

The Bank's capital position provides resilience to navigate evolving business conditions and external macroeconomic developments, while supporting calibrated growth across its key business segments. The successful capital raise during the year underscores the confidence of investors in the Bank's long-term strategy and growth prospects.

India continues to offer a significant long-term opportunity, driven by structural growth in consumption, increasing financial inclusion, and the ongoing formalisation and financialisation of the economy, particularly across the retail and MSME segments. The Bank remains focused on building a diversified and granular franchise through a balanced approach to asset growth, liability franchise expansion, and prudent risk management. The combined strengths of the institution, together with ongoing investments in underwriting, monitoring, governance and control frameworks, position the Bank to capture these opportunities in a measured and sustainable manner.

The Bank remains committed to safeguarding the interests of its depositors, customers and shareholders through a disciplined focus on balance sheet strength, asset quality, risk management and governance. The Bank will continue to strengthen these foundations with the objective of delivering sustainable growth, long-term value creation and financial resilience.

PERFORMANCE AND CONTRIBUTION OF SUBSIDIARY AND ASSOCIATE COMPANIES

The Bank has one wholly owned subsidiary, IDFC FIRST Bharat Limited (**'IDFC FIRST Bharat'**). IDFC FIRST Bharat acts as a Business Correspondent for the Bank and plays a significant role in the distribution of the Bank's products and services, thereby supporting and accelerating the Bank's financial inclusion initiatives.

During FY 2025-26, IDFC FIRST Bharat sourced loans aggregating to ₹ 8,216 crore. For the year under review, IDFC FIRST Bharat reported a loss after tax of ₹ 43.49 crore as per IND-AS financial statement.

In accordance with the provisions of the Companies Act, 2013 (**'Companies Act'**) and the SEBI Listing Regulations, the Bank has adopted a Policy for Determining Material Subsidiaries, which is available on the Bank's website at www.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Codes and Policies'.

As on March 31, 2026, the Bank had two associate companies, viz. Millennium City Expressways Private Limited and Jetpur Somnath Tollways Private Limited, in which the Bank held 29.31% and 26.00% equity stake, respectively.

Pursuant to the provisions of the Companies Act, a statement containing the salient features of the financial statements of the Bank's subsidiary and associate companies in Form AOC-1 forms part of this Annual Report and is annexed herewith as **Annexure 1**.

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.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'View All Annual Reports'.

Further, in accordance with the fifth proviso to the said section, the audited financial statements of the Bank's wholly owned subsidiary, IDFC FIRST Bharat, have been hosted on the Bank's website at www.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'View All Annual Reports'.

RATINGS

The details of the credit ratings assigned to the Bank and any revisions thereto during FY 2025–26, in respect of the various debt and financial instruments outstanding as on March 31, 2026, are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

SHARE CAPITAL

Authorised Share Capital

As on April 01, 2025, the Authorised Share Capital of the Bank stood at ₹ 14,000 crore, comprising of 1296.20 crore equity shares of face value of ₹ 10 each and 10.38 crore preference shares of face value of ₹ 100 each.

With a view to providing greater flexibility in future capital raising, the Board, at its meeting held on April 17, 2025, approved the reclassification of the Bank's authorised share capital to ₹ 14,000 crore, comprising of 1270 crore equity

Directors' Report

shares of face value of ₹ 10 each and 130 crore preference shares of face value of ₹ 10 each.

The aforesaid reclassification was approved by the Reserve Bank of India (**'RBI'**) on May 15, 2025, and by the shareholders of the Bank through Postal Ballot on May 17, 2025.

The authorized share capital of the Bank remained same as on March 31, 2026.

Paid-up Share Capital

During FY 2025-26, the Bank increased its paid-up equity share capital through the issuance and allotment of equity shares, as detailed below:

1] Convertible Cumulative Preference Shares allotment and its conversion into equity shares

During FY 2025-26, the Bank undertook a Preferential Issue of 124,98,80,388 Compulsorily Convertible Cumulative Preference Shares ('**CCPS**') of face value of ₹ 10 each, following the receipt of requisite approvals from the shareholders, the RBI and other applicable regulatory authorities.

During the year, the CCPS were converted into an equivalent number of equity shares in accordance with the terms of issue and applicable laws and regulations.

The Bank complied with all applicable legal and regulatory requirements in relation to the issuance and conversion of the CCPS. The proceeds raised through the issue were fully utilised for the purposes for which they were raised.

Details of the Preferential Issue and related disclosures are available on the websites of BSE Limited ('**BSE**') and the National Stock Exchange of India Limited (**'NSE'**), as well as on the Bank's website at www.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Announcements'.

2] Allotment of equity shares pursuant to exercise of stock options

IDFC FIRST Bank Employee Stock Option Scheme ('**ESOP Scheme**') is 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.

During FY 2025-26, the Bank issued and allotted 2,97,11,876 equity shares to eligible employees pursuant to the exercise of stock options granted under the ESOP Scheme of the Bank.

Consequent to the aforesaid allotment of equity shares during the year, the issued, subscribed and paid-up equity share capital of the Bank stood at ₹ 86,01,69,92,480 as on March 31, 2026, comprising 8,60,16,99,248 equity shares.

Subsequent to the FY ended March 31, 2026, and up to the date of this Report, the Bank has allotted 1,52,04,525 equity shares to eligible employees pursuant to the exercise of stock options granted. Consequent thereto, the issued, subscribed and paid-up equity share capital of the Bank stands at ₹ 86,16,90,37,730 comprising 8,61,69,03,773 equity shares of face value, as on the date of this Report.

There were no material modifications to the ESOP Scheme during FY 2025-26. The ESOP Scheme continues to be in compliance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended ('**SEBI (SBEB & SE) Regulations**').

The details and disclosures with respect to ESOP Scheme as required under SEBI (SBEB & SE) Regulations and circulars issued thereunder, have been uploaded on the Bank's website at: www.idfcfirst.bank.in under 'The Bank'→ '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.

Our Bank has not issued any equity shares with differential voting rights.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

All appointments and re-appointments of Directors are made in accordance with the applicable provisions of the

Companies Act and the rules made thereunder, the SEBI Listing Regulations, the Banking Regulation Act, 1949 ('**Banking Regulation**') and the guidelines, directions and circulars issued by the RBI from time to time. The Bank has in place a framework governing Board diversity, fit and proper criteria, and succession planning for the appointment of Directors to its Board.

The Nomination and Remuneration Committee (**'NRC'**) undertakes the requisite due diligence prior to the appointment of Directors and ensures compliance with the 'Fit and Proper' criteria prescribed by the RBI.

The Bank's Policy on Board Diversity is available on its website at: www.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Codes and Policies'.

The changes in the composition of the Board during FY 2025-26 are set out below:

Appointment/ Re-appointment of Directors

Mr. Narendra Ostawal

Mr. Narendra Ostawal (DIN: 06530414) was appointed as a Non-Executive Non-Independent Director, liable to retire by rotation, on the Board of the Bank as the nominee of Currant Sea Investments B.V. (**'Investor Nominee'** / **'Investor Director'**), with effect from September 30, 2025, pursuant to the approval granted by the RBI vide its letter dated September 17, 2025. The appointment was subsequently approved by the shareholders of the Bank through Postal Ballot on December 20, 2025.

Mr. S. Ganesh Kumar

Mr. S. Ganesh Kumar (DIN: 07635860) was re-appointed as an Independent Director of the Bank for a second term of three (3) consecutive years, with effect from April 30, 2026 up to April 29, 2029 (both days inclusive). The re-appointment was approved by the shareholders of the Bank through Postal Ballot on April 17, 2026.

Re-appointment of Director retiring by rotation

Mr. Pradeep Natarajan

In accordance with the provisions of Section 152(6) of the Companies Act, Mr. Pradeep Natarajan (DIN: 10499651), Executive Director, retires by rotation at the ensuing Annual General Meeting ('**AGM**') and, being eligible, has offered himself for re-appointment. The resolution seeking his re-appointment forms part of the Notice convening the ensuing AGM.

Brief profiles of all the Directors of the Bank are available on the Bank's website at www.idfcfirst.bank.in under 'The Bank' → 'About Us' → 'Board of Directors'.

None of the Directors of the Bank is disqualified from being appointed or continuing as a Director under the provisions of 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 Director, Non-Executive Directors and Independent Directors.

Additionally, pursuant to the SEBI Listing Regulations, the Bank has obtained a certificate from M/s. Bhandari & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Bank as on March 31, 2026, 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, the following officials are designated as the Key Managerial Personnel (**'KMP'**) of the Bank pursuant to Section 203(1) of the Companies Act:

- **Mr. V. Vaidyanathan**, Managing Director & Chief Executive Officer;
- **Mr. Pradeep Natarajan**, Executive Director;
- **Mr. Sudhanshu Jain**, Chief Financial Officer & Head – Corporate Centre; and
- **Mr. Satish Gaikwad**, General Counsel and Company Secretary.

Declaration by Independent Directors

The Bank has received declarations from all its Independent Directors, both at the time of their appointment and at the first meeting of the Board held during FY 2025-26, confirming that they meet the criteria of independence prescribed under Section 149(6) 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. The Independent

Directors' Report

Directors have also confirmed their commitment to abide by the Code for Independent Directors set out in Schedule IV to the Companies Act.

The Board is satisfied that all the Independent Directors continue to fulfil the conditions of independence as prescribed under the applicable laws and that there has been no change in the circumstances affecting their status as Independent Directors. In the opinion of the Board, the Independent Directors possess the requisite integrity, expertise, experience, proficiency and competencies required to effectively discharge their duties and responsibilities, in accordance with the provisions of the Companies Act, the SEBI Listing Regulations and the Bank's policies.

Further, all the Independent Directors of the Bank have complied with the requirements of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, relating to registration and other compliances applicable to persons eligible and willing to be appointed as Independent Directors. They have also confirmed their enrolment in the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs, as required under the applicable regulatory framework.

Familiarisation Programmes for Board Members

At the time of appointment, all Directors undergo a structured induction and familiarisation programme designed to provide them with a comprehensive understanding of their roles, responsibilities, rights and duties as members of the Board. The programme also provides an overview of the Bank's business model, organisational structure, operations and governance 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 Prevention 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.

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 year, the Board and its Committees were regularly apprised of significant developments relating to the Bank's operations and external environment through detailed presentations, discussions and management updates. These initiatives facilitate continuous familiarisation and enable the Directors to remain well informed, thereby supporting effective oversight and informed decision-making in the discharge of their fiduciary duties.

BOARD MEETINGS

During FY 2025-26, the Board met thirteen (13) times, i.e. on April 17, 2025, April 26, 2025, July 3, 2025, July 26, 2025, September 30, 2025, October 8, 2025, October 18, 2025, October 27, 2025, January 2, 2026, January 31, 2026, February 21, 2026, March 4, 2026, and March 25, 2026. The details of the meetings held during the year, including the attendance of Directors thereat, are provided in the Corporate Governance Report, which forms an integral 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.

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.

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 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.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance ' → 'Codes and Policies' and are available on the following 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 Non-Executive Directors are paid sitting fees for attending meetings of the Board and its Committees, as determined by the Board from time to time in accordance with the applicable regulatory provisions. In addition, expenses incurred by them for attending such meetings in person are reimbursed at actuals.

Pursuant to the applicable RBI guidelines and the approval of the shareholders, a fixed remuneration of ₹ 28 lakh per annum was paid to each Non-Executive Director during FY 2025-26 on a proportionate basis. The Chairperson of the Bank was paid a fixed remuneration of ₹ 30 lakh per annum, pursuant to the approval granted by the RBI.

Mr. Narendra Ostawal, Non-Executive Non-Independent Director, opted not to receive any fixed remuneration and sitting fees from the Bank, during his tenure with the Bank.

CORPORATE SOCIAL RESPONSIBILITY

The Bank has formulated and adopted a Corporate Social Responsibility (**'CSR'**) Policy, which sets out the guiding principles and focus areas for undertaking CSR initiatives in accordance with Schedule VII of the Companies Act. The CSR Policy is available on the Bank's website at: www.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance → ' Codes and Policies'.

The CSR initiatives of the Bank in FY 2025-26 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, [b] Health and Sanitation, [c] Education, [d] Environment and [e] Employee Volunteering Programme.

The Annual Report on CSR activities, including details of the CSR expenditure incurred and unspent, if any, during FY 2025-26, along with a summary of the impact assessment of CSR projects undertaken in accordance with the applicable provisions of the Companies Act, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed to this Report as **ANNEXURE 2**.

UPDATE ON CHANDIGARH FRAUD, FORENSIC REVIEW

The Bank identified an incident of unauthorised and fraudulent activity at its Sector 32 Branch, Chandigarh, involving certain employees and potentially other individuals/entities. The matter was disclosed to the Stock Exchanges on February 22, 2026, and KPMG Assurance and Consulting Services LLP was appointed to conduct an independent forensic review.

Directors' Report

The forensic review concluded that the incident arose from collusion involving certain employees/ex-employees of the Branch, certain employees of customers and some third parties. The matter was confined to a specific set of accounts operated through the Chandigarh Branch and has not been observed at any other branch of the Bank.

The Bank's control framework at the Branch included maker-checker controls, customer confirmations, account statements and transaction alerts, and the Core Banking System records remained accurate. However, the forensic review found that certain employees/ex-employees of the Branch, certain employees of customers and some third parties acted in collusion to circumvent these controls and carry out the unauthorised transactions.

The net principal amount of ~ ₹ 646 crore identified in the forensic review is in line with the Bank's earlier disclosures. The Bank promptly paid ₹ 646 crore along with applicable interest to the concerned departments, and the amount was recognised in the books during Q4 FY2025-26.

The Bank has since implemented additional preventive and technology-led controls, including enhanced centralised oversight, strengthened customer communication processes and other measures to improve monitoring and mitigate collusion risk.

The Bank is a victim of this fraud and continues to work closely with the relevant investigative authorities on recovery and corrective actions.

In accordance with regulatory requirements, the Joint Statutory Auditors and Secretarial Auditors have made the requisite filing in Form ADT-4. Apart from this matter, no other instances of fraud were identified by the auditors during FY2025-26.

Details of provisioning relating to fraud accounts are provided in Note 18.05(h) to the Standalone Financial Statements as at March 31, 2026.

RISK MANAGEMENT FRAMEWORK

The Bank has established a strong and deeply embedded risk culture that is integral to its strategy, governance, and day-to-day operations. The Bank seeks to enhance long-term resilience by maintaining an appropriate balance between risk and return while safeguarding its capital, liquidity, earnings stability, and reputation. This is supported by a comprehensive risk governance framework anchored in the Board-approved Risk Appetite Statement, which clearly articulates the nature and level of risks the Bank is willing to assume in pursuit of its strategic objectives.

The Board of Directors retains responsibility for oversight of the Bank's risk management framework and is supported by the Risk Management Committee ('**RMC**') and various management-level committees. These governance forums provide robust oversight across all key risk categories, including credit risk, market risk, liquidity risk, operational risk, information security risk, and any other emerging risks. The RMC regularly reviews the Bank's risk profile, risk appetite adherence, stress testing outcomes, and capital adequacy assessments, while also overseeing critical frameworks such as the Internal Capital Adequacy Assessment Process ('**ICAAP**') to ensure preparedness against adverse but plausible scenarios.

The Bank has implemented a comprehensive Board-approved Risk Management Policy that establishes the principles, governance structures, and accountability mechanisms required for effective risk management. The policy facilitates the systematic identification, measurement, monitoring, mitigation, reporting, and escalation of risks across the organisation, ensuring alignment with the Bank's risk appetite and strategic goals. The framework incorporates well-defined risk ownership, clear reporting and escalation protocols.

The Bank's risk management architecture is further strengthened by robust stress testing and scenario analysis programmes that assess the potential impact of extreme yet plausible events on capital, liquidity, earnings, and asset quality. These exercises enable the Bank to proactively identify vulnerabilities, evaluate resilience under stressed conditions, and implement appropriate mitigation strategies. The Bank continuously enhances its risk assessment methodologies, controls, and monitoring mechanisms by incorporating insights from operating experience and emerging risk events, enabling it to remain responsive to evolving economic, regulatory, technological, and geopolitical developments. Supported by a diversified and granular funding profile, the Bank has built and maintained prudent capital and liquidity buffers that provide resilience across economic cycles and periods of market stress. The funding strategy is designed to minimise concentration risks while ensuring stable access to funding sources, thereby supporting business continuity even under adverse operating conditions.

The Bank's capital position provides confidence to regulators, credit rating agencies, depositors, investors, and other stakeholders. Capital management is guided by a forward-looking and risk-sensitive approach that seeks to maintain an optimal balance between growth, profitability, and resilience. The Bank continuously assesses its capital requirements under both normal and stressed conditions to ensure that sufficient capital is available to absorb potential losses and support future business growth.

In recent years, the Bank has made significant progress in resolving legacy stressed assets and further reducing the stock of inherited problem exposures. Simultaneously, the Bank has continued to improve its balance sheet through portfolio diversification, disciplined underwriting standards, and an increased focus on granular customer segments and exposures. The Bank remains committed to ensuring that asset growth is supported by stable, diversified funding sources, appropriate capitalisation levels, and prudent risk selection. Through these measures, the Bank aims to maintain strong asset quality, preserve financial resilience, and deliver sustainable value creation while operating within its defined risk appetite.

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.

INFORMATION/ CYBER SECURITY FRAMEWORK

The Bank has instituted a comprehensive Information and Cyber Security Framework that is foundational to its digital operations and growth strategy. Security considerations are integral to the design and operation of the Bank's platforms and are embedded both culturally and technologically across the organisation.

A multi layered security governance and operating model is supported through strategic investments in specialist security teams, subject matter experts, trusted partners, and structured processes to effectively build, operate, and oversee the Bank's Information Security function.

The Bank's security architecture leverages advanced and state of the art technologies, including select industry first implementations, and is anchored on a defence in depth approach aligned to recognised global standards and best practices.

As part of its continued focus on strengthening cyber resilience, the Bank remains committed to addressing new age and emerging threats while further improving the effectiveness and optimisation of previously deployed security controls.

The Bank maintained compliance with applicable regulatory mandates and security standards, including ISO 27001 ISMS (Information Security Management System) and PCI DSS (Payment Card Industry Data Security Standard). Recognising the dynamic nature of cyber risks, continuous efforts are underway to enhance proactive, adaptive, and automated capabilities for threat detection, response, recovery, and resilience.

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.

Directors' Report

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 to the Stock Exchanges in the prescribed format on a half-yearly basis. These disclosures are also updated on the Bank's website.

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 Companies 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 Companies Act. Hence, e-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.

Pursuant to the provisions of the Companies Act and the rules made thereunder SEBI Listing Regulations, 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.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Codes and Policies'.

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 MD & CEO and Chief Financial Officer 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, 2026 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, 2013, 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 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.

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.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'View All Annual Reports' and constitutes a part of this Annual Report. Further in terms of the said regulation the Bank has obtained reasonable assurance on BRSR Core from SGS India Private Limited (**'SGS'**). The assurance statement issued by SGS forms 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.idfcfirst.bank.in under 'The Bank' → '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.

Directors' Report

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, 2026, and the date of the Board Meeting in which the Directors' Report was approved i.e. July 25, 2026.

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.

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 of the Bank at their 10th AGM 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, subject to them satisfying eligibility norms and RBI approval each year.

Also, pursuant to expiry of term of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166), the Members of the Bank at their 11th AGM held on July 29, 2025, had approved the appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/ N500013) as one of the Joint Statutory Auditors of the Bank, for a period of 3 years, i.e. from the conclusion of 11th AGM until the conclusion of the 14th AGM, subject to them satisfying eligibility norms and RBI approval each year.

Accordingly, based on the recommendation of the Audit Committee and the Board, the RBI approved the re-appointment of M/s. M.P. Chitale & Co., Chartered Accountants, for its third year, and re-appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, for its second year, to act as Joint Statutory Auditors of the Bank for FY 2026-27.

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, 2026.

SECRETARIAL AUDIT

Pursuant to regulation 24A of SEBI Listing Regulations and 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 Board of the Bank had appointed M/s. Makarand M. Joshi & Co., Company Secretaries (Firm Registration No: P2009MH007000), to act as the

Directors' Report

Secretarial Auditor of the Bank from FY 2025-26 up to FY 2029-30. The said appointment was approved by the members of the Bank at the 11th AGM held on July 29, 2025.

Secretarial Audit Report:

There were no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors in their report for the financial year ended March 31, 2026. The Secretarial Audit Report is appended as **ANNEXURE 4** to this report. Further the report is self-explanatory.

Secretarial Standards:

The Bank has followed the applicable Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

CONCURRENT AUDIT

Our Bank has established a robust and well-structured framework for conducting concurrent audits across critical functions and processes, including treasury, trade finance operations, retail and wholesale banking operations, information technology, SWIFT, office accounts, retail liability branches and cash processing centres, in line with extant regulatory guidelines. The audits are conducted by empanelled and reputed Chartered Accountant firms / CERT-In certified firms, as applicable. Key findings, themes and other relevant matters emanating from concurrent audits are presented to the Audit Committee of the Board on a periodic basis.

During the year, drawing upon learnings from a significant fraud incident at one of the Bank's branches, the concurrent audit framework was further augmented through coverage of financial transactions across liability branches and focused coverage of High-Risk branches. These measures further strengthened oversight on branch-level controls.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, the Annual Return as on March 31, 2026 is available on the Bank's website www.idfcfirst.bank.in under 'The Bank' → '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.

COMPLIANCE ON MATERNITY BENEFIT ACT, 1961

The Bank has complied with the applicable provisions of Maternity Benefit Act, 1961 for female employees of the Bank with respect to leaves and maternity benefits thereunder.

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

Directors' Report

- 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 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
- Global Fintech Awards - Best Green Banking Initiative
- SKOCH ESG Awards - Green Infrastructure (Silver)
- 6th Green Urja & Efficiency Awards by the Indian Chamber of Commerce (ICC) - Excellence Award (Gold)
- Green Champion Award 2025 by IGBC
- FE Best Banks Awards 2025 - Best Digital
- Global Fintech Awards 2025 – Best Digital Transformation Program Global Fintech Awards 2025
- Best Green Banking Initiative' IGBC Summit 2025, Green Visionary Award
- TIME and Statista – India's Best Employers 2025 Asian Banking & Finance
- Mobile Banking & Payment Initiative of the Year, India, Asian Banking & Finance – Retail Banking Awards 2025
- CFI Best Digital Bank India 2025
- IDFC FIRST Bank wins Best Innovation in Retail Banking, India at International Banker Awards - Second Successive Year!
- JioStar RE.iMAGiNE Awards: Editor's Choice Award for "Cricket Catalyst Brand of the Year" (Gold)
- JioStar RE.iMAGiNE Awards: Most Viral Campaign Award (Silver)
- IDFC FIRST Bank wins Gallup Exceptional Workplace Award
- AmbitionBox Employee Choice Awards 2026
- LinkedIn Talent Awards 2025: IDFC FIRST Bank recognized as Talent Insights Pioneer

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 12th AGM Notice.

Directors' Report

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

Place : Mumbai
Date: July 25, 2026

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, 2026

[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)

SN	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	8.17	217.51	498.95	273.28	-	1,675.36	(43.49)	-	(43.49)	-	100%

Notes:

1 Names of Subsidiaries which are yet to commence operations: Not Applicable

2 Names of Subsidiaries which have been liquidated or sold during the year: Not Applicable

3 Total Liabilities is excluding Share Capital and Reserves & Surplus

4 Numbers are as per IND-AS financial statements. As per IGAAP the number is ₹ (25.80) crore

B. ASSOCIATES AND JOINT VENTURES

SN	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 (refer Note 3)	March 31, 2026	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, 2026		(₹ in crore)
	I. Considered in Consolidation	Refer Note 4	-
	II. Not considered in Consolidation	-	Refer Note 5

ANNEXURE 1

Notes:

1 Names of Associates or Joint Ventures which are yet to commence operations: Not Applicable

2 Names of Associates or Joint Ventures which have been liquidated or sold during the year: Not Applicable

3 The financials of Millennium City Expressways Private Limited for the year ended March 31, 2026 are unaudited.

4 The Bank has considered the financials of Millennium City Expressways Private Limited with net loss of ₹ 124.76 crore 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, the Bank had acquired stake in Jetpur Somnath Tollways Private Limited. As directed by the RBI, the Bank is required to divest its stake to 10% or less of paid up equity share capital of the Company and is required to value this investment at Re. 1. Accordingly, the Bank has not consolidated the results of such entity in these consolidated financial results.

For and on behalf of the Board of Directors of **IDFC FIRST Bank Limited**

V. Vaidyanathan
Managing Director &
Chief Executive Officer
DIN: 00082596

Pradeep Natarajan
Executive Director
DIN: 10499651

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: July 25, 2026
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:

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 ₹ 55.50 crore on CSR activities during the FY 2025-26, subject to set-off available from previous years. Accordingly, the Bank carried out CSR activities directly and /or 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 for promoting the development of:

[a] Livelihoods

[b] Health and Sanitation

[c] Education

[d] Environment

[e] Employee Volunteering Programme

2. Compositions of CSR Committee:

The Committee met four times during FY 2025-26

SN	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	Member| Independent Director	4/4

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.idfcfirst.bank.in/content/dam/idfcfirstbank/pdf/corporate-governance/IDFC-FIRST-Bank--Composition-of-Board-level-Committees.pdf
- CSR policy - https://www.idfcfirst.bank.in/content/dam/idfcfirstbank/images/csr-pages/csr-new/Corporate-Social-Responsibility-Policy.pdf
- CSR projects - https://www.idfcfirst.bank.in/csr-activities

ANNEXURE 2

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 Policy Rules 2014, as amended. The Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out is as follows:

Executive Summary – MBA Scholarship Programme Impact Assessment

To evaluate the long-term outcomes of the IDFC FIRST Bank MBA Scholarship Programme, an impact assessment was conducted by EY covering scholars from the 2019–2022 batches. The findings presented in this section reflect the programme's contribution to their academic, career, and personal development. A total of 79 scholars were covered as part of the assessment from a cohort of 981 scholarship recipients.

The programme provides need-based financial assistance of up to ₹ 2 lakh to students from families with an annual income of less than ₹ 6 lakh. Since inception, the programme has supported 2,743 scholars across 167 colleges in 26 states and contributes to SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities).

Key findings are as below:

- The programme has been successful in reaching students facing significant financial constraints. Among surveyed scholars, 73% belonged to families with annual incomes below ₹ 3 lakh, 53% were first-generation graduates, and 78% had taken education loans.
- 82% of surveyed scholars said the scholarship helped them take a lower education loan. Further, 98% reported reduced financial stress, 80% reported improved academic focus, and 95% reported reduced financial pressure on their families.
- The programme has contributed to positive career outcomes. 96% of surveyed scholars were employed, predominantly in the formal sector, and 89% had secured employment through campus placements.
- 75% reported current annual earnings above ₹ 9 lakh, reflecting strong income growth following completion of their MBA.
- The programme has also strengthened household resilience. 47% of surveyed scholars reported earning more than three times their pre-MBA household income, while 95% reported actively contributing to their families' financial well-being.
- Scholars reported high satisfaction with the programme, with 90% stating that the scholarship was disbursed within the communicated timelines.

Conclusion

The assessment concluded that the scholarship has played a meaningful role in expanding access to higher education, reducing financial barriers, improving employability, and strengthening household resilience among scholars.

Impact Assessment Report is available on the Bank's website: www.idfcfirst.bank.in under 'The Bank' → ESG → CSR Activities → Resource Hub → FIRST IMPACT Reports.

5. **(a)** Average net profit of the Bank as per sub-section (5) of section 135**: ₹ 2,775.24 crore**
   (b) Two percent of average net profit of the Bank as per sub-section (5) of section 135: **₹ 55.50 crore**
   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years**: ₹ 0.22 crore**[1]
   (d) Amount required to be set-off for the financial year, if any**: ₹ 30.23 crore**
   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹ 25.49 crore**

ANNEXURE 2

6. **(a)** Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)**: ₹ 40.17 crore**

   (b) Amount spent in Administrative Overheads: **₹ 1.75 crore**

   (c) Amount spent on Impact Assessment, if applicable: **₹ 0.12 crore**

   (d) Total amount spent for the financial year [(a)+(b)+(c)]: **₹ 42.04 crore**[2]

   (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
42.04	NIL	Not Applicable	Not Applicable	NIL	Not Applicable

   (f) **Excess amount for set-off, if any:**

SN	Particulars	Amount (₹ in crore)
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	25.27[3]
ii.	Total amount spent for the financial year	42.04
iii.	Excess amount spent for the financial year [(ii)-(i)]	16.77
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.22[1]
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	16.55[2]

Notes for point 5 and 6:

1. The Surplus arising out of the CSR Projects or programs or activities of the previous financial year(s) was ₹ 0.27 crore, out of which ₹ 0.05 crore was utilized by the implementing agencies in the previous FY 2024-25 and ₹ 0.22 crore was carried forward as CSR obligation for the current FY 2025-26.
2. During the financial year ended March 31, 2026, the Bank spent ₹ 42.04 crore towards CSR projects (including ₹ 0.22 crore spent out of surplus/interest from previous year). Accordingly, the net balance available for set-off in the succeeding financial years is ₹ 16.55 crore.
3. In terms of Section 135 of the Companies Act, the CSR obligation for the Bank for FY 2025-26 was ₹ 55.50 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 2025-26 as per Section 135(5) of the Companies Act, will be ₹ 25.27 crore.

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: NA**

1	2	3	4	5	6	7	8
SN	Preceding financial year(s)	Amount transferred to Unspent CSR account under sub- section (6) of section 135 (₹ In crore)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (₹ In crore)	Amount Spent in the financial year (₹ In crore)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any	Amount remaining to be spent in succeeding financial years (₹ In crore)	Deficiency, if any
1	Not Applicable						

ANNEXURE 2

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:

SN	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 No., if applicable	Name	Registered Address
1.	Computer Lab Refurbishment	110007	27-03-2026	1.70	CSR00112042	Centre for Development, Delhi School of Economics	Delhi School of Economics, University of Delhi, North Campus Delhi 110007, India.
2.	Cattle Plant set up	303801	13-03-2026	0.63	CSR00000314	End Poverty	M-48 First Floor South City I, Gurgaon, Haryana-122001

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

Date: July 25, 2026
Place: Mumbai

V. Vaidyanathan
Chairman – CSR Committee
Managing Director & Chief Executive Officer
DIN: 00082596

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 2025-26

SN	Name of the Director/KMP	Designation	Ratio
1.	Mr. Sanjeeb Chaudhuri	Part-Time Non-Executive Chairperson (Independent)	12.41 : 1
2.	Mr. V. Vaidyanathan	Managing Director & Chief Executive Officer	90.84 : 1
3.	Mr. Pradeep Natarajan	Executive Director	73.01 : 1
4.	Mr. Aashish Kamat	Independent Director	9.27 : 1
5.	Ms. Matangi Gowrishankar	Independent Director	9.74 : 1
6.	Mr. Pravir Vohra	Independent Director	10.91 : 1
7.	Mr. S. Ganesh Kumar	Independent Director	10.02: 1
8.	Mrs. Pankajam Sridevi	Independent Director	9.15 : 1
9.	Mr. Uday Bhansali	Independent Director	11.50 : 1
10.	Mr. Sudhir Kapadia	Independent Director	9.74 : 1
11.	Mr. Narendra Ostawal [1]	Non-Executive Non- Independent Director	-

Note:

1. Mr. Narendra Ostawal was appointed as a Non - Executive Non - Independent Director of the Bank with effect from September 30, 2025. He has opted not to receive any fixed remuneration and sitting fees from the Bank.

II. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the FY 2025-26

SN	Name of the Director/KMP	Designation	Percentage Increase
1.	Mr. V. Vaidyanathan	KMP: MD & CEO	0%[1]
2.	Mr. Pradeep Natarajan	KMP: Executive Director	8.50%
3.	Mr. Sudhanshu Jain	KMP: Chief Financial Officer & Head – Corporate Centre	7%
4.	Mr. Satish Gaikwad	KMP: General Counsel and Company Secretary	7.5%

Note:

1. For FY 2025-26, Mr. V. Vaidyanathan voluntarily chose to forgo his annual increment and cash variable pay and hence, did not receive any increase in his fixed remuneration over FY 2024-25. Since FY 2020-21, Mr. V. Vaidyanathan has voluntarily forgone his cash variable pay each year. Accordingly, no cash variable pay became payable to him during FY 2025-26, even upon completion of applicable deferral period.

2. The remuneration considered for the purpose of aforesaid tables is Total Fixed Pay. For MD & CEO and ED, the components of remuneration are as per RBI approval, and it also includes perquisites as per Income Tax Act.

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'**) (now RBI (Commercial Banks – Governance) Directions, 2025, issued vide reference No. RBI/DOR/2025-26/149 DOR.HGG.GOV. No.68/29.67.001/2025-26 dated November 28, 2025), revised the ceiling of Fixed Remuneration 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 to ₹ 30,00,000 per annum.

ANNEXURE 3

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 ₹ 30,00,000 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 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 NRC, the Board approved a fixed remuneration of ₹ 28 lakh per annum payable to NEDs (except Chairperson of the Board) for FY 2025-26. The said remuneration is within the overall limit for fixed remuneration as per RBI circular and as approved by the shareholders of the Bank at its 10th AGM.

In accordance with the approval received from RBI vide its letter dated June 14, 2024, and based on the shareholders' approval at the 10th AGM of the Bank held on August 30, 2024, Mr. Sanjeeb Chaudhuri, Part-Time Non-Executive Chairperson (Independent) ('**PTC**'), was paid a fixed remuneration of ₹ 30,00,000 per annum for FY 2025-26.

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 ₹ 90,000 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 4.02% 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 43,059 permanent employees on the rolls of the Bank as on March 31, 2026.

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 6.54%. The Average percentage increase of Key Managerial Personnel for the last financial year is 4.83%.

Average percentage increase for all employees other than the Key Managerial Personnel for the last financial year is 6.53%.

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

Place : Mumbai
Date: July 25, 2026

ANNEXURE 4

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2026

[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, 2026 (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, 2026 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 are 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, 2025 erstwhile 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.

ANNEXURE 4

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 Bank 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. The Bank has inter-alia passed the following special resolution in the Annual general meeting held on July 29, 2025:

   i. Grant of right to Currant Sea Investments B.V. to nominate 1 (one) Non-Executive Director on the Board of the Company, liable to retire by rotation.

2. Issued and allotted up to 124,98,80,388 (One hundred and twenty four crores ninety eight lakhs eighty thousand three hundred and eighty eight) fully paid-up compulsorily convertible cumulative preference shares of face value of ₹ 10/- each, convertible into an equivalent number of equity shares of face value of ₹ 10/- each, through a preferential issue on a private placement basis.

3. Issued and allotted 124,98,80,388(One hundred and twenty four crores ninety eight lakhs eighty thousand three hundred and eighty eight) equity shares of face value of ₹ 10 each fully paid-up to the investor, pursuant to conversion of an equivalent number of compulsorily convertible cumulative preference shares, in accordance with the Investment Agreement.

4. Re-classified its authorised share capital of ₹ 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) into ₹ 1,40,00,00,00,000 (comprising of 12,70,00,00,000 Equity Shares of ₹ 10 each and 1,30,00,00,000 Preference Shares of ₹ 10 each) without altering the aggregate authorised share capital of the Bank, and consequently amended Clause V of the Memorandum of Association of the Bank.

5. Issued and allotted 2,97,11,876 equity shares under IDFC FIRST Bank Employee Stock Option Scheme 2015.

6 The Bank had identified an incident involving unauthorised and fraudulent activities by certain employees at its Chandigarh branch in collusion with external parties, resulting in discrepancies in funds claimed by the Department of Government of Haryana and certain other customers, vis-à-vis the Balance in the account maintained by them with the Bank. The Bank has paid claims aggregating ₹ 645.59 crore. The matter is currently under investigation and subject to forensic review by an external firm appointed by the Bank.

For **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN: F006667H000939104

Date: July 25, 2026
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 4

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, 2026 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.: 6832/2025

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN: F006667H000939104

Date : July 25, 2026
Place : Mumbai

Management Discussion & Analysis

MACRO-ECONOMIC ENVIRONMENT

In FY26, the Indian economy faced heightened trade uncertainties, with the US imposing bilateral tariffs from July 2025 onwards, which rose to 50% at their peak in September. The impact was clearly visible on India's merchandise exports to the US, which declined by 10.1% YoY over September–March after rising by 17.8% over April–August. Towards the end of FY26, the US Supreme Court ruled that the US government cannot use emergency powers to impose tariffs. This resulted in a drastic reduction in bilateral tariffs for all countries to 10%. The relief is likely to be temporary, with the US government initiating trade-related investigations to re-impose the bilateral tariffs. India and the US are working on a trade agreement to limit bilateral tariffs on India. Separately, India has reached an FTA agreement with the EU, under which India will eliminate tariffs on 96.6% of EU exports, while the EU will eliminate tariffs on 99.5% of India's exports.

In the final month of FY26, the world economy was hit by the West Asia crisis, which resulted in a near-complete closure of oil and gas production by the GCC. The Strait of Hormuz, which has been closed for nearly two months, accounts for 28% of global crude oil and 29% of LNG flows. The IEA has termed this as the worst oil shock in history.

Against this challenging external environment, domestic policy—both fiscal as well as monetary—focused on supporting domestic growth and providing support to at-risk sectors such as exporters and MSMEs. To boost urban demand, the Centre cut both income tax and GST. The impact of the tax cuts, especially the GST cut, was visible on urban demand, which picked up steam in H2FY26 after a subdued H1FY26. Meanwhile, rural consumption demand was already on a strong footing, supported by a second consecutive year of a normal monsoon and a pick-up in rural wage growth. In response to the West Asia crisis, the Centre cut excise duty on petrol and diesel and exempted customs duty on key petrochemicals. The Centre and OMCs absorbed the majority of the surge in energy prices, shielding consumers.

Monetary policy focused on easing policy rates and significant liquidity infusion to support the domestic growth recovery. The RBI cut policy rates by 125 bps over February to December 2025. Policy space to cut rates was derived from a sharp slowdown in FY26 headline CPI inflation to just 2.1%, led by subdued core-core inflation as well as food inflation. A key focus of monetary policy was to ensure that banking system liquidity surplus was ample to enhance the transmission of rate cuts. The RBI infused liquidity mainly through OMO purchases of INR 8.8 tn and sterilised its FX intervention using buy-sell swaps. CRR was cut by 1 ppt to 3%. The significant liquidity infusion by the RBI resulted in reserve money growth (adjusted for CRR cuts) rising to 11.0% by March 2026 from 5.3% in March 2025.

The combination of supportive monetary and fiscal policy resulted in real GDP growth rising to 7.6% in FY26 (second advance estimate) from 7.1% in FY25. The growth recovery was led by private consumption and investment. Capex cycle was supported by capital expenditure by both Centre and state governments. Net imports were a drag on overall GDP growth due to the rise in the trade deficit.

Monetary policy transmission via the banking system was strong, with an 89 bps decline in weighted average lending rates on fresh loans and a 97 bps decline in rates on fresh deposits (over February 2025 to February 2026). Bank credit growth rose to 16.1% YoY in March 2026 from 11.0% in March 2025. Sector-wise details showed that the improvement was broad-based, led by the commercial sector (industry and services) as well as retail loans. Meanwhile, bank deposit growth rose to 13.5% in March 2026 from 10.3% in March 2025. However, the credit-to-deposit ratio remained elevated, with credit growth outpacing deposit growth. This resulted in money market rates remaining elevated, with the spread of 12-month CD over T-bill yields rising to 1.6% in March 2026.

The transmission of rate cuts via the bond market was impaired, with 10-year bond yields rising to 7.04% in March 2026 from 6.58% in March 2025. The rise in bond yields reflects higher bond issuance by both the Centre and state governments, as well as subdued demand from banks and pension funds. The West Asia crisis contributed to a further rise in yields in March 2026, with markets pricing in fiscal slippage risks and higher FY27 inflation due to the surge in energy costs.

On the external front, the INR depreciated against the dollar by 11% YoY to 94.83 by March 2026. Depreciation pressure on the INR was present even before the West Asia crisis, led by capital outflows. The current account deficit in the first three quarters of FY26 remained moderate at 1.1% of GDP,

Management Discussion & Analysis

as crude oil prices were low. However, due to significant capital outflows, the balance of payments deficit was tracking at US$30.8 bn in FYTD26 (till December). Post the West Asia crisis, capital outflows intensified in March 2026 due to risk-off sentiment, further adding to depreciation pressures on the INR. Net FPI outflows jumped in March 2026 to US$13.6 bn versus US$7.2 bn in the months before the West Asia crisis (April–February). RBI's FX intervention focused on reducing volatility in USD/INR. The central bank's ability to undertake dollar sales to defend the rupee was limited by an already large negative forward book. As a result, towards the end of March 2026, the RBI resorted to unconventional measures to reduce depreciation pressure on INR by limiting the net open positions for banks.

FINANCIAL SUMMARY

Over the last seven 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

During FY2026, aggregate deposit growth across the banking system moderated to approximately 13%, with total deposits crossing ₹ 250 lakh crore. Deposit accretion remained subdued for the second consecutive year, reflecting the persistence of a systemic liquidity deficit. Nevertheless, robust credit growth of over 15% during the year supported deposit mobilization across the system.

Against this backdrop, the Bank sustained robust deposit mobilization, with Customer Deposits growing by 24% year-on-year during the first nine months ended on December 31, 2025. In February 2026, the Bank encountered a fraud incident at a branch in Chandigarh, involving customer representatives, branch employees and third-party persons acting in connivance, amounting to ₹ 646 crore of deposits in Government and TASC (Trust, Associations, Society, Schools) banking segment. Following this incident, deposit mobilization temporarily got impacted for a brief period during February - March 2026. Despite this, the Bank did not encounter the QoQ decline in customer deposits and instead grew it marginally by 1%. However, because of the temporary impact in later part of Q4-FY26, the overall YoY growth of customer deposits was 17% as of March 31, 2026, against 24% as of December 31, 2025. Notably, the growth trajectory resumed at the beginning of the new fiscal year, with 5.3% QoQ growth reported for the quarter ending on June 30, 2026, reinforcing confidence in the Bank's ability to continue growing its deposit franchise in line with historical trends.

During FY2026, the Bank mobilized total deposits (including CASA, Term Deposits and Certificate of Deposits) of ₹ 42,409 crore incrementally over FY2025, registering a healthy year-on-year growth of 17%. Total deposits increased from ₹ 2,52,065 crore as at March 31, 2025 to ₹ 2,94,475 crore as at March 31, 2026. This growth was primarily attributable to 17% year-on-year increase in customer deposits, which rose from ₹ 2,42,543 crore to ₹ 2,84,453 crore over the same period. Retail deposits continued to form a dominant share, constituting 79% of overall customer deposits as at March 31, 2026.

CASA deposits increased by ₹ 28,413 crore during FY2026, reflecting a 24% year-on-year growth, from ₹ 1,18,237 crore as at March 31, 2025 to ₹ 1,46,650 crore as at March 31, 2026. Current account deposits grew by 18% year-on-year, while savings account deposits increased by 25% during the year. On an average basis, CASA balances grew by 32% YoY, with balanced contributions from both savings and current account deposits.

Term deposits increased moderately by ₹ 13,496 crore during FY2026, registering an 11% year-on-year growth from ₹ 1,24,306 crore as at March 31, 2025 to ₹ 1,37,803 crore as at March 31, 2026.

The Bank continued to maintain a strong CASA franchise, with the CASA ratio standing at 49.8% as at March 31, 2026, ranking among the higher levels within private sector banks in India.

BORROWINGS

In FY2026, the Bank's total borrowings (excluding money market borrowings) increased by 12% year-on-year to ₹ 36,094 crore, primarily driven by an increase in foreign borrowings amounting to ₹ 5,467 crore. The borrowings-to-liability ratio remained stable at 11% as at March 31, 2026, reflecting a calibrated and well-diversified funding profile. During the year, legacy high-cost borrowings, comprising long-term and infrastructure bonds, were largely phased out and now stand at an insignificant level of ₹ 306 crore within total borrowings, contributing to an overall improvement in the cost of funds.

Management Discussion & Analysis

NETWORK

As of March 31, 2026, the Bank had a network of 1,147 branches, supported by modern, digitally enabled infrastructure and customer-centric service delivery.

The Bank plans to continue expanding its physical footprint while simultaneously deepening the adoption of AI-driven tools and capabilities, such as its best-in-class banking app, hyper-personalisation engine, and chatbots, to drive retail deposit growth.

Retail deposits per branch stand at ~₹ 160 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.

As of March 31, 2026, the Bank also had 289 asset outlets across India, primarily catering to its loan customers. The Bank expanded its rural footprint through 637 business correspondence branches through its wholly owned subsidiary IDFC FIRST Bharat Limited. Hence, the Bank has 2,073 touch points as of 31 March 2026 for customer interactions and servicing. Additionally, the Bank has increased the number of ATMs to 1050 as on 31 March 2026 and has been servicing customers in deeper geographies through 6,627 Micro-ATMs.

FUNDED ASSETS

The Bank's total funded assets crossed ₹ 2.9 lakh crore in FY2026, registering a healthy year-on-year growth of 20%, increasing from ₹ 2,41,926 crore to ₹ 2,90,278 crore. The Bank has clearly segmented its lending portfolio based on the risk-return profiles, with a diversified presence across more than 25 lines of business. This segmentation enables the Bank to maintain a judicious and calibrated mix across products while driving sustainable loan book growth. During the year, growth remained broad-based across key segments including retail mortgages, vehicle loans, consumer loans, MSME loans and wholesale loans, which collectively accounted for 87% of the incremental funded assets added since the previous year. Concurrently, the Bank continued to reduce its legacy infrastructure finance portfolio, which declined to ₹ 2,029 crore as at March 31, 2026, comprising less than 1% of total funded assets, further improving portfolio granularity and overall risk profile.

Within the Retail, Agriculture and MSME (RAM) portfolio, the Bank recorded healthy year on year growth of 18%, with the book expanding to ₹ 2,32,394 crore as of March 31, 2026. The vehicle loans portfolio stood at ₹ 33,531 crore, registering strong growth of 27% year on year, underscoring the resilience of the segment. Consumer loans, catering to personal loans to salaried customers, small business and professional loans, consumer durable loans, and personal and consumer lending through digital platforms, grew by 23% year on year to ₹ 53,810 crore and collectively accounted for 19% of the Bank's total loan book. The mortgage portfolio, comprising Loans Against Property and Home Loans, grew by 11% to ₹ 61,471 crore. The Bank continues to focus on leveraging its existing branch network and increasing penetration across tier II and tier III markets to drive sustainable growth in this segment.

The Bank's credit card business, launched in FY22, has scaled successfully to more than 4.5 million cards as on March 31, 2026, primarily issued to existing customers without reliance on third party sourcing. The credit card portfolio grew by 22% year on year to ₹ 9,165 crore. Gold loans, identified as a key focus area, continued to gain traction during the year, with the portfolio growing to ₹ 3,915 crore as of March 31, 2026.

The rural finance portfolio declined by 2.5% during the year and stood at ₹ 24,146 crore. In response to prevailing industry wide headwinds in the microfinance segment, the Bank further reduced its exposure to Microfinance borrowers, with such exposure declining from 4.0% to 2.3% of total funded assets. Against the backdrop of farm loan waiver announcements by certain states in their respective budgets, the Bank intends to grow this portfolio gradually while maintaining an appropriate balance between risk and reward. This approach was supported by the implementation of enhanced credit filters and guardrails, along with higher provisioning and insurance coverage through CGFMU, to ensure portfolio stability. Since January 2024, disbursements in the microfinance segment have been under CGFMU insurance coverage and as of March 31, 2026, 89% of total microfinance book is covered by CGFMU scheme. Importantly, asset quality parameters in this segment have been improving over the quarters and the Bank plans to grow the book from here on. Other secured products in the rural segments like tractor loan and Kisan Credit Card (KCC) have registered strong growth on a much smaller base while maintaining strong asset quality.

In the wholesale segment, the Bank has strong governance and discipline embedded in its risk underwriting framework

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and focuses on financing businesses that generate sustainable cash flows to service their obligations. Since the merger, the Bank has wound down approximately ₹ 20,700 crore of its infrastructure project finance portfolio and continues to avoid project financing risks. The current wholesale portfolio primarily comprises working capital facilities and term loans extended to emerging corporates and select entities in the financial services sector. Funded Wholesale exposure rose to ₹ 57,884 crore, growing healthily by 30%, while total exposure under corporate relationships, including non-funded limits, increased by 37% to ₹ 87,155 crore during the year, with 77% of the exposure carrying a credit rating of 'A' or better. The Bank added close to 500 new corporate relationships during the year. In addition, the Bank has initiated the scaling up of its commercial banking segment within the wholesale portfolio to cater to mid corporates with annual turnover of up to ₹ 750 crore.

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, microfinance, KCC, MSME credit, and commercial vehicle loans. Consequently, the Bank fulfilled its PSL requirements without subscribing to additional RIDF bonds after merger in December 2018, thus reducing the RIDF portfolio from ₹ 3,456 crore in FY19 to ₹ 355 crore in FY26. However, the recent microfinance crisis impacting the degrowth of the microfinance portfolio of the Bank has impacted the organic PSL compliant loan origination of the bank which is likely to get normalized again in due course as microfinance book again resumes growth.

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 improved during FY26. The SMA 1 & 2 book across the RAM portfolio, barring the microfinance segment, remained robust and largely stable during the year. This, coupled with a significant improvement witnessed in the microfinance segment, led to a reduction in SMA 1 & 2 for the overall RAM portfolio from 1.07% in the previous year to 0.78% as of March 31, 2026.

Collection efficiency, in the microfinance portfolio, has recovered to pre-crisis levels and reached at 99.7% in Q4 FY26, indicating that stress in the microfinance segment is now largely behind the Bank. Collection efficiency for the portfolio excluding microfinance remained steady throughout the year, reflecting stable repayment behaviour across the rest of the loan book. Consequently, the Gross NPA and Net NPA ratios for the RAM portfolio improved to 1.47% and 0.56%, respectively, as of March 31, 2026 from 1.70% and 0.62% as of March 31, 2025.

In the wholesale segment, the Bank has embedded strong governance and discipline within its risk underwriting framework and focuses on financing businesses that generate sustainable cash flows to service their obligations. Risk concentration remained well contained, with exposure to the top 20 single borrowers at 5% and exposure to the top five industries at 20% as of March 31, 2026. Asset quality in the non-infrastructure corporate portfolio remained stable, with Gross NPA at 1.37% and Net NPA at 0.11%. The legacy infrastructure finance portfolio was further reduced to ₹ 2,029 crore. While Gross NPA in the infrastructure segment remained elevated at 24.35%, the portfolio is fully provided for, and Net NPA stood at nil, reflecting the Bank's conservative provisioning approach.

At the Bank level, the overall Gross NPA and Net NPA ratios improved to 1.61% and 0.48%, respectively, as of March 31, 2026, from 1.87% and 0.53% in the previous year. Provision coverage ratio stood at a healthy 70.5% as of March 31, 2026, reflecting the Bank's prudent provisioning approach.

The Bank also reduced its restructured book by 19% during the year, with restructured assets forming just 0.12% of funded assets. Overall net stressed assets including NNPA, security receipts, and restructured assets, as % of total assets, improved from 0.46% as of March 31, 2025 to 0.41% as of March 31, 2026.

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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, 2026, the Bank's net worth stood at ₹ 47,352 crore, reflecting a significant increase from ₹ 38,078 crore a year earlier. During the year, the Bank successfully raised capital amounting to ₹ 7,500 crore through a preferential issue of CCPS to two marquee investors, which were subsequently converted into equity shares in October 2025. The Book Value Per Share of the Bank stood at ₹ 55.05 as of March 31, 2026. The Bank maintained a strong capital position, with a capital adequacy ratio of 15.60% and a CET 1 ratio of 13.73%, both adequately above the regulatory minimum requirements of 11.5% and 9.5%, respectively.

OPERATING INCOME

The Bank's Net Interest Income (NII) grew 10% year-on-year to ₹ 21,215 crore in FY26, up from ₹ 19,292 crore in FY25, moderation in NII largely attributable to changing in the loan book mix impacted by the de-growth of the microfinance portfolio with comparatively higher yields as well as growth of the wholesale portfolio with high credit rating and comparative lower yield. It was also impacted by passing of repo rate reduction to eligible loan customers. Fee and other income of the Bank rose 15% YoY to ₹ 7,659 crore, though growth was moderated by lower disbursals in retail and rural business including microfinance, regulatory changes affecting MSME foreclosure charges, insurance fee timing, and microfinance APR rationalization. Despite this, fee and other income (including Forex & derivatives fees earned from customer transactions) remained stable at 2.06% of average total assets, versus 2.13% in FY25. 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, including the deposits balances grew 23% YoY to ₹ 57,000 crore, while number of active FASTag crossed 18 million mark.

During the year, the declining interest rate cycle in the early part of the fiscal provided a cushion to the Bank in the form of treasury gains. However, these gains were partially offset in the latter half of the year by an increase in sovereign yields, driven by heightened geopolitical instability in West Asia, which led to increased risk aversion in global financial markets. This impact was further compounded by regulatory directions to curb exposures to non-deliverable forwards (NDFs).

Year on year growth in quarterly operating income, excluding trading gains, showed a consistent improvement during the year and stood at 6%, 8%, 13% and 17% in Q1, Q2, Q3 and Q4, respectively, reflecting a clear acceleration in core earnings momentum. As a result, core operating income grew by 11% year on year to ₹ 28,874 crore in FY26, excluding trading gains of ₹ 488 crore. Including trading gains, operating income increased by 12% year on year to ₹ 29,363 crore during the year.

OPERATING EXPENSES

The Bank's reported operating expenses for FY26 stood at ₹ 21,877 crore. During the year, the Bank recognised a fraud incident in February 2026, which was accounted for under operating expenses and resulted in an inflation of the reported expense growth. Notwithstanding the impact of this isolated incident, the YoY growth trajectory of quarterly operating expenses remained modest and largely range bound around 13%, reflecting sustained cost discipline and improving operating leverage. On an underlying basis, adjusted operating expenses for FY26 excluding the impact of fraud incident were contained at ₹ 21,232 crore, registering a YoY growth of 12.3%, considerably lower than the 19% growth recorded in total business, comprising advances and customer deposits.

Over the years since the merger in December 2018, the Bank has made sustained and substantial investments, particularly in building the retail liabilities franchise, recognising that deposit mobilisation businesses entail longer gestation periods before achieving breakeven. These investments have included the expansion of the branch and ATM network, strengthening of human capital, launching new products & services, and the development of robust technology and operating capabilities. These efforts have now begun to translate meaningfully into improved operating performance. Operating loss from the liabilities business, as a percentage of average retail liabilities, has shown a gradual and consistent improvement over time and stood at the 1% level in FY26, compared to 1.2% in the previous year, reflecting the benefits of scale, improving operating leverage and disciplined cost management.

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Since the merger, the Bank has added 941 branches and 938 ATMs, including 145 branches and 9 ATMs during FY26, deployed selectively to strengthen distribution and support sustainable growth. The Bank's mobile application continues to see strong adoption, with industry leading ratings of 4.9 on Google Play and 4.8 on the App Store, and was ranked #1 in India and the only Indian bank featured among the global top five mobile banking apps by Forrester. In addition, the Bank has built diversified engagement capabilities across digital wealth management, cash management solutions, integrated platforms for business and corporate banking, a differentiated credit card proposition, and full-scale digital retail journeys, further enhancing customer reach, engagement and franchise depth.

With all these upfront investments, adjusted to aforementioned fraud incident the Bank, cost-to-income ratio (excluding trading gains) stood at 73.5% for FY26. Although the operating cost YoY growth was contained below 13%, the lower YoY growth of core operating income (excluding trading gains) at 11% due to the impact of reduction in REPO rate during the year and the microfinance crisis resulted in the elevated cost to income ratio for the year. The cost to income ratio for Asset businesses, impacted by the MFI crisis, increased to 59% in FY26 from 56% in FY25, while cost to income ratio in credit card business improved to 95.4% in FY26 from 99.8% in FY25 and cost to income ratio in retail liabilities improved to 146% in FY26 from 171% in FY25, largely due to operating leverage and efficiency improvement. 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 profitability in credit card and retail liabilities with continued growth.

PRE-PROVISION OPERATING PROFIT (PPOP)

The Bank's core Pre Provision Operating Profit, excluding trading gains, stood at ₹ 6,997 crore in FY26. Notwithstanding the impact of the reported adverse incident, Pre Provision Operating Profit increased by 8% year on year to ₹ 7,643 crore, translating to 2.1% of average assets. During the year, the Bank continued to scale its loan book and fee-based income streams while optimising its cost of funds, which is now broadly comparable with mid-tier private sector banks. These efforts were complemented by continued improvements in operating efficiency through multiple cost and productivity initiatives.

PROVISIONS

The Bank made total provisions of ₹ 5,653 crore in FY26 compared to ₹ 5,515 crore in FY25. While total provisions as a percentage of average funded assets (Credit Cost) improved to 2.13% in FY26 from 2.46% in FY25. The bank continues to have conservative risk management and provisioning policy in its product segments. During the year, easing stress in the MFI portfolio supported a sequential improvement in annualized credit costs, which moderated steadily from 2.69% in Q1 to 2.24% in Q2, 2.05% in Q3, and 1.63% in Q4.

Further, adequate provision coverage on non-performing assets, along with a significant increase in CGFMU coverage for the microfinance portfolio to 89%, stabilising credit quality across product segments, and the Bank's calibrated and focused growth strategy, provide confidence that credit costs will remain largely stable within a defined range.

NET PROFIT

During the year, against the backdrop of an adverse incident reported towards the end of the fiscal year, the Bank reported a net profit of ₹ 1,636 crore, YoY growth of 7%, which includes the impact of ₹ 646 crore on the operating cost line.

The Bank remains committed to strengthening its retail lending franchise and optimising its funding profile through retail deposits, which is expected to result in a gradual and sustainable improvement in profitability metrics.

FINANCIAL PERFORMANCE OF SUBSIDIARY

IDFC FIRST Bank has one wholly owned subsidiary, IDFC FIRST Bharat Limited (IFBL), which sourced loans worth ₹ 8,216 crore during FY26. IFBL reported a Net Loss of ₹ 43.49 crore in FY26, compared to ₹ 9.46 crore net profit in FY25 (IND-AS), primarily due to the business de-growth of the microfinance business impacted by the recent microfinance industry crisis. IBFL acts as business correspondence for sourcing microfinance loans for the bank. As of March 31, 2026, 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's norms.

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RETAIL LIABILITIES

In FY26, Retail Liabilities continued to focus on strengthening customer experience through digital enablement, simplified onboarding, and differentiated propositions across key customer segments. The Bank leveraged technology-led solutions and relationship-driven engagement models to deepen customer relationships and deliver consistent service across channels.

Savings Account

The Bank continued to strengthen its Savings Account franchise with a focus on service reliability, intuitive digital experiences, and trusted engagement models. During the year, paperless onboarding across digital and assisted channels was further enhanced, supported by robust and compliance-aligned processes.

The Bank expanded omni-channel engagement across the mobile app, WhatsApp, branch, and virtual relationship models, enabling smoother onboarding and improved early-stage activation. Select customer segments benefited from program-led onboarding and personalised relationship support, reinforcing convenience, transparency, and trust in the Savings Account offering.

Current Account

The Bank's Current Account proposition is designed as an integrated ecosystem of products and solutions supporting businesses across their operating lifecycle, ranging from small merchants and MSMEs to startups and corporates. Offerings span digital payment acceptance, transaction banking, and integrated tax and disbursement solutions.

During the year, the Bank strengthened its digital-first approach through simplified onboarding, a unified application for business and personal banking, and transparent service features commonly used by businesses. Enhanced digital self-service capabilities across mobile and internet banking improved customer control, visibility, and ease of operations.

NR Account and Remittances

The Bank's NRI franchise offers a comprehensive suite of products including NRE and NRO Savings Accounts, Seafarer Accounts, NRI Deposits, and Foreign Currency-denominated Global Savings Accounts through its GIFT City International Banking Unit. A digital-first, remote onboarding model enables NRIs to open and service accounts with minimal reliance on physical touchpoints.

Retail remittances remained a key focus area during FY26, supported by enhanced digital capabilities, faster processing, and improved transparency across customer journeys. Expanded mobile banking features enabled convenient two-way fund transfers across domestic, overseas, and GIFT City accounts, strengthening the Bank's value proposition for global Indian customers.

Startup Banking

Startup Banking remains a strategic pillar for the Bank, serving over 34,000 startups across early-stage, growth, and mature enterprises. The Bank offers a differentiated suite spanning transaction banking, working capital solutions, credit products, and specialized offerings aligned to the evolving needs of new-age businesses.

During the year, the formation of the New Economy Group further strengthened coverage of late-stage startups and financial sponsors, including venture capital, private equity, and family offices. Ecosystem-led initiatives such as Leap to Unicorn and FIRSTWINGS Startup Lounge continued to support founder engagement, reinforcing the Bank's role as a trusted partner within India's innovation ecosystem.

Business Banking

The Bank continued to support MSMEs through customised working capital and transaction banking solutions, supported by end-to-end digital onboarding and streamlined servicing models. System-driven workflows enhanced efficiency and improved consistency across customer journeys.

Technology-enabled tools provided relationship managers with improved portfolio visibility and monitoring capabilities, supporting proactive engagement and governance. These initiatives reflect the Bank's commitment to delivering simplified, transparent, and efficient banking experiences for MSME customers.

Agriculture Business

The Bank's Agri Business program continues to support farmers and rural households through a comprehensive suite of financing solutions across agricultural and allied activities. Key offerings include Kisan Credit Cards to meet

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working capital requirements, along with new and pre-owned tractor loans, addressing the end-to-end financial needs of the rural economy.

During the year, the Bank strengthened its digital-led onboarding capabilities for agri customers, supported by streamlined sourcing journeys and enhanced verification and monitoring frameworks, reinforcing effective portfolio oversight and governance.

Structured engagement initiatives and proactive monitoring mechanisms further supported responsible lending practices, reflecting the Bank's continued focus on sustainable rural credit delivery and long-term farmer relationships.

Government Banking

In FY26, the Bank strengthened its position as a Universal Bank by enabling all types of Central Government tax payments, including Customs Duty, Central Excise, Service Tax, GST, and Direct Taxes. Digital integrations enabled seamless tax payment experiences across customer and non-customer segments.

The Government Banking division continued to build liability partnerships with Central and State Government entities, supported by customised digital solutions for collections, disbursements, and fund management. These initiatives support broader e-Governance objectives with a focus on accuracy, transparency, and service efficiency.

Privilege Program

The Bank's Privilege Banking program serves over 4 lakh customers, offering a differentiated suite of benefits including personalized wealth solutions, premium debit cards, insurance coverage, rewards, and curated lifestyle and travel privileges, with select benefits extendable to family members.

During the year, the Bank strengthened its digital onboarding capabilities, enabling eligible customers to be onboarded into the Privilege Program at the start of their relationship. A customer-led onboarding journey through the mobile banking app enhanced transparency, ease of access, and engagement for affluent customers.

Payments

In FY26, the Bank continued to strengthen its digital payments ecosystem across retail, merchant, and institutional payment solutions, supporting scale, resilience, and regulatory alignment. The Bank offers a comprehensive suite of payment capabilities encompassing UPI, cards, merchant acquiring, payment gateway services, BBPS, NACH, FASTag, and emerging digital payment frameworks.

As part of the Reserve Bank of India's Central Bank Digital Currency (e₹) pilot, the Bank migrated to value-based tokens, enabling improved scalability and fractional transactions. Enhanced functionalities such as programmable CBDC, user-level programmability, and Aadhaar-based wallet creation were implemented in line with regulatory guidance.

The Bank's Business Correspondent network continued to play an important role in last-mile delivery and financial inclusion by facilitating access to core banking and digital payment services in underserved regions. The Bank also strengthened merchant acquiring and BBPS platforms through improved onboarding, deeper biller integrations, and enhanced service reliability, supporting broader adoption of digital payments.

RETAIL, RURAL & MSME LOAN ASSETS

IDFC FIRST Bank has built a well-diversified and scalable universal banking franchise, anchored by a strong Retail, Rural and MSME lending portfolio. The Bank addresses customer needs across segments, products and geographies through a comprehensive suite spanning home loans, vehicle financing (cars and two-wheelers), personal and digital loans, consumer durable loans, education loans, gold loans including rural finance (kisan credit card, joint liability group, agriculture and tractor loans). The MSME portfolio complements this with a full-stack offering including business loans, loan against property, micro-enterprise loans, commercial vehicle and equipment loans, enabling support across the enterprise lifecycle. Retail Assets remained a core pillar of the Bank's growth strategy during FY26, delivering scale, diversification, resilience & establishing a strong presence with ~1.5% market share of the overall Retail and MSME industry. This performance was underpinned by a disciplined, quality-led growth strategy, strengthened by digital capabilities, robust risk management frameworks and a continued focus on enhancing customer experience.

Despite the residual impact of the microfinance segment, the Bank's Retail, Rural, and MSME funded book crossed ₹ 2.3 trillion, with disbursements of ₹ 1.3 trillion during the year. This enabled the onboarding of over 1.3 million New-to-Credit urban customers into the formal credit ecosystem, alongside continued financing of rural NTC customers and expansion into new microfinance geographies.

The Bank has strengthened endtoend customer acquisition and engagement by scaling generative AIled conversational and humanoid voice bots across sales, collections, and service functions with Hindi, English, and multilingual vernacular support and also leveraged Digital Public Infrastructure (DPI) such as Account Aggregator frameworks and digital CPV to enhance underwriting efficiency, expand accessibility, and deliver a superior customer experience across segments.

Business Scale and Product Leadership:

Adhering to its 'Customer First' philosophy, the Bank continues to uphold high standards of ethical banking through transparent and simplified solutions, placing customers at the core of all its offerings and processes. Retail Assets achieved scale during the year while simultaneously strengthening portfolio quality through sustained growth and conscious risk management across segments. Growth across businesses remained healthy, supported by a balanced secured–unsecured mix and strong execution capabilities across sourcing, underwriting and collections. The portfolio has been diversified across products and geographies to enhance resilience. The Bank maintained its leadership position in Two-Wheeler Loans and continued to be the largest bank in Consumer Durable Loans. It also ranks amongst the leading lenders in Personal Loans, Used Car Loans and Loans Against Property (LAP). The Bank continues to have a strong focus on the MSME segment, supported by a well-balanced portfolio comprising both secured and unsecured products. It caters to a wide spectrum of MSME financing needs by offering loans ranging from ₹ 2 lakh to ₹ 15 crore, enabling timely access to flexible financing solutions for micro, small and medium enterprises. This diversified and calibrated approach allows the Bank to address varied borrower profiles while maintaining a prudent balance between risk and sustainable growth within the MSME portfolio.

Internal channel sourcing & One Bank Philosophy:

The Bank continues to focus on building scalable and low-cost in-house sourcing channels, with the objective of reducing dependence on external partners while enhancing customer ownership and portfolio quality. The Cross-sell Centre of Excellence (COE) serves as a strategic capability by providing a unified view of customer eligibility across products, enabling pre-qualified offer consolidation, multi-product lead generation and assisted sales through a single engagement touchpoint. This approach enhances customer experience by offering relevant solutions aligned with customer needs, while ensuring consistency across channels.

Internal sourcing channels, including Branch Banking, Virtual Relationship Managers (vRM), direct-to-consumer platforms and the cross-sell COE, gained momentum during the year and accounted for 28% of overall disbursals in the current fiscal, reflecting a 16% year-on-year growth. While the cross-sell COE currently contributes a relatively modest share of disbursals, it has strong growth potential, with the capability to distribute more than 35 products across direct and assisted channels. In addition to driving lending, the COE also supports Savings Account and Credit Card VKYC journeys, strengthening customer engagement, retention and the Bank's 'One Bank' proposition.

Anchored in its 'Customer First' philosophy, the Bank continues to address customers' broader financial needs by making relevant banking solutions accessible across products, thereby enabling seamless and convenient fulfilment of end-to-end requirements. As of March 31, 2026, nearly all Education Loan and Home Loan customers maintained an active Savings Account relationship with the Bank. Additionally, approximately 45% to 55% of Business Loan and LAP customers held Savings Accounts with the Bank, while a similar proportion of LAP customers also maintained Current Account relationships, underscoring the success of the Bank's relationship-led cross-sell strategy.

MyFIRST Partner App Ecosystem:

MyFIRST Partner is a proprietary in-house application built to enable seamless partner onboarding and facilitate referrals across multiple banking products through a unified digital interface. The platform democratises loan referrals by making the referral process simple, transparent, and accessible to a wide partner ecosystem, thereby expanding sourcing reach beyond traditional channels.

The application offers an intuitive user experience with features such as real-time referral tracking and flexible

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payout structures (daily/weekly), making it a highly efficient and cost-effective sourcing channel. The app is available for download on the Play Store.

MyFIRST Partner has crossed 1 million lifetime downloads, with referral journeys live across 12+ asset businesses including Personal Loans, Home Loans, Used Car, Gold Loans, Micro Business Loans, and Loan Against Property. The platform is being further scaled as a low-cost, agile sourcing ecosystem.

Digital Transformation initiatives & key Innovations:

As a new-age, technology-first institution, the Bank continues to invest aggressively in next-generation digital and AI capabilities to strengthen operating leverage, enhance customer experience, and build scalable, future-ready operating models. Leveraging India's Digital Public Infrastructure (DPI) stack, including VKYC and Account Aggregator frameworks, the Bank has deeply embedded digital capabilities across its retail asset journeys. The strategic focus in FY2026 was on accelerating AI adoption and intelligent automation across customer-facing and internal processes to drive productivity gains, cost efficiencies and seamless customer experiences at scale.

During the year, the Bank achieved over 90% automated disbursals across Consumer Durables, Two-Wheeler Loans and Cross-sell Personal Loans, materially improving turnaround time while reducing operational dependency through robust digital validation checks. QR-based instant decisioning journeys were rolled out across Consumer Durable, Two-Wheeler and Used Car financing, significantly enhancing the point-of-sale customer experience. Digital engagement remained strong, with approximately 70 lakh monthly active users on the Bank's mobile application and over 35,000 daily downloads originating from asset customers. Additionally, digital mandate penetration exceeded 95% across retail asset businesses, reinforcing straight-through processing and operational efficiency.

The Bank also scaled the deployment of Generative AI-led conversational and humanoid voice bots across sales, collections and customer service functions, with support across Hindi, English and multiple vernacular languages to improve accessibility and reach. Within the first few quarters of deployment, both sales and collections bots achieved efficiency levels comparable to human-assisted interactions, with further enhancements expected to surpass human productivity and enable scalable operations. In FY2026, AI-based sales voice bots delivered approximately 1.5x productivity compared to human-assisted outbound sales interactions, while collections voice bots achieved around 0.7x–1.0x productivity in early delinquency buckets, with the potential to lower cost-to-collect and improve resolution rates over time. The Bank also deployed Knowledge.AI for frontline service teams, enabling real-time access to domain intelligence and improving the speed and quality of customer issue resolution. FY2027 is expected to be a pivotal year for scaled AI monetisation, with broader enterprise adoption driving meaningful improvements in productivity, operating efficiency and customer experience.

Customer Experience and Lifecycle Engagement:

Anchored in the Bank's aspiration to become one of the world's most customer-friendly banks, we continue to invest in simplified and intuitive customer journeys, supported by robust self-service capabilities, to enable faster, seamless and more effective resolution of customer needs. The Bank's 'Customer First' philosophy is reflected in its differentiated approach of educating customers rather than penalising them for first-time errors, reinforcing trust and fostering deeper, long-term relationships.

This strategy has delivered tangible improvements in customer experience, with monthly call volumes reducing to nearly one-third over the past 18 months, reflecting successful journey simplification and increased adoption of digital self-service channels. The year also witnessed a year-on-year reduction in complaints by 16%, service requests by 20%, and customer emails by 39%, underscoring a materially enhanced customer experience. The Bank continue to focus on customer retention and lifecycle management through proactive servicing and engagement, thereby strengthening franchise stickiness.

The Bank's customer-centric approach has been externally recognised, with the Bank ranked #1 amongst all private sector banks on the Grievance Redressal Index Score. The Department of Financial Services, Ministry of Finance, formally appreciated the Bank in July 2025 for its outstanding grievance redressal performance. Further, during FY2026, the Bank's grievance redressal framework received commendation from the Banking Ombudsman offices of Delhi, Mumbai and Hyderabad, recognising the quality, timeliness and effectiveness of its complaint resolution processes.

Business Correspondent (BC) Channel – Digital Payments & Alternate Channel

The Business Correspondent (BC) channel remains an integral component of the Bank's financial inclusion and outreach strategy. As of March 31, 2026, the Bank's BC network was operational across 23 States and 3 Union Territories, with over 6,627 Points of Presence, facilitating access to banking and financial services in underserved and unbanked geographies.

The BC strategy is anchored on strengthening last mile delivery and promoting inclusive growth by ensuring that financial services are available, accessible, and affordable. IDFC FIRST Bank continues to leverage technology enabled solutions and a scalable agent led model while maintaining strict adherence to applicable regulatory and compliance frameworks.

During FY 2025–26, the BC channel facilitated approximately 7 million transactions, aggregating to a transaction value of ₹ 2,406 crore. The model also supports the Bank's branch rationalisation framework, under which at least 25% of banking outlets are mandated to be in Unbanked Rural Centres (URCs). As of March 31, 2026, the Bank had established 1,851 URCs, further strengthening its rural footprint and advancing financial inclusion.

Snapshot of Transaction Performance – FY 2025–26

- Financial Transactions: 41,34,277
- Non Financial Transactions: 29,05,842
- Average Transactions per Customer Service Point: ~1,062

FASTag Issuance Expansion through Business Correspondents (BC) Network

The FASTag business remains a vital component of the Bank's digital payments strategy as the ecosystem matures in FY26. The Bank maintains a strong presence as both an issuer and acquirer, competing actively with large-scale players across national and state highways. Efforts are now focused on integrating with Government of India's plan of adding Global Navigation Satellite System (GNSS) and Multilane Free Flow(MLFF) tolling technologies. The Bank has already won a mandate to implement MLFF tolling at a Highway project near New Delhi. The new GNSS-based satellite tolling framework would help expand into high-growth “FASTag 2.0” use cases like parking and fuel payments.

This targeted approach enabled the Bank to increase its active FASTag base from 14.9 million in the previous year to 18.0 million as at March 31, 2026. Correspondingly, FASTag spends crossed ₹ 33,000 crore, registering a compounded annual growth of about 40% since FY2021.

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, 2026, the Bank has 9 DBUs.

The number of deposit accounts including saving bank accounts, current accounts and term deposit accounts sourced through DBU was 11,142 in FY26. The Bank also originated 68 loans through DBU in FY26. The Bank carried out 76,843 financial transactions and 842 non- financial transaction through DBU in FY26.

WHOLESALE BANKING

The asset strategy for the year is anchored in calibrated growth, with a sharp focus on optimising the risk–return trade-off across customer segments, products, and channels. The bank will continue to deepen its segmentation-led approach, ensuring that portfolio decisions are driven by differentiated yield expectations, credit cost behaviour, and operational scalability.

The corporate banking strategy adopts a selective, risk-aligned growth model, with clear segmentation and sectoral prioritisation. Corporate clients will be categorised based on external credit ratings (AA and above, A-rated, etc.), as well as by product and relationship potential.

For large corporates, the bank's approach will revolve around offering integrated financial solutions, combining lending with transaction banking, trade finance, cash management, and supply chain finance. The objective is to

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move beyond standalone credit exposure and become the primary banking partner across multiple services.

Cross-selling will extend beyond the corporate entity to include founders, promoters, and employees, creating a wider ecosystem relationship.

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 and also cross selling more products to its existing corporate client base. The corporate book remains well-diversified across sectors, with no major concentration, supported by disciplined credit evaluation practices.

Bank has expanded its presence in GIFT City IFSC to support the offshore funding requirements of overseas subsidiaries and group entities of Indian corporates. Through its IFSC banking unit, the Bank is well positioned to provide foreign currency credit solutions, facilitating efficient access to offshore liquidity within a robust, internationally aligned regulatory framework. In parallel, the Bank has strengthened its External Commercial Borrowing (ECB) capability for Indian resident corporates, enabling clients to access competitively priced offshore funding in line with evolving capital structure and growth requirements.

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,IBPC and securitization markets to meet priority sector lending requirements and balance sheet management.

Internationally, the Bank has built a robust correspondent banking network of 346entities across 56 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 continued to be a key component of the Bank's universal banking business, supporting corporate and emerging corporate clients across Cash Management Services (CMS), Trade Finance, Supply Chain Finance, and Cross border Remittances. During the year, the business recorded steady growth, driven by increased digital adoption, expansion of platform based offerings, and deeper integration with client operating and treasury systems.

In Cash Management Solutions (CMS), the Bank's CMS franchise received external recognition during the year, including the Best CMS Bank of the Year award at the Asian Banking & Finance Wholesale Banking Awards 2025, reflecting the breadth, scalability, and digital maturity of its CMS offerings. During the year, the Bank further strengthened its digital first proposition by expanding API led solutions and enhancing product capabilities across collections, payments, liquidity, and escrow services. The upgraded IDFC FIRST Developer Portal was launched with a structured catalogue of over 25 active CMS APIs, a real time sandbox environment, and streamlined integration processes, enabling faster deployment for corporate clients. Integrated onboarding and transaction APIs were introduced to support unified transaction processing across NACH and UPI mandates, facilitating improved operational efficiency and scalability for clients. As part of its innovation agenda in CMS, the Bank launched a digital escrow experience platform to support end to end digital structuring, execution, and monitoring of escrow arrangements.

Client engagement across Transaction Banking continued to be anchored on the FIRST X.CEL platform, which functions as a unified engagement and transaction layer across CMS, Trade Finance, FX, and Supply Chain Finance. The platform provides real time visibility, analytics, and seamless access across product lines. During the year, additional capabilities were enabled on FIRST X.CEL, including bulk payment gateway link initiation through APIs and customs duty payment capability through ICEGATE redirection. FIRST X.CEL received multiple external recognitions, including the Editors' Triple Star – Asset Triple A Treasurise Award 2025, acknowledging it as a forward thinking, innovative, and pragmatic transaction banking solution, as well as the Best Digital Transformation Award 2025. These initiatives were supported by a robust observability and control framework, providing real time monitoring, enhanced transaction visibility, and operational stability.

In Trade Finance and Remittances, the Bank continued to progress on its digital transformation agenda through its integrated next generation transaction portal. The platform enables seamless initiation and tracking of Trade Finance, Foreign Exchange, Remittance, and regulatory reporting (including IEDPMS) transactions. A higher proportion of trade transactions were processed digitally during the year, contributing to improved turnaround times and operational efficiency. As part of global messaging standard upgrades, the Bank successfully migrated from SWIFT MT to SWIFT MX messaging in line with ISO 20022 standards, enhancing data quality and ensuring continued compliance with international payment and messaging norms. The Bank further developed API based solutions across Trade Finance and Remittances, enabling secure, real time connectivity with corporate clients and fintech partners. These APIs facilitate integrated transaction workflows, reduce manual intervention, and improve transparency in transaction initiation and management. Initiatives such as e Bank Guarantees and parameterized credit assessment models continued to support faster execution and an improved value proposition for corporate and mid market clients.

In Supply Chain Finance, the Bank implemented a next generation transaction platform to strengthen its program based financing capabilities. The platform enables end to end digital disbursements through a dedicated client portal and provides real time dashboards for dealers and vendors, offering visibility into sanctioned limits, utilisation, outstanding balances, and repayment schedules. These enhancements resulted in improved process efficiency and scalability of supply chain programs.

The International Banking Unit (IBU) at GIFT City completed its first full year of operations during the year. The IBU expanded its product coverage across offshore Trade Finance, Treasury, and NRI deposit offerings and launched non fund based products, including Letters of Credit, Bank Guarantees, and Standby Letters of Credit. A digital client transaction portal was also introduced at the GIFT City branch to enable online initiation of Trade Finance and Remittance transactions, improving processing efficiency and control.

Overall, Transaction Banking demonstrated consistent growth, increasing digital penetration, and improved operating leverage, supporting the Bank's strategic objective of building a scalable, technology enabled corporate banking franchise.

OPERATIONS

Our Bank's Operations function is a strategic enabler of scalable growth and enterprise resilience. Anchored in technology-led transformation, strong governance, and the Bank's core values, it continually adapts to an evolving regulatory and business landscape. A strong risk culture underpins robust internal controls and ensures strict compliance with regulatory requirements. Operating under a unified model, the function drives end-to-end alignment, enhances execution at scale, and reinforces consistent control standards across the Bank.

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With a clear focus on long-term value creation, Operations continue to enhance productivity, elevate customer experience, and advance the Bank's inclusive and sustainable banking agenda.

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

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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 through well-defined lending policies approved by the Board . The Credit Risk function is established to independently 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 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 established policies and processes ensures that all credit risks are identified and credit exposures accurately 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

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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 it's 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 (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 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 function (ERF) 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.

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 issues.

INTERNAL CONTROLS

The Bank has established a strong, robust and independent Internal Audit Function, which operates as the third line of defense. The function provides independent and objective assurance to the Board, Management, and other stakeholders, on the adequacy and effectiveness of internal controls, risk management, governance processes, and operations of the Bank. The function is led by Chief Internal Auditor, who reports to the MD & CEO and the Audit Committee of the Board, and does not have any business / operational responsibilities. The function is staffed with qualified and experienced professionals and operates with dedicated budgetary support, enabling adherence to its mandate.

The function operates in accordance with a Board approved Internal Audit Charter and Policy, and follows a risk-based audit approach, covering key operational, financial, regulatory, and information technology risks. Key audit findings are regularly reported to Senior Management and the Audit Committee of the Board, along with action plans and timelines for remediation.

The Internal Audit function significantly leverages data analytics and continuous control monitoring to enhance audit effectiveness and strengthen the overall internal control environment. The function also undergoes independent external assessments on a periodic basis, in line with globally accepted internal auditing standards and applicable regulatory guidelines.

HUMAN RESOURCES

At IDFC FIRST Bank, our people are the heart of our transformation journey. Guided by our "Always You First" philosophy and anchored in our One Bank mindset, we continue to build a future-ready organization aligned with our vision of building a world-class Bank in India.

Strategic HR Priorities

Our HR approach is grounded in strong governance and ethical practices, ensuring transparency, consistency, and alignment with business priorities.

During FY26, our focus remained on enhancing the quality of hire, strengthening internal capabilities, and building a skills-based organization that can support the Bank's growth ambitions. We continued to evolve as an AI-first

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Bank, leveraging technology-led interventions across HR processes to equip employees with the right tools and insights to perform effectively in their roles.

We also reinforced a strong culture of recognition and appreciation across the organization, celebrating performance and encouraging a meritocratic environment. Alongside this, we strengthened employee engagement through structured platforms and initiatives that foster connection and a shared sense of purpose.

Talent Acquisition and Onboarding

Our talent acquisition strategy remains focused on quality of hire, enabling us to attract and onboard talent aligned to our business priorities. We continue to strengthen our in-house capabilities and adopt structured hiring approaches, complemented by targeted campus engagements across premier institutes, helping us build a steady pipeline of talent for the Bank. We have also adopted a hire-train-deploy hiring model, where we are identifying high-potential talent and investing in building their capabilities to place them across various businesses to drive impact.

Leveraging AI-led tools and digital interventions, we have enhanced the candidate experience across the hiring lifecycle, from application to onboarding – driving greater efficiency, consistency, and process excellence. Standardized assessments and stronger interviewer capability have further improved the quality and reliability of hiring decisions.

In recognition of our sustained emphasis on innovation and excellence in hiring, the Bank was conferred the LinkedIn Talent Insights Pioneer 2025 award, reinforcing our commitment towards a data-led talent strategy.

Employer Brand

We continue to strengthen our position as an employer of choice by building a distinctive and credible employer brand fueled by our Employee Value Proposition (EVP). Our EVP is centered around five key tenets: Organization Purpose and Values, Growth, Culture, Cutting Edge Technology, and Quality of Leadership, reflecting the experience we strive to create for our employees.

Our careers ecosystem witnessed strong momentum, with applications scaling to over 1 lakh per month, reflecting growing candidate interest and trust in the opportunities we offer. This momentum is further supported by strong employee sentiment indicators, with a Glassdoor rating of 4.1, alongside 92% CEO approval, and 81% of employees willing to recommend the Bank as of March 31st, 2026 – demonstrating sustained confidence in our leadership and workplace culture. Additionally, our LinkedIn community grew to over 1.7 million followers in FY26, further expanding our reach and engagement with prospective talent.

Our efforts have been recognized through prestigious accolades, including India's Best Employers 2025 by TIME and Statista, and the AmbitionBox Employee Choice Awards as a Top-Rated Banking Company for three consecutive years (2024–2026), reinforcing our credibility as a preferred employer.

We have also continued to strengthen our technology employer brand by fostering a vibrant tech community through curated meet-ups, knowledge-sharing platforms, and targeted early-talent initiatives.

Learning & Development

Our Learning and Development strategy focuses on enabling employees to build relevant skills, adapt to changing business needs, and grow in their careers. We adopt an integrated approach combining experiential, social, and formal learning, guided by the 4U framework: Understanding Organization, Work, People, and Self – to ensure development remains practical, continuous, and meaningful.

A key focus area has been the design of curated learning programs that help employees identify and leverage their unique strengths, embedding a strengths-based culture across the Bank. This approach, based on the Gallup CliftonStrengths framework, has enabled employees to better understand their capabilities and apply them more effectively at work. In recognition of these efforts, the Bank was honoured with the Gallup Exceptional Workplace Award - 2026 Strengths Winner.

We have also accelerated organization-wide digital and AI learning initiatives, supported by strong leadership advocacy and accessible learning platforms that encourage continuous skill development.

Talent Management and Internal Mobility

We made strong progress in strengthening our talent marketplace and creating a more transparent and accessible talent ecosystem. Employees are encouraged to showcase their skills, explore new opportunities, participate in cross-functional projects, and benefit from mentorship – supporting continuous growth and career development.

Internal mobility remains a key pillar of our talent strategy. By improving visibility of opportunities and simplifying access to roles across the organization, we have enabled employees to explore diverse career pathways and build broader capabilities. These initiatives have strengthened collaboration, improved talent utilization, and created greater flexibility in how we deploy talent across the Bank.

Culture, Engagement and Employee Experience

Our “Always You First” philosophy is reinforced through initiatives such as the ICARE framework — Involvement, Courtesy, Active Listening, Resolution, and Empathy, which promotes consistent customer-first behaviours across the organization.

Employee engagement remains a key focus, supported by structured initiatives and leadership communication platforms that foster transparency, alignment, and open dialogue. Together, these efforts are helping us build a culture where employees feel connected to the organization’s purpose and confident in its direction.

Well-being, Rewards and Inclusion

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 support employees both at work and in their personal lives.

During FY26, we strengthened our inclusive culture through equitable practices and structured interventions, including comprehensive pay parity assessments across all employee segments, reinforcing our commitment to fairness, diversity, and equal opportunity.

Governance and Compliance

Our HR governance framework is supported by strong statutory and regulatory compliance, backed by robust processes and oversight mechanisms. Regular reviews by senior management committees ensure adherence to policies, risk standards, and ethical practices, reinforcing accountability and operational discipline across the organization.

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

- Among the very first Banks in India to introduce and scale green deposits. The proceeds from green deposits have been further allocated towards eligible green activities such as sustainable mobility and renewable energy.
- A Board-approved GHG Emissions Management Policy guides the Bank’s decarbonization strategy.
- The Bank has baselined its Scope 1, 2, and 3 emissions, conducted climate risk stress tests, and developed a roadmap to achieve Net Zero carbon emissions in the long term.
- Among the largest EV two-wheeler financiers in the country, actively contributing to sustainable mobility. As of March 2026, we have a live portfolio of over 2.5 lakh two-wheeler EVs.
- Corporate Head Office in Mumbai is LEED and IGBC-Platinum certified. Over 14 lakh sq. ft. area is green certified which contributes around 36% of our total footprint.
- Four offices totalling 4.2 lakh+ sq. ft. area, including the Corporate Head Office, is connected to the green power grid.

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- Over 30,000 trees have been planted and are being maintained in Madurai, Tamil Nadu. This initiative has created an urban mini forest and also provides livelihood opportunities to women gardeners in the locality.

Social Impact and Inclusion

- The Bank promotes equal opportunity and zero discrimination across its workforce.
- Employees contributed over 20 lakh learning hours and impacted 1.88 lakh lives through volunteering.
- CSR programs focus on livelihood, education, entrepreneurship, environment, and disaster relief.

Governance and Risk Management

- ~73% of the Board comprises independent directors, including two women.
- ISO 27001 certification ensures robust data security. Social practices under Code of Conduct are ISO 26000 certified.
- Climate-related financial risks are actively monitored, with stress testing integrated into risk frameworks.
- The Bank has progressively improved its ESG ratings, and now positioned among the top ESG rated banks in India.

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

The outlook for FY2027 is shaped by evolving global and domestic dynamics, presenting both opportunities and risks. Elevated crude oil prices amid continued geopolitical tensions in West Asia could exert pressure through imported inflation and a widening current account deficit, with second-order effects on MSMEs, particularly those reliant on energy-intensive operations and global supply chains. In this environment, the Bank sees opportunities to selectively support viable MSMEs through focused credit solutions, while remaining mindful of margin pressures and cash flow sensitivities.

The microfinance ecosystem has largely normalised following the stresses of the earlier cycle; however, recent announcements on farm loan waivers by certain states in their budgets necessitate a prudent and risk-calibrated approach. Accordingly, the Bank intends to grow its microfinance portfolio gradually, guided by granular state-wise assessments and conservative underwriting standards.

Deposit growth, which was temporarily impacted in the last quarter of FY2026 due to an isolated fraud incident, has shown sustained improvement at the start of the new fiscal. Supported by the recovery in deposit momentum, calibrated credit expansion and a strengthened balance sheet, the Bank expects to resume its growth trajectory in line with historical trends. Following the RBI announcement, the Bank is also looking forward to utilize the opportunity for raising FCNR deposits through own leverage structure and in partnership with other foreign banks, which is available for a limited period window in fiscal 2017.

Loan growth is expected to be led by secured retail segments such as mortgages, gold loans and vehicle loans, given their favourable risk-adjusted returns and granularity. However, the Bank would also grow the credit card, consumer durable, personal loans business in a steady way. Incrementally, the Bank has been focusing on good quality corporate and SMEs for providing fund and non-fund based products along with other fee-based solutions and services in a competitive way, powered by the technology and superior customer experiences. The launch of the Commercial Banking segment offers a meaningful opportunity to cater to mid-corporate clients through smaller ticket-size and shorter-tenor products, including term loans and working capital facilities, while maintaining close oversight on credit quality and risk–return trade-offs. Hence, the wholesale portfolio is likely continue its momentum for growth.

The Bank recognizes the opportunity in the sustainable finance segment in India and would be focusing on increasing its sustainable finance portfolio including green financing for electric vehicles, renewableenergy, sustainable waste and water management, climate-smart technologies and entities with corporates with a climate transition plan as well as social and inclusive financing. The bank also plans to grow its green deposits portfolio through active engagements and program with the customers interested in making the difference for the climate. The Bank remains steadfast on its all its environmental, social and governance initiatives as core agenda for its growth plan going forward.

The Bank will continue to maintain cost discipline, leveraging operating efficiencies to further improve the cost-to-income ratio. The transition to the RBI's Expected Credit Loss (ECL) framework, marks a shift towards forward-looking, risk-based provisioning aligned with Ind-AS, with slightly higher minimum provisions across products; however, the Bank's improved asset quality and strengthened risk practices are expected to mitigate the overall impact. Furthermore, new RBI guidelines on capital charges under the standardised approach for credit risk, including lower risk weights for select rated exposures, are expected to provide incremental capital relief, supporting sustainable growth.

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 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 prescribed by the Reserve Bank of India (**"RBI"**) through its applicable circulars, directions, guidelines, notifications, and other regulatory instructions, as amended 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 in conjunction with the Management Discussion and Analysis Report, Business Responsibility and Sustainability Report and Directors' Report, affirms IDFC FIRST Bank's compliance with the applicable provisions of the Listing Regulations, Companies Act, Banking Regulation Act, and other applicable laws.

BOARD OF DIRECTORS

The Board of Directors of the Bank (**"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 duly constituted in compliance with the provisions of the Banking Regulation Act, Listing Regulations, the Companies Act and other applicable laws, and is aligned with sound corporate governance practices across the industry.

The Board plays a pivotal role in overseeing the standards of Corporate Governance at the Bank and in upholding the highest standards of integrity, transparency, accountability and responsible business conduct.

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"**) and the Board of the Bank.

The NRC, while considering the appointment or re-appointment of Directors, evaluates the candidate's profile, skill set, experience, expertise, functional capabilities, qualifications and other relevant attributes, including adherence to the applicable fit and proper norms. The NRC also assesses whether the candidate's appointment would serve the business interests of the Bank and enhance the overall effectiveness of the Board, before making its recommendation to the Board. Wherever considered necessary, the NRC engages external consultants/ experts to identify and assess the suitability of candidates for appointment as Directors of the Bank.

Changes in the Board

During the year under review, the Board of the Bank 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 2025-26, the following changes took place in the composition of the Board of the Bank:

Based on the recommendation of the NRC, the Board approved the following appointments and re-appointments:

a. Appointment of Mr. Narendra Ostawal (DIN: 06530414) as a Non-Executive Non-Independent Director, Nominee of Currant Sea Investments B.V. (an affiliate company of global growth investor Warburg Pincus LLC) ("**Investor Nominee**" / "**Investor Director**"), on the Board of the Bank, with effect from September 30, 2025.

   The said appointment was subsequently approved by the shareholders of the Bank through Postal Ballot on December 20, 2025.

b. Re-appointment of Mr. S. Ganesh Kumar (DIN: 07635860) as an Independent Director on the Board of the Bank for a second term of three (3) consecutive years, effective from April 30, 2026 up to April 29, 2029 (both days inclusive).

   The said re-appointment was subsequently approved by the shareholders of the Bank through Postal Ballot on April 17, 2026.

Composition of Board as on March 31, 2026

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
Mr. Narendra Ostawal (06530414)	Non-Executive Non-Independent Director *[Nominee of Currant Sea Investments B.V.]*

Brief profiles of all the Directors of the Bank are available on the Bank's website at www.idfcfirst.bank.in 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.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Director related Documents' section.

Skills/ Expertise/ Competence of the Board

The Bank recognizes the importance of having a diverse and well-balanced Board, comprising of Directors with an appropriate mix of skills, experience, expertise, competence and diversity of perspectives, to ensure effective Board oversight and governance. The Board has reviewed and adopted the Policy on Board Diversity, which sets out the Bank's approach towards ensuring diversity in the composition of the Board and enhancing its effectiveness in discharging its fiduciary responsibilities towards the stakeholders of the Bank.

While determining the composition of the Board, the Bank considers, *inter-alia*, diversity in skills, regional and industry

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experience, domain expertise, educational background and other relevant attributes. The Bank also takes into account the applicable fit and proper norms prescribed by the RBI and confirms that each Director complies with the applicable requirements prescribed by the Ministry of Corporate Affairs (**"MCA"**) and SEBI, under the relevant laws and regulations.

IDFC FIRST Bank, being a banking company, is governed by the provisions of the Banking Regulation Act, the Listing Regulations, the Companies Act and other applicable statutory and regulatory requirements.

In terms of Section 10A(2)(a) of the Banking Regulation Act, read with the RBI (Commercial Banks – Governance) Directions, 2025, as amended, issued vide reference No. RBI/DOR/2025-26/149 DOR.HGG.GOV.No.68/29.67.001/2025-26 dated November 28, 2025, not less than 51% of the total number of members of the Board of a banking company are required to comprise of persons having special knowledge or practical experience in one or more of the following areas, 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, and (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, while considering the appointment or re-appointment of Directors, is guided by the aforesaid statutory and regulatory requirements, the applicable fit and proper norms, and the business requirements of the Bank.

The Bank has identified the above skills, expertise and competencies as essential for the effective functioning of the Board, having regard to the nature, scale and complexity of the Bank's business and operations.

Based on the confirmations and declarations received from the Directors, the Board, at its meeting held on April 25, 2026, noted the following skill sets, special knowledge and practical experience possessed by 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 Economics, 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 and 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

Name of the Director	Position on the Board	Skill set, special knowledge or practical experience
Mr. Uday Bhansali	Independent Director	Accountancy, Economics, Finance, Information Technology, Business Management
Mr. Narendra Ostawal	Non-Executive Non-Independent Director *[Nominee of Currant Sea Investments B.V. (an affiliate company of global growth investor Warburg Pincus LLC)]*	Finance, Accountancy, Business Management, Risk Management, Human Resource

Performance Evaluation

The Companies Act and the Listing Regulations contain broad provisions relating to Board evaluation, covering evaluation of the performance of (a) the Board as a whole, (b) various Committees of the Board, and (c) individual Directors, including Independent Directors and the 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 assist listed entities in conducting a structured and effective evaluation process. The guidance note sets out key aspects of Board evaluation with the objective of enabling listed entities to derive meaningful outcomes from the process and enhance the effectiveness of the Board, its Committees and individual Directors.

For FY 2024-25

Three (3) questionnaires covering the aforesaid categories were circulated to all the Directors of the Bank for the performance evaluation process for FY 2024-25.

The evaluation process was carried out for the Board as a whole, Committees of the Board and individual Directors, including Independent Directors and the Chairperson of the Board.

The questionnaire for performance evaluation of the Chairperson of the Board was circulated to all Directors of the Bank, except the Chairperson himself, and the results thereof were submitted directly to the Chairperson of the NRC. Further, the questionnaire for performance evaluation of other individual Directors, i.e., excluding the Chairperson of the Board, was circulated to all Directors, and the results thereof were submitted directly to the Chairperson of the Board.

The performance evaluation results pertaining to individual Directors, including Independent Directors and Chairperson, were communicated to respective Directors. Accordingly, the performance evaluation process for FY 2024-25 was completed satisfactorily.

For FY 2025-26

The performance evaluation process for FY 2025-26 was carried out in a similar manner, wherein three (3) questionnaires covering evaluation of the Board as a whole, Committees of the Board and individual Directors, including Independent Directors and the Chairperson of the Board was circulated to all Directors of the Bank.

The questionnaire for performance evaluation of the Chairperson of the Board was circulated to all Directors of the Bank, except the Chairperson himself, and the results thereof were submitted directly to the Chairperson of the NRC. Further, the questionnaire for performance evaluation of other individual Directors, i.e., excluding the Chairperson of the Board, was circulated to all Directors, and the results thereof were submitted directly to the Chairperson of the Board.

The outcome of the performance evaluation process for FY 2025-26, was placed before the Independent Directors at their meeting and thereafter before the NRC and the Board at their respective meetings.

Remuneration of Directors

Pursuant to the requirements of the Companies Act read with the rules made thereunder and provisions of the Listing Regulations, as amended from time to time, and based on the recommendation of the NRC, the Board has adopted

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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, the Listing Regulations, the Banking Regulation Act and the applicable RBI directions, guidelines and regulatory requirements, as amended from time to time.

The aforesaid policies are available on the Bank's website at www.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Codes and 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 of the Bank, recommends remuneration payable to the Directors, Senior Management Personnel and Key Managerial Personnel to the Board for its approval.

The Bank pays remuneration to its Executive Directors by way of salary, allowance, perquisites including retirement benefits (fixed component), stock options and variable pay, based on the recommendation of the NRC and subject to the approval of the Board, the RBI and the shareholders of the Bank.

Fixed Remuneration

I. Fixed Remuneration to Non-Executive Directors (except Chairperson of the Board)

The RBI vide its circular no. RBI/2023-24/121 DoR. HGG.GOV.REC.75/29.67.001/2023-24 dated February 9, 2024 on 'Review of Fixed Remuneration granted to Non-Executive Directors' *(now subsumed under the RBI (Commercial Banks – Governance) Directions, 2025, issued vide reference No RBI/DOR/2025-26/149 DOR. HGG.GOV.No.68/29.67.001/2025-26 dated November 28, 2025) ("**RBI Circular**"),* revised the ceiling for payment of Fixed Remuneration to Non-Executive Directors (**"NEDs"**) to ₹ 30,00,000 (Rupees Thirty Lakh only) per annum, in addition to sitting fees and reimbursement of expenses for attending meetings of the Board and its Committees, in accordance with the extant statutory norms/ practices.

Accordingly, based on the recommendations of the NRC and the Board, and in supersession of the earlier resolution passed by the shareholders at the 7th Annual General Meeting (**"AGM"**) of the Bank held on September 15, 2021, the shareholders at the 10th AGM held on August 30, 2024, approved the payment of fixed remuneration to the NEDs of the Bank, except Chairperson of the Board, within the overall ceiling limit of ₹ 30,00,000 per annum, with effect from FY 2024-25, in addition to sitting fees and reimbursement of out-of-pocket expenses for attending meetings of the Board and its Committees.

In view of the above and pursuant to the recommendation of the NRC, the Board approved fixed remuneration of ₹ 28,00,000 per annum payable to the NEDs of the Bank, except the Chairperson of the Board, for FY 2025-26.

II. Fixed Remuneration to Chairperson of the Board

In accordance with the approval received from the RBI vide its letter dated June 14, 2024, and pursuant to the approval granted by the shareholders at the 10th AGM of the Bank held on August 30, 2024, Mr. Sanjeeb Chaudhuri, Part-Time Non-Executive Chairperson (Independent), was paid fixed remuneration of ₹ 30,00,000 per annum for FY 2025-26.

Sitting Fees to Non-Executive Directors

In addition to fixed remuneration, the NEDs were paid sitting fees for attending meetings of the Board and its Committees, along with reimbursement of expenses incidental thereto. Based on the recommendation of NRC, the Board approved payment of sitting fees to the NEDs at ₹ 1,00,000 per Board meeting and ₹ 90,000 per Committee meeting.

It may be noted that Mr. Narendra Ostawal has voluntarily chosen to forego both sitting fees and fixed remuneration in connection with his role as a Director on the Board of the Bank, except reimbursement of incidental expenses incurred by him in the discharge of his duties.

The criteria for making payments to NEDs is available on the Bank's website: www.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Director related Documents' section.

During FY 2025-26, the Bank did not grant any stock options to the NEDs of the Bank. The Bank did not grant any loans or advances to its Directors during FY 2025-26, other than personal credit card facilities and overdraft facilities extended to Directors in the ordinary course of business. Further, except for loans availed by Mr. Pradeep Natarajan prior to his appointment as Executive Director ("**ED**") during his tenure as Head of Retail Banking, no additional loans have been availed by him during his tenure as ED.

The WTDs are not entitled to any severance fee, and the notice period is subject to compliance with the provisions of the Banking Regulation Act, Banks' policy and other applicable regulations. None of the employees of the Bank are related to any of the Directors. Further, none of the Directors of the Bank are related to each other.

During FY 2025-26, there were no other pecuniary relationships or transactions between the NEDs and the Bank, except banking transactions in the ordinary course of businesses and on an arm's length basis, which had any potential conflict with the interests of the Bank at large.

The remuneration paid to the Directors is within the limits prescribed under the Companies Act, the Listing Regulations, the Banking Regulation Act and the applicable RBI directions, guidelines and regulatory requirements, as amended from time to time.

Details of remuneration paid to the Directors during FY 2025-26 are as below:

Name of the Director	Stock Options granted during the year (No.)	Sitting Fees (in ₹)	Remuneration (in ₹)
Mr. Sanjeeb Chaudhuri[1]	-	46,30,000	30,00,000
Mr. V. Vaidyanathan[2]	20,23,375	-	5,58,65,726
Mr. Pradeep Natarajan[3]	12,50,279	-	6,28,97,465
Mr. Aashish Kamat	-	29,00,000	28,00,000
Ms. Matangi Gowrishankar	-	31,90,000	28,00,000
Mrs. Pankajam Sridevi	-	28,30,000	28,00,000
Mr. Pravir Vohra	-	39,10,000	28,00,000
Mr. S. Ganesh Kumar	-	33,60,000	28,00,000
Mr. Sudhir Kapadia	-	31,90,000	28,00,000
Mr. Uday Bhansali	-	42,70,000	28,00,000
Mr. Narendra Ostawal[4]	-	-	-

Notes:

1. The remuneration paid to Mr. Sanjeeb Chaudhuri as a Part-Time Non-Executive Chairperson (Independent) for FY 2025-26 is as approved by the RBI and the shareholders of the Bank.

2. For FY 2025-26, Mr. V. Vaidyanathan voluntarily chose to forgo his annual increment and cash variable pay and hence, did not receive any increase in his fixed remuneration over FY 2024-25.

   Since FY 2020-21, Mr. V. Vaidyanathan has voluntarily forgone his cash variable pay each year. Accordingly, no cash variable pay became payable to him during FY 2025-26, even upon completion of applicable deferral period.

3. The remuneration paid to Mr. Pradeep Natarajan, Executive Director, *inter alia* includes deferred cash variable pay pertaining to previous financial years, which was paid during FY 2025-26 upon completion of the prescribed deferral period as per schedule, in accordance with the Remuneration Policy of the Bank and the applicable RBI compensation guidelines *[now subsumed under the 'RBI (Commercial Banks – Governance) Directions, 2025, as amended']*.

   For FY 2025-26, Mr. Natarajan was granted an increase of 8.5% over his fixed remuneration for FY 2024-25, after obtaining the requisite approval from the RBI.

4. During FY 2025-26, no sitting fees or remuneration were paid to Mr. Narendra Ostawal, as he had voluntarily chosen to forgo the same.

5. 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, 2026.

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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, 2026:

Name of the Director	No. of equity shares held
Mr. V. Vaidyanathan[1]	7,10,00,274
Mr. Pradeep Natarajan	23,05,500
Mr. Aashish Kamat	75,000
Ms. Matangi Gowrishankar[2]	1,275
Mrs. Pankajam Sridevi	1,000
Mr. Pravir Vohra	10,12,250
Mr. Sanjeeb Chaudhuri	45,800
Mr. Sudhir Kapadia	50,000

Notes:

1. As of March 31, 2026, Mr. V. Vaidyanathan, MD & CEO held 7,10,00,274 equity shares including 38,32,860 equity shares held through the Rukmani Social Welfare Trust, where he serves as a Trustee.

   The background for the Trust is as follows. In January 2018, Mr. Vaidyanathan donated 5,00,000 equity shares of erstwhile Capital First Limited, valued at ₹ 39.26 crore at the time of the transfer, to the Trust. Pursuant to the merger of Capital First Limited with IDFC FIRST Bank, these shares were converted into equity shares of the Bank in accordance with the applicable share exchange ratio.

   The Trust sells shares from time to time to fund welfare activities including support to educational institutions, medical assistance to children, financial assistance to people of low income, National Association of the Blind, and other such purposes as permitted by the Trust. Neither Mr. Vaidyanathan nor his immediate family members are beneficiaries of the Trust in any manner whatsoever.

2. 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.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Codes and 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 at the end 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 affirmance to the Code for Independent Directors as prescribed under Schedule IV of the Companies Act. In the opinion of the Board, the Independent Directors fulfil the specified conditions prescribed under the Listing Regulations and the Companies Act and are independent of the Management of the Bank.

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 on the Board 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 at the end of this Report.

The terms and conditions of appointment of Independent Directors are also disclosed on the Bank's website: www.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Director Related Documents' section.

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BOARD MEETINGS

The Board meets at least once every quarter to, *inter-alia*, review the quarterly financial results and consider other matters placed before it. Additional meetings are convened, as and when required, to deliberate upon significant or urgent business matters. The annual calendar of Board meetings is finalised in advance and communicated to the Directors to facilitate effective participation.

The Bank also provides the facility of participation through video conferencing or other audio-visual means, wherever required, to enable wider participation by Directors in Board and Committee meetings.

The Chairpersons of the respective Board Committees interact with the Senior Management prior to Committee meetings, whenever considered necessary.

Members of the Senior Management, along with relevant functional representatives, are invited to attend Board and Committee meetings, as required, to make presentations and provide additional inputs on agenda items under consideration.

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 also reviews, on a quarterly basis, compliance reports pertaining to the laws applicable to the Bank, including the Integrated Corporate Governance reports submitted to the Stock Exchanges. Further, the roles, responsibilities and duties of Directors are governed by the provisions of the Companies Act, the Banking Regulation Act, the Listing Regulations, RBI directions and guidelines, and other applicable laws.

The RBI, vide RBI (Commercial Banks – Governance) Directions, 2025, as amended (**"RBI Governance Directions"**), prescribes seven (7) comprehensive critical themes for Board deliberations, namely, Business Strategy, Risk, Financial Reports and their integrity, Compliance, Customer Protection, Financial Inclusion and Human Resources. The agenda items and matters falling within the ambit of these themes are reviewed by the relevant Board Committees, and the key deliberations, recommendations and outcomes thereof are subsequently placed before the Board for its oversight and consideration.

During FY 2025-26, thirteen (13) Board meetings were held on April 17, 2025, April 26, 2025, July 03, 2025, July 26, 2025, September 30, 2025, October 08, 2025, October 18, 2025, October 27, 2025, January 02, 2026, January 31, 2026, February 21, 2026, March 04, 2026 and March 25, 2026.

The maximum gap between any two consecutive meetings was less than 120 days and all meetings were held during the year with the requisite quorum.

Periodic presentations on the Bank's business strategy, operating and financial performance, risk profile, regulatory developments and other significant matters are made to the Board and its Committees. The information required to be placed before the Board in terms of Part A of Schedule II to the Listing Regulations is placed before the Board for its consideration, as and when applicable.

The details of the Directors, including their attendance at Board meetings and the AGM held during FY 2025-26, along with their directorships and committee positions, etc. as on March 31, 2026, are provided below:

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Composition of Board of Directors of the Bank during FY 2025-26 and other details as on March 31, 2026

Name of the Director	Date of first Appointment	Completed Age	Position on the Board	Board Meetings attended in FY 2025-26
Mr. Sanjeeb Chaudhuri (DIN: 03594427)	May 10, 2019	73	Part-Time Non-Executive Chairperson (Independent)	13/13
Mr. V. Vaidyanathan (DIN: 00082596)	December 19, 2018	58	Managing Director & Chief Executive Officer	13/13
Mr. Pradeep Natarajan (DIN 10499651)	June 01, 2024	53	Executive Director	12/13
Mr. Aashish Kamat (DIN: 06371682)	December 18, 2018	60	Independent Director	11/13
Ms. Matangi Gowrishankar (DIN: 01518137)	January 20, 2024	68	Independent Director	13/13
Ms. Pankajam Sridevi (DIN 06783360)	September 27, 2024	66	Independent Director	13/13
Mr. Pravir Vohra (DIN: 00082545)	August 01, 2018	71	Independent Director	13/13
Mr. S. Ganesh Kumar (DIN: 07635860)	April 30, 2021	66	Independent Director	12/13
Mr. Sudhir Kapadia (DIN 05307843)	October 26, 2024	63	Independent Director	13/13
Mr. Uday Bhansali (DIN 00363902)	September 27, 2024	64	Independent Director	13/13
Mr. Narendra Ostawal (DIN: 06530414)	September 30, 2025	48	Non-Executive Non-Independent Director	7/9

Notes:

1. Mr. Narendra Ostawal was appointed as a Non-Executive Non-Independent Director (Nominee of Currant Sea Investments B.V.) on the Board of the Bank, with effect from September 30, 2025, upon receipt of the requisite regulatory and statutory approvals.
2. Subsequent to FY 2025-26, Mr. S. Ganesh Kumar was re-appointed as an Independent Director of the Bank for a second term of three (3) consecutive years, commencing from April 30, 2026 up to April 29, 2029 (both days inclusive), upon receipt of the requisite regulatory and statutory approvals.
3. Mr. V. Vaidyanathan, MD & CEO, was not on Board of any other company.
4. None of the Directors of the Bank was a member of more than ten (10) committees or acted as Chairperson of more than five (5) Committees across all public limited companies in which they held directorships, in compliance with Regulation 26 of the Listing Regulations.
5. None of the Directors held directorships in more than ten (10) public limited companies.
6. None of the Directors served as a Director or Independent Director on the Boards of more than seven (7) listed companies.

Whether attended 11th AGM held on July 29, 2025*	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	1(0)
Yes	1	0	None	1(0)
Yes	2	0	None	1(0)
Yes	4	0	Ugar Sugar Works Limited (Independent Director) JSW Cement Limited (Independent Director)	3(2)
Yes	7	4	Gujarat Pipavav Port Limited (Independent Director) Greenlam Industries Limited (Independent Director) Cohance Lifesciences Limited (Independent Director) Akums Drugs and Pharmaceuticals Limited (Independent Director)	7(1)
Yes	1	0	None	2(1)
Yes	4	2	Kirloskar Ferrous Industries Limited (Independent Director) Kirloskar Pneumatic Company Limited (Independent Director)	4(0)
Yes	2	0	Central Depository Services (India) Limited (Public Interest Director)	3(0)
Yes	3	0	None	2(2)
Yes	3	3	Kansai Nerolac Paints Limited (Independent Director)	2(1)
Not Applicable	3	2	None	1(0)

7. None of the Independent Directors resigned from the Board during the Financial Year ended March 31, 2026.

8 None of the Directors of the Bank is related to any other Director.

* The Chairpersons of the Audit Committee, the Nomination and Remuneration Committee, and the Stakeholders' Relationship and Customer Service Committee were present at the 11th AGM of the Bank held on July 29, 2025.

^ Excludes directorships held in foreign companies but includes directorships held in private companies and Section 8 companies incorporated in India.

\# Includes memberships of the Audit Committee and Stakeholders' Relationship Committee of all Indian public 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.

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All Directors of the Bank have submitted the requisite declarations, disclosures, undertakings and consents in accordance with the applicable statutory and regulatory requirements.

In terms of the RBI Governance Directions, the Bank carried out continuing due diligence, including assessment of the fit and proper status of the Directors during FY 2025-26. Pursuant to the applicable laws and based on the review of the disclosures, declarations and other relevant information furnished by the Directors as on March 31, 2026, the NRC and the Board noted that all Directors continued to satisfy the applicable regulatory requirements, including the fit and proper criteria prescribed by the RBI, and were eligible to continue as Directors of the Bank.

Based on the above, the Board, at its meeting held on April 25, 2026, certified compliance with the requirements of Paragraph 45 of the RBI Directions, relating to continuing due diligence and fit and proper assessment of Directors. Accordingly, the Bank submitted the Annual Certificate on Continuing Due Diligence and Fit and Proper Status of Directors of the Bank, to the RBI.

BOARD COMMITTEES

The Board has constituted various Board-level Committees to delegate particular matters that require greater and more focused attention. These Committees assist the Board in discharging its responsibilities by providing detailed review and guidance on matters, while also enabling efficient decision-making in the best interest of the Bank.

The Committees operate within their respective terms of reference approved by the Board and, as appropriate, place their recommendations before the Board for its consideration.

The Board and its Committees have been constituted in compliance with the provisions of the RBI Governance Directions, as amended, the Companies Act, the Listing Regulations and other applicable laws.

As on March 31, 2026, the Bank had the following Board-level Committees, constituted in accordance with the applicable provisions of law and governance requirements:

- 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

The Board-level Committees comprise a majority of Independent Directors, and most of these Committees are chaired by Independent Directors. During FY 2025-26, all recommendations made by the Committees were accepted by the Board.

Mr. Satish Gaikwad, General Counsel and Company Secretary, acts as the Secretary for all the Board meetings and all Board - level Committee meetings and ensures compliance with the applicable statutory and regulatory requirements governing the conduct of such meetings.

Also, the Bank has put in place a Management Committee framework under which matters, wherever applicable, are reviewed and deliberated by the relevant Management Committees before being placed before the Board and its Committees. This strengthens governance, facilitates informed decision-making and enhances the overall control and compliance environment within the Bank.

As on March 31, 2026, 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
- Information Security Steering Committee

The composition of the Board-level Committees, their key terms of reference, and details of meetings held and attendance of Directors during FY 2025-26 are provided below.

1. Audit Committee

As on March 31, 2026, the Audit Committee comprised of Mr. Sudhir Kapadia - Chairperson, Mrs. Pankajam Sridevi and Mr. S. Ganesh Kumar.

The Chief Financial Officer, Joint Statutory Auditors and the Internal Auditors attended the meetings of the Audit Committee as invitees, wherever required. The representatives of the Joint Statutory Auditors attended the Audit Committee meetings held during FY 2025-26 for review of the quarterly and annual financial results and financial statements of the Bank, and for discussion on other significant matters, as applicable.

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 2025-26, on April 25, 2025, July 25, 2025, October 17, 2025, January 30, 2026, February 21, 2026 and March 25, 2026. 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 2025-26 are given in **Table No. 1.**

Table No. 1: Attendance details of the Audit Committee meetings held during FY 2025-26

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2025-26
Mr. Sudhir Kapadia[1]	Chairperson (Independent Director)	6/6
Mr. Pankajam Sridevi[2]	Member (Independent Director)	3/3
Mr. S. Ganesh Kumar	Member (Independent Director)	6/6
Mr. Aashish Kamat[3]	Chairperson (Independent Director)	3/3

Notes:

1. Mr. Sudhir Kapadia, who was a member of Audit Committee, was appointed as the Chairperson of the Audit Committee by the Board, with effect from October 18, 2025.
2. Mrs. Pankajam Sridevi was appointed as a Member of the Audit Committee by the Board, with effect from October 18, 2025.
3. Mr. Aashish Kamat ceased to be a Member and Chairperson of the Audit Committee, with effect from October 18, 2025.

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,

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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, going concern assumption 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.
- Review of adequacy of the internal audit function, including the reporting structure of the Internal Audit Department.
- Approve the Annual Risk Based Audit Plan, coverage and frequency of internal audit, internal audit resourcing/ staffing and cost budgets and any mid-term reviews thereof.
- Review audit plan and status of the plan.
- 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.
- To note manual interventions/ data fixes in Central NPA system in terms of the regulatory requirement.
- 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 of 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, 2026, the RMC comprised of Mr. Aashish Kamat - Chairperson, Mr. Sanjeeb Chaudhuri, Mr. S. Ganesh Kumar, Mr. Uday Bhansali, Mr. Narendra Ostawal 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 four (4) times during FY 2025-26, on April 25, 2025, July 25, 2025, October 17, 2025 and January 30, 2026. 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 2025-26 are given in **Table No. 2.**

Table No. 2: Attendance details of the Risk Management Committee meetings held during FY 2025-26

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2025-26
Mr. Aashish Kamat[1]	Chairperson (Independent Director)	1/1
Mr. S. Ganesh Kumar[2]	Member (Independent Director)	4/4
Mr. Sanjeeb Chaudhuri	Member (Independent Director)	4/4
Mr. Uday Bhansali[3]	Member (Independent Director)	1/1
Mr. Narendra Ostawal[3]	Member (Non-Executive Non-Independent Director)	1/1
Mr. V. Vaidyanathan	Member (MD & CEO)	4/4
Ms. Matangi Gowrishankar[4]	Member (Independent Director)	3/3
Mr. Pravir Vohra[4]	Member (Independent Director)	3/3

Note:

1. Mr. Aashish Kamat was appointed as Member and Chairperson of the RMC by the Board, with effect from October 18, 2025.
2. Mr. S. Ganesh Kumar ceased to be the Chairperson of the RMC, with effect from October 18, 2025. However, he continued as a Member of RMC thereafter.
3. Mr. Uday Bhansali and Mr. Narendra Ostawal were appointed as Members of the RMC by the Board, with effect from October 18, 2025.
4. Ms. Matangi Gowrishankar and Mr. Pravir Vohra ceased to be Members of the RMC, with effect from October 18, 2025.

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 review and 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 the implementation of regulatory frameworks, systems and ensure appropriate

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skilled resources are in place within risk management function.

- 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.
- The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.
- 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, 2026, the NRC comprised of Ms. Matangi Gowrishankar - Chairperson, Mr. Aashish Kamat, Mr. Sanjeeb Chaudhuri, Mr. Sudhir Kapadia, Mr. Uday Bhansali and Mr. Narendra Ostawal.

The Committee met seven (7) times during FY 2025-26, on April 24, 2025, July 24, 2025, September 30, 2025, October 15, 2025, October 18, 2025, January 02, 2026 and January 30, 2026. 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 2025-26 are given in **Table No. 3.**

Table No. 3: Attendance details of the Nomination and Remuneration Committee meetings held during FY 2025-26

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2025-26
Ms. Matangi Gowrishankar[1]	Chairperson (Independent Director)	7/7
Mr. Sudhir Kapadia[2]	Member (Independent Director)	7/7
Mr. Aashish Kamat	Member (Independent Director)	6/7
Mr. Sanjeeb Chaudhuri	Member (Independent Director)	7/7
Mr. Uday Bhansali	Member (Independent Director)	7/7
Mr. Narendra Ostawal[3]	Member (Non-Executive Non-Independent Director)	1/2
Mr. S. Ganesh Kumar[4]	Member (Independent Director)	5/5

Notes:

1. Ms. Matangi Gowrishankar, who was a member of NRC, was appointed as the Chairperson of the NRC by the Board, with effect from October 18, 2025.
2. Mr. Sudhir Kapadia ceased to be the Chairperson of the NRC, with effect from October 18, 2025. However, he continued as a Member of NRC thereafter.
3. Mr. Narendra Ostawal was appointed as a Member of the NRC by the Board, with effect from October 18, 2025.
4. Mr. S. Ganesh Kumar ceased to be a Member of the NRC, with effect from October 18, 2025.

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.
- To oversee the framing, review and implementation of the policy.

4. Credit Committee

As on March 31, 2026, the Credit Committee comprised of Mr. Pravir Vohra - Chairperson, Mr. Sanjeeb Chaudhuri, Mr. Uday Bhansali, Mr. V. Vaidyanathan and Mr. Narendra Ostawal.

The Committee met twelve (12) times during FY 2025-26, on April 30, 2025, May 30, 2025, June 30, 2025, July 23, 2025, August 25, 2025, September 29, 2025, October 27, 2025, November 26, 2025, December 30, 2025, January 28, 2026, February 27, 2026 and March 23, 2026. 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 2025-26 are given in **Table No. 4.**

Table No. 4: Attendance details of the Credit Committee meetings held during FY 2025-26

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2025-26
Mr. Pravir Vohra	Chairperson (Independent Director)	12/12

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Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2025-26
Mr. Sanjeeb Chaudhuri	Member (Independent Director)	12/12
Mr. Uday Bhansali	Member (Independent Director)	12/12
Mr. Narendra Ostawal[1]	Member (Non-Executive Non-Independent Director)	4/6
Mr. V. Vaidyanathan	Member (MD & CEO)	11/12

Notes:

1. Mr. Narendra Ostawal was appointed as a Member of the Credit Committee by the Board, with effect from October 18, 2025.

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, 2026, the IT Strategy Committee (**"ITSC"**) comprised of Mr. S. Ganesh Kumar - Chairperson, Mrs. Pankajam Sridevi, Mr. Pravir Vohra, Mr. Sudhir Kapadia and Mr. V. Vaidyanathan.

The Committee met four (4) times during FY 2025-26, on April 23, 2025, July 23, 2025, October 14, 2025, and January 29, 2026. 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 2025-26 are given in **Table No. 5.**

Table No. 5: Attendance details of the IT Strategy Committee meetings held during FY 2025-26

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2025-26
Mr. S. Ganesh Kumar[1]	Chairperson (Independent Director)	4/4
Mr. Pravir Vohra[2]	Member (Independent Director)	4/4
Mrs. Pankajam Sridevi	Member (Independent Director)	4/4
Mr. Sudhir Kapadia	Member (Independent Director)	4/4
Mr. V. Vaidyanathan	Member (MD & CEO)	4/4
Mr. Sanjeeb Chaudhuri[3]	Member (Independent Director)	3/3

Notes:

1. Mr. S. Ganesh Kumar, who was a member of ITSC, was appointed as the Chairperson of the ITSC by the Board, with effect from October 18, 2025.
2. Mr. Pravir Vohra ceased to be the Chairperson of the ITSC, with effect from October 18, 2025. However, he continued as a Member of ITSC thereafter.
3. Mr. Sanjeeb Chaudhuri ceased to be a Member of the ITSC, with effect from October 18, 2025.

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")

As on March 31, 2026, the SCBMF comprised of Mr. Pravir Vohra - Chairperson, Mr. Aashish Kamat, Ms. Matangi Gowrishankar, Mrs. Pankajam Sridevi and Mr. V. Vaidyanathan.

The Committee met five (5) times during FY 2025-26, on April 24, 2025, July 23, 2025, October 14, 2025, January 28, 2026 and February 20, 2026. 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 2025-26 are given in **Table No. 6.**

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Table No. 6: Attendance details of the SCBMF meetings held during FY 2025-26

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2025-26
Mr. Pravir Vohra[1]	Chairperson (Independent Director)	5/5
Mr. Aashish Kamat	Member (Independent Director)	5/5
Ms. Matangi Gowrishankar[2]	Member (Independent Director)	2/2
Mrs. Pankajam Sridevi[3]	Member (Independent Director)	5/5
Mr. V. Vaidyanathan	Member (MD & CEO)	5/5
Mr. Uday Bhansali[4]	Member (Independent Director)	3/3

Notes:

1. Mr. Pravir Vohra, who was a member of SCBMF, was appointed as the Chairperson of the SCBMF by the Board, with effect from October 18, 2025.
2. Ms. Matangi Gowrishankar was appointed as a Member of the SCBMF by the Board, with effect from October 18, 2025.
3. Mrs. Pankajam Sridevi ceased to be the Chairperson of the SCBMF, with effect from October 18, 2025. However, she continued as a Member of SCBMF thereafter.
4. Mr. Uday Bhansali ceased to be a Member of the SCBMF, with effect from October 18, 2025.

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, 2026, the SRCSC comprised of Mrs. Pankajam Sridevi - Chairperson, Ms. Matangi Gowrishankar, Mr. Pravir Vohra, Mr. Sanjeeb Chaudhuri, Mr. S. Ganesh Kumar, 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), Securities Market Approach for Resolution Through ODR Portal (SMART ODR Portal), 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 raising complaints/ grievances.

The Committee met four (4) times during FY 2025-26, on April 23, 2025, July 23, 2025, October 15, 2025, and January 28, 2026. All the meetings were held during the year with requisite quorum.

The composition, names of members and chairperson, and their attendance at the SRCSC Committee meetings held during FY 2025-26 are given in **Table No. 7.**

Table No. 7: Attendance details of the SRCSC meetings held during FY 2025-26

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2025-26
Mrs. Pankajam Sridevi[1]	Chairperson (Independent Director)	4/4
Ms. Matangi Gowrishankar[2]	Member (Independent Director)	4/4
Mr. Pravir Vohra	Member (Independent Director)	4/4
Mr. Sanjeeb Chaudhuri[3]	Member (Independent Director)	1/1
Mr. S. Ganesh Kumar	Member (Independent Director)	4/4
Mr. V. Vaidyanathan	Member (MD & CEO)	4/4
Mr. Sudhir Kapadia[4]	Member (Independent Director)	3/3

Notes:

1. Mrs. Pankajam Sridevi, who was a member of SRCSC, was appointed as the Chairperson of the SRCSC by the Board, with effect from October 18, 2025.
2. Ms. Matangi Gowrishankar ceased to be the Chairperson of the SRCSC, with effect from October 18, 2025. However, she continued as a Member of SRCSC thereafter.
3. Mr. Sanjeeb Chaudhuri was appointed as a Member of the SRCSC by the Board, with effect from October 18, 2025.
4. Mr. Sudhir Kapadia ceased to be a Member of the SRCSC, with effect from October 18, 2025.

The details of Complaints received and attended by the Bank during FY 2025-26 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 2025-26

Complaints pending as on April 01, 2025	Complaints received during the year	Complaints redressed during the year	Complaints pending as on March 31, 2026
7	67	64	0*

* *With effect from December 31, 2025, in line with applicable SEBI Circulars and FAQs under Regulation 13(3) of the Listing Regulations, legal cases/litigations have been excluded from the scope of investor complaint reporting. Accordingly, the number of pending investor complaints have been reported as **Nil** as on March 31, 2026.*

During FY 2025-26, no Complaints were received in respect of the bonds/ Non-Convertible Debentures issued by the Bank on private placement basis.

Corporate Governance Report

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.
- Resolving grievances of debenture holders related to creation of charge, payment of interest/ principal, maintenance of security cover and any other covenants, to the extent applicable to the Bank.
- 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.
- To consider annual internal audit report of Registrar and Share Transfer Agent along with Action Taken Report in the prescribed format.
- 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.
- All other matters incidental or related to shares, debentures and other securities issued by the Company and carry out such other functions as may be delegated by the Board from time to time.

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, 2026, 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 2025-26, on April 23, 2025, July 24, 2025, October 15, 2025, and January 28, 2026. 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 2025-26 are given in **Table No. 8.**

Table No. 8: Attendance details of the CSR and ESG Committee meetings held during FY 2025-26

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2025-26
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	Member (Independent Director)	4/4

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.idfcfirst.bank.in 'The Bank' →'Investors' → 'Corporate Governance' → 'Codes and 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 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 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:

- Recommend to the Board and annually review the ESG Policy and monitor the associated strategy, outlining activities to be undertaken in alignment with regulatory requirements, global best practices, and the Bank's overall sustainability objectives.
- Review all sustainability-related disclosures being made in statutory reports, including but not limited to the Business Responsibility and Sustainability Report ("**BRSR**") and reports pertaining to the Bank's Green Fixed Deposits.
- Annually recommend to the Board the appointment/re-appointment of a qualified Assurance Provider for BRSR Core as specified in relevant SEBI Master Circulars (also applicable for similar engagements, as required).
- Monitor macro-level trends on climate, sustainable finance, reporting standards and material topics to set the Bank's ESG goals; and periodically review the ESG initiatives, target implementation and related performance.

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- Oversee the progress of sustainable finance, monitor the existing green and social book, and advise on opportunities to responsibly increase exposure to green and social portfolios in line with the Bank's strategic priorities.
- Review the Bank's ESG ratings and recommend the Board to approve the policies, programs, disclosure requirements, and other measures aimed at enhancing ESG rating performance and driving continuous improvement.
- Abide by any other requirement in accordance with the applicable provisions of the SEBI Listing Regulations, RBI frameworks & Companies Act read with relevant rules thereunder, and other applicable laws, or any re-enactment, amendment or modification thereto from time to time.

9. Wilful Defaulters Review Committee

As on March 31, 2026, the Wilful Defaulters Review Committee comprised of Mr. V. Vaidyanathan - Chairperson, Ms. Matangi Gowrishankar, Mr. Sudhir Kapadia and Mr. S. Ganesh Kumar.

During the FY 2025-26, Mr. Sudhir Kapadia has been appointed as a Member of the Wilful Defaulters Review Committee by Board with effect from October 18, 2025. Further Mr. Aashish Kamat, Mrs. Pankajam Sridevi and Mr. Uday Bhansali ceased to be the Members of the Wilful Defaulters Review Committee, with effect from October 18, 2025.

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 ("ATRMC")

As on March 31, 2026, the ATRMC comprised of Mr. V. Vaidyanathan - Chairperson, Mrs. Pankajam Sridevi, Mr. Pradeep Natarajan, Mr. Uday Bhansali 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.

During the FY 2025-26, Mr. Uday Bhansali has been appointed as a Member of the ATRMC by the Board, with effect from October 18, 2025. Further, Mr. Sudhir Kapadia and Mr. Sudhanshu Jain, Chief Financial Officer & Head - Corporate Centre, ceased to be the Members of the ATRMC, with effect from October 18, 2025.

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, 2026, the CRCRC comprised of Mr. Uday Bhansali - Chairperson, Mr. Aashish Kamat, Mr. Sanjeeb Chaudhuri and Mr. V. Vaidyanathan.

The Committee met five (5) times during FY 2025-26, on April 17, 2025, August 01, 2025, August 19, 2025, October 08, 2025, and October 27, 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 2025-26 are given in **Table No. 9.**

Table No. 9 : Attendance details of the CRCRC meetings held during FY 2025-26

Name of the Member	Category (Position on the Board)	No. of Meetings attended in FY 2025-26
Mr. Uday Bhansali	Chairperson (Independent Director)	5/5
Mr. Aashish Kamat	Member (Independent Director)	4/5
Mr. Sanjeeb Chaudhuri	Member (Independent Director)	5/5
Mr. V. Vaidyanathan	Member (MD & CEO)	5/5

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 Director 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

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Board that is necessary for the Board to effectively and reasonably perform their duties.

Accordingly, during FY 2025-26, a separate meeting of the Independent Directors of the Bank was held on July 25, 2025, 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 2024-25. The meeting was attended by all the eight (8) Independent Directors of the Bank.

SENIOR MANAGEMENT PERSONNEL ("SMP")

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, 2026 are as follows:

Name of SMP	Designation
Mr. V. Vaidyanathan	Managing Director & CEO
Mr. Pradeep Natarajan	Executive Director
Mr. Paritosh Mathur	Wholesale Banking
Mr. Chetan Sanghvi	Chief Risk Officer
Mr. Sudhanshu Jain	Chief Financial Officer & Head Corporate Centre
Mr. Adrian Andrade	Chief Human Resources Officer
Mr. Tyagarajan Iyer	Operations & Technology
Mr. Nitin Chauhan	Chief Information Security Officer
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	Retail Assets
Mr. Ashish Singh	Retail Liabilities
Mr. Shirish Bhandari	Credit Cards
Mr. Vikas Sharma	Wealth Management & Private Banking
Mr. Rajesh Krishnamoorthy	Retail Credit, Risk & Debt Management
Mr. Avik Sarkar	Chief Data & Analytics Officer
Mr. Ashish Anchaliya	Chief Product Officer
Mr. Chandra Shekhar Satpathy	Digital Solutions
Mr. Ashish Pancholi	Customer Experience
Mr. Anirban Dutta	Personalization & Digital Acquisitions

Note:

The positions of Head - Retail Liabilities and Chief Marketing Officer ceased to form part of the Senior Management of the Bank during FY 2025-26, owing to the unfortunate demise of the incumbent holding the former position and the resignation of the incumbent holding the latter position. The relevant details pertaining to these changes were duly intimated to the Stock Exchanges in accordance with the applicable regulatory requirements.

RELATED PARTY TRANSACTIONS

During FY 2025-26, 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 an arm's length basis. Accordingly, such transactions did not attract the provisions of Section 188 of the Companies Act. The Audit Committee was periodically apprised of and reviewed these transactions in terms of applicable laws and relevant policies of the Bank.

The Bank has not entered into any material transactions with its related parties, including, inter-alia, its Directors, Key Managerial Personnel, Subsidiaries or relatives of Directors, that could lead to any potential conflict of interest with the Bank.

Appropriate disclosures relating to related party transactions, as required under Accounting Standard

(AS) 18, have been made in the Notes to the Financial Statements. Further, 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.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Codes and Policies' section.

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

The Bank has adopted a Code of Conduct for Prohibition of Insider Trading (**"PIT Code"**) in accordance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (**"SEBI PIT Regulations"**), to regulate, monitor and report trading in the securities of the Bank by its Directors, Designated Persons (**"DPs"**) and their immediate relatives, and to ensure preservation of Unpublished Price Sensitive Information (**"UPSI"**).

In accordance with the PIT Code, DPs and their immediate relatives are required to obtain prior approval from the Compliance Officer before undertaking trades in the securities of the Bank during periods when the trading window is open. Trading in the Bank's securities is prohibited during trading window closure periods.

In compliance with the SEBI PIT Regulations and the operating guidelines prescribed by the depositories, the Bank has implemented a mechanism for freezing the PANs of DPs and their immediate relatives during trading window closure periods, thereby restricting transactions in the Bank's securities during such periods. The PANs are unfrozen upon reopening of the trading window in accordance with the applicable regulatory requirements.

The Bank also maintains a Restricted List, which is periodically reviewed and updated, to regulate trading in the securities of companies in respect of which certain employees may have access to UPSI. Trading in such securities is subject to the restrictions prescribed under the SEBI PIT Regulations and the PIT Code.

No employee or DP is permitted to communicate, provide or allow access to any UPSI relating to the Bank, its securities or any other company(ies), except for legitimate purposes, performance of duties or discharge of legal obligations, and in accordance with the SEBI PIT Regulations and the PIT Code. The Bank has established appropriate controls and monitoring mechanisms to safeguard the confidentiality of UPSI and prevent its misuse.

The Bank maintains a Structured Digital Database ("**SDD**") for recording and monitoring access to, and sharing of, UPSI, thereby strengthening compliance with the SEBI PIT Regulations and the Bank's PIT Code.

During FY 2025-26, the Bank continued to strengthen awareness and compliance relating to insider trading regulations through mandatory training programmes, periodic communications and employee sensitisation initiatives. These initiatives focused on key requirements under the PIT Code and the SEBI PIT Regulations, including pre-clearance of trades, trading window restrictions, disclosure obligations, maintenance of records relating to immediate relatives and securities holdings, ESOP-related compliance requirements, and preservation of UPSI.

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

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safeguards against victimization of those who avail such mechanism and also provides for direct access to the Chairperson of the Audit Committee, in exceptional cases. 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.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Codes and Policies' section.

The Whistle Blower Policy is communicated to the employees and is also posted on the Bank's intranet.

Pursuant to completion of the term of Mr. Nilesh Doshi as the Chief Vigilance Officer ("**CVO**") of the Bank on August 16, 2026, he ceased to be the CVO of the Bank. Consequently, based on the recommendations of the Audit Committee and the Nomination and Remuneration Committee, the Board, at its meeting held on July 25, 2026, approved the appointment of Mr. Anurag Mishra as the CVO of the Bank, with effect from August 17, 2026.

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 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.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'View All Annual Reports' → 'IDFC FIRST Bank Annual Reports' → 'IDFC FIRST Bank - Annual Report FY 2025-26' section.

The details pertaining to number of complaints during the year has been provided below:

a) Number of complaints filed during the year: 4

b) Number of complaints disposed of during the year: 2

c) Number of complaints pending at the end of the financial year: 2 *(All pending complaints were processed within the prescribed turnaround time and none of the complaints remained unresolved beyond 90 days)*

PENALTIES AND STRICTURES – CAPITAL MARKET

a) The details of non-compliances, penalties and/or strictures imposed on the Bank by the Stock Exchanges, SEBI or any other statutory authority on matters relating to the capital markets during the last three financial years are provided 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) During FY 2025-26, the Reserve Bank of India (**"RBI"**) imposed two monetary penalties of ₹ 5,000 and ₹ 10,000 on the Bank in respect of observations relating to exchange of notes and certain other matters at two branches of the Bank during incognito visits. The Bank has also examined the incidents and taken necessary corrective actions to avoid recurrence of the same in future.

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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.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Codes and 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 2025-26 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.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Codes and Policies' section.

The Board has authorised KMPs for determining materiality of events or information and making necessary disclosures to the Stock Exchanges.

Pursuant to Regulation 46 of the Listing Regulations, the Bank maintains a functional website, www.idfcfirst.bank.in, containing, inter-alia, information relating to its business and operations, financial results, shareholding pattern, corporate governance disclosures and contact details of designated officials responsible for handling investor queries and 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.idfcfirst.bank.in

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 results and other disclosures submitted by the Bank to the Stock Exchanges are available on the websites of NSE and BSE.

The Bank's quarterly, half-yearly and annual financial results, together with other important corporate announcements, are generally published in leading newspapers, including Business Line and Makkal Kural (Chennai edition), and are also available on the Bank's website, www.idfcfirst.bank.in, under the 'Investors' section.

COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

The Bank has complied with all applicable mandatory corporate governance requirements stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and Paras C, D and E of Schedule V of the Listing Regulations.

The Bank has also adopted and complied with the non-mandatory requirements as follows:

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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 audit, 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 Chief Internal Auditor reports to the Managing Director & Chief Executive Officer of the Bank and the Audit Committee of the Board.

Shareholder Rights

Quarterly, half-yearly and annual financial results along with Investor Presentations thereon are uploaded on the Bank's website: www.idfcfirst.bank.in

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 2025-26. Accordingly, there is no requirement for disclosing the same.

TOTAL FEES FOR STATUTORY AUDITORS OF THE BANK

During FY 2025-26: a] ₹ 3.00 crore was paid/ provided as Audit Fees to be allocated between Joint Statutory Auditors, viz., Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/ W100166) (Till Q1 FY 2025-26), M. P. Chitale & Co, Chartered Accountants (Firm Registration No: 101851W) and Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/ N500013); b] ₹ 0.80 crore was paid/ provided for rendering other services such as LFAR, Tax Audit and RBI Certificates.

The above fees exclude applicable taxes and out-of-pocket expenses.

GENERAL SHAREHOLDER INFORMATION

12th Annual General Meeting:

Day and Date: Monday, August 31, 2026

Time: 2:00 p.m. Indian Standard Time

Venue: Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")

Financial Year: April 1, 2025 to March 31, 2026

The relevant details will form part of the Notice convening the 12th AGM.

In compliance with Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meetings, the requisite particulars of Director seeking appointment/ re-appointment at the 12th AGM is provided in the Annexure to the AGM Notice.

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, 2026, results were announced on:**
  - July 26, 2025 for first quarter
  - October 18, 2025 for second quarter and half year
  - January 31, 2026 for third quarter and nine months
  - April 25, 2026 for fourth quarter and full year
- **For the financial year ending March 31, 2027, results will be announced latest by:**
  - Second week of August 2026 for the first quarter
  - Second week of November 2026 for the second quarter and half year

- Second week of February 2027 for the third quarter and nine months
- Last week of May 2027 for the fourth quarter and full year

Dividend

The Board of Directors, at its meeting held on April 25, 2026, recommended a dividend of ₹ 0.25 per equity share (Previous Year ₹ 0.25 per equity share) aggregating to ₹ 215.04 crore, subject to the approval of shareholders at the ensuing AGM. The record date and other relevant details relating to the payment of dividend will be set out in the Notice of the AGM.

During FY 2025-26, the Bank paid dividend of ₹ 183.37 crore on equity shares in respect of FY 2024-25 and dividend of ₹ 112.35 crore on Compulsorily Convertible Preference Shares ("**CCPS**").

In accordance with Regulation 43A of the Listing Regulations, the Bank has adopted a Dividend Distribution Policy, which ensures a fair balance between rewarding its shareholders and retaining adequate capital to support the Bank's future growth.

The Dividend Distribution Policy is available on the Bank's website at www.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Codes and Policies' section.

ANNUAL GENERAL MEETING

Details of the Annual General Meetings held in the last three (3) financial years have been given in **Table No. 10.**

Table No. 10: 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 2024-25 11th AGM	Through Video Conferencing: Deemed to be conveyed at the registered office of the Bank	Tuesday, July 29, 2025, at 02:00 p.m.	1. To provide a right to Currant Sea Investments B.V. to nominate 1 (one) Non-Executive Director liable to retire by rotation
FY 2023-24 10th 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 9th 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.

All the aforesaid AGM were held through Video Conferencing/ Other Audio-Video 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.

Pursuant to the relevant circulars issued by the Ministry of Corporate Affairs (**"MCA"**), companies are permitted to conduct the Postal Ballot process through electronic means by dispatching the Postal Ballot Notice in electronic form to eligible shareholders.

Corporate Governance Report

Accordingly, the Postal Ballot processes undertaken pursuant to the Postal Ballot Notices dated April 17, 2025, November 20, 2025 and March 18, 2026 were carried out in compliance with the applicable provisions of the Companies Act, the rules framed thereunder and the relevant MCA circulars. Consequently, physical copies of the Postal Ballot Notices, Postal Ballot Forms and pre-paid business reply envelopes were not dispatched to the shareholders, and shareholders were provided the facility to cast their votes only through the remote electronic voting (**"e-voting"**) system. The Bank also published the requisite newspaper advertisements, *inter-alia*, informing the shareholders about the completion of dispatch of the Postal Ballot Notices and other relevant details relating to the e-voting process.

The Bank engaged the services of KFin Technologies Limited (**"KFin"**) for the Postal Ballot Notice dated April 17, 2025 and National Securities Depository Limited (**"NSDL"**) for the Postal Ballot Notices dated November 20, 2025 and March 18, 2026 to provide the e-voting facility to its shareholders. Voting rights were reckoned based on the paid-up value of equity shares held by the members as on the respective cut-off dates specified in the Postal Ballot Notices. The members communicated their assent or dissent solely through the remote e-voting facility, in accordance with the applicable regulatory requirements.

Details of Postal Ballot activities undertaken during FY 2025-26 and results thereof are given in **Table No. 11**.

Table No. 11 : Postal Ballot Outcome

Resolutions	Date of Result	Votes - in favour		Votes - against	
		No. of votes	% votes	No. of votes	% votes
Postal Ballot Notice dated April 17, 2025 **Ordinary Resolution:** i. Re-classification of Authorised Share Capital of the Bank and consequent amendment in the Capital clause of the Memorandum of Association of the Bank.	Saturday May 17, 2025	3,59,46,80,396	99.61	1,42,07,040	0.39
Special Resolutions: ii. Issuance, offer and allotment of Compulsorily Convertible Cumulative Preference Shares of Face Value of ₹ 10/- each on Preferential basis.		3,57,98,06,124	99.18	2,97,13,692	0.82
iii. 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.		2,31,35,28,783	64.10	1,29,59,41,241	35.90
Postal Ballot Notice dated November 20, 2025 **Ordinary Resolution:** i. Appointment of Mr. Narendra Ostawal (DIN: 06530414) as a Non-Executive Non-Independent Director [Nominee of Currant Sea Investments B.V., Investor ("Investor Nominee")] on the Board of Directors of the Bank.	Saturday, December 20, 2025	4,71,41,31,747	99.35	3,08,11,358	0.65

Resolutions	Date of Result	Votes - in favour		Votes - against	
		No. of votes	% votes	No. of votes	% votes
Postal Ballot Notice dated March 18, 2026 **Special Resolution:** i. Re-appointment of Mr. S. Ganesh Kumar (DIN: 07635860) as an Independent Director of the Bank.	Friday, April 17, 2026	4,79,01,79,506	98.17	8,91,74,889	1.83

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.idfcfirst.bank.in and were communicated to the Stock Exchanges where the Bank 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 2025-26 to aforesaid Stock Exchanges where the equity shares of Bank are listed, has been paid.

Share Transfer System

KFin Technologies Limited acts as the Registrar and Share Transfer Agent (**"RTA"**) of the Bank and is registered with SEBI as a Category I Registrar. All share transfer and investor servicing activities relating to the Bank's securities are administered through KFin.

In terms of the applicable SEBI regulations and circulars, transfer of securities of listed entities is permitted only in dematerialised form. Further, in accordance with the SEBI Circular dated January 25, 2022, listed companies/ 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.idfcfirst.bank.in/investors

IDFC FIRST Bank has a Stakeholders Relationship and Customer Service Committee which oversees and monitor 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

Corporate Governance Report

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 SEBI Circular No. CIR/CFD/DIL/10/2010 dated December 16, 2010, erstwhile IDFC Limited ("**eIDFC**") had credited the unclaimed equity shares allotted in its Initial Public Offer during July–August 2005, and lying in the Escrow Account, to a separate Demat Suspense Account opened for this purpose.

Under the Demerger Scheme, shareholders of eIDFC as on the record date, i.e., October 05, 2015, were allotted one equity share of IDFC Bank Limited ("**IDFC Bank**") *[currently known as IDFC FIRST Bank Limited ("**IDFC FIRST Bank**"/ "**Bank**"), post amalgamation of Capital First Limited with IDFC Bank, effective December 18, 2018]* for every one equity share held by them in eIDFC. Accordingly, 100 shareholders holding 28,453 equity shares in the Demat Suspense Account of eIDFC were eligible for allotment and were allotted equity shares of IDFC Bank.

Further, pursuant to the amalgamation of eIDFC into and with IDFC FIRST Bank, which became effective on October 1, 2024, 2,165 equity shares of ₹ 10 each, pertaining to five shareholders of eIDFC, were credited to the Demat Suspense Account of the Bank. In addition, pursuant to the allotment of equity shares by the Bank to the shareholders of eIDFC in accordance with the prescribed share exchange ratio, 2,02,543 equity shares of ₹ 10 each, pertaining to 127 shareholders and arising from cases involving physical share certificates and rejected applications, were credited to the Demat Suspense Account of the Bank.

As on April 1, 2025, the Demat Suspense Account of the Bank held 2,00,508 equity shares of ₹ 10 each, pertaining to 134 shareholders. During FY 2025-26, ten shareholders approached the Bank for transfer of shares from the Demat Suspense Account. The Bank processed all such requests, resulting in transfer of 1,35,863 equity shares to the respective shareholders. Accordingly, as on March 31, 2026, the Demat Suspense Account of the Bank held 64,645 equity shares of ₹ 10 each, pertaining to 124 shareholders.

The voting rights in respect of the equity shares lying in the Demat Suspense Account shall remain frozen until such shares are claimed by the rightful shareholders. Details of shareholders whose equity shares are lying in the Demat Suspense Account are available on the Bank's website at https://www.idfcfirst.bank.in/investors.

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**"), dividends remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account are required to be transferred to the Investor Education and Protection Fund (**"IEPF"**) established by the Central Government. Further, shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more are also required to be transferred to the demat account of the IEPF Authority.

Upon such transfer, no claim shall lie against the Bank in respect of the dividend amount or shares so transferred. However, the concerned shareholder may claim the said dividend amount and shares, including all benefits accruing thereon, from the IEPF Authority by following the procedure prescribed under the IEPF Rules.

As on March 31, 2026, the amounts lying in the Unpaid Dividend Accounts in respect of dividends declared by erstwhile IDFC Limited ("**eIDFC**") and the Bank are provided in **Table No. 12:**

Table No. 12: Unclaimed/ Unpaid Dividend

<table>
<tr><th>Financial Year</th><th>IDFC FIRST Bank
(₹ in crore)</th><th>erstwhile IDFC Limited
(₹ in crore)</th></tr>
<tr><td>2018-19</td><td rowspan="6">No Dividend Declared</td><td>No Dividend Declared</td></tr>
<tr><td>2019-20</td><td>₹ 0.46</td></tr>
<tr><td>2020-21</td><td>No Dividend Declared</td></tr>
<tr><td>2021-22</td><td>₹ 0.17</td></tr>
<tr><td>2022-23</td><td>₹ 1.00</td></tr>
<tr><td>2023-24</td><td>No Dividend Declared</td></tr>
<tr><td>2024-25</td><td>₹ 0.19</td><td>₹ 0.18</td></tr>
<tr><td>2025-26</td><td>The dividend for FY 2025-26 shall be declared at the 12th AGM of the Bank</td><td>Not Applicable since merged with IDFC FIRST Bank in October 2024.</td></tr>
</table>

During FY 2026-27, the Bank is required to transfer to the IEPF the unclaimed dividend pertaining to the interim dividend(s) declared by eIDFC for FY 2019-20, which has remained unpaid or unclaimed for a period of seven years, together with the corresponding equity shares in respect of which dividend has remained unclaimed for seven consecutive years or more.

In compliance with the provisions of Section 124 of the Companies Act read with the IEPF Rules, the Bank will send individual intimation to the concerned shareholders whose shares are required to be transferred to the IEPF, advising them to claim the unpaid/ unclaimed dividend prior to the due date of transfer. The Bank will also publish the requisite notice in leading English and vernacular newspapers in this regard.

Shareholders who have not received or encashed their dividend warrant(s) are requested to write to the Bank's Registrar and Share Transfer Agent, KFin Technologies Limited ("**KFin**"), quoting their folio number / DP ID and Client ID, as applicable, to enable electronic credit of the unpaid/unclaimed dividend amount to their bank account.

Further, equity shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more are required to be transferred to the demat account of IEPF Authority in the manner prescribed under the IEPF Rules. Upon transfer of such shares, all benefits accruing thereon, including bonus shares, split shares or other corporate benefits, if any, shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen until the shares are claimed by the rightful shareholders.

During FY 2025-26, the Bank had sent intimation letters to shareholders in respect of shares on which dividend declared by erstwhile Capital First Limited ("**eCFL**"), erstwhile IDFC Limited and the Bank for FY 2017-18 had remained unpaid or unclaimed for seven consecutive years or more, requesting them to claim such dividend and/or shares to avoid transfer to the IEPF. The Bank also published the requisite advertisement in leading English and vernacular newspapers.

During FY 2025-26, the Bank transferred unclaimed dividend of ₹ 4,49,834 declared by eCFL for FY 2017-18 to the IEPF. Further, unclaimed fractional share proceeds aggregating to ₹ 77,436.80, arising from the allotment pursuant to the share exchange ratio under the scheme of amalgamation of eCFL with the Bank and remaining unpaid/unclaimed for seven years, were also transferred to the IEPF.

The Bank transferred unclaimed dividend of ₹ 15,60,315.75 and ₹ 27,99,342 declared by erstwhile IDFC Limited and the Bank respectively, for FY 2017-18, subsequent to FY 2025-26 on account of technical issues faced on the MCA's V3 portal/Bharat Kosh portal. Accordingly, the underlying equity shares in respect of such dividend which has remained unpaid

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or unclaimed for seven consecutive years or more is in process of being transferred to the demat account of the IEPF Authority, in accordance with the IEPF Rules.

The dividend amount and shares transferred to the IEPF may be claimed by the concerned shareholders from the IEPF Authority by following the procedure prescribed under the IEPF Rules. Details of unpaid/unclaimed dividend and shares liable to be transferred / transferred to the IEPF are available on the Bank's website at https://www.idfcfirst.bank.in/investors

As on March 31, 2026, 17,91,704 equity shares of the Bank were lying with the IEPF Authority. The voting rights on such equity shares shall remain frozen until the rightful shareholders claim the shares in accordance with the prescribed procedure.

Distribution of Shareholding

The distribution of shareholding of the Bank's equity shares, based on size and ownership category, as on March 31, 2026, is set out in **Table No. 13** and **Table No. 14**, respectively. The list of top twenty equity shareholders of the Bank as on March 31, 2026 is given in **Table No. 15**.

Table No. 13: Distribution of Shareholding as on March 31, 2026 (Total) (By Size)

SN	Category (Shares)	No. of Holders	% To Holders	No. of Equity Shares	% To Equity
1	1 - 5000	28,27,342	97.82	94,94,75,941	11.04
2	5001 - 10000	34,200	1.18	24,27,95,116	2.82
3	10001 - 20000	15,615	0.54	21,75,26,161	2.53
4	20001 - 30000	4,876	0.17	11,99,78,162	1.39
5	30001 - 40000	2,183	0.08	7,57,82,439	0.88
6	40001 - 50000	1,328	0.05	6,02,16,388	0.70
7	50001 - 100000	2,490	0.09	17,40,60,075	2.02
8	100001 - 200000	1,127	0.04	15,66,43,939	1.82
9	200001 and above	1,242	0.04	6,60,52,21,027	76.79
	TOTAL:	**28,90,403**	**100.00**	**8,60,16,99,248**	**100.00**

Table No. 14: Distribution of Shareholding as on March 31, 2026 (Total) (By Ownership)

SN	Description	No. of Holders	No. of Equity Shares	% Equity
1	Mutual Funds	36	96,26,37,984	11.19
2	Alternate Investment Funds	31	5,69,33,982	0.66
3	Banks	4	1,06,196	0.00
4	Insurance Companies	26	93,57,97,063	10.88
5	Bodies Corporate	4,499	14,22,37,096	1.65
6	Indiviuals	28,60,321	2,61,76,08,582	30.43
7	NBFC	6	4,26,945	0.00
8	Foreign Direct Investment	2	1,24,98,80,388	14.53
9	Foreign Portfolio Investors	570	1,89,18,08,667	21.99
10	Other Financial Insutitions	1	255	0.00

SN	Description	No. of Holders	No. of Equity Shares	% Equity
11	President of India	1	66,65,70,000	7.75
12	IEPF	1	17,91,704	0.02
13	HUF	24,839	7,03,77,020	0.82
14	Clearing Members	14	2,48,852	0.00
15	Trusts	42	7,88,249	0.01
16	Others	10	44,86,265	0.05
	Total	**28,90,403**	**8,60,16,99,248**	**100.00**

The detailed shareholding pattern of the Bank for the period ended March 31, 2026, as submitted to the stock exchanges, BSE and NSE, is available on the Bank's website at IDFC FIRST Bank Shareholding Pattern – March 31, 2026 and the same can also be accessed through the respective websites of the stock exchanges.

Table No. 15: Top Twenty Equity Shareholders as on March 31, 2026

SN	Name	No. of Equity Shares	% To Equity
1.	CURRANT SEA INVESTMENTS B.V.	81,26,94,722	9.45
2.	PRESIDENT OF INDIA	66,65,70,000	7.75
3.	PLATINUM INVICTUS B 2025 RSC LIMITED	43,71,85,666	5.08
4.	ODYSSEY 44 A S	27,00,00,000	3.14
5.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	20,50,66,313	2.38
6.	LIFE INSURANCE CORPORATION OF INDIA	20,23,69,591	2.35
7.	HDFC LIFE INSURANCE COMPANY LIMITED	19,95,21,705	2.32
8.	TATA MUTUAL FUND	13,80,87,928	1.61
9.	PRINCIPAL FUNDS, INC. - GLOBAL EMERGING MARKETS FUND	11,86,68,791	1.38
10.	MOTILAL OSWAL FUND	8,47,29,408	0.99
11.	FRANKLIN INDIA FUND	7,86,35,864	0.91
12.	TATA INDIAN OPPORTUNITIES FUND	7,45,00,000	0.87
13.	EDELWEISS FUND	7,41,63,610	0.86
14.	SBI LIFE INSURANCE CO. LTD	7,31,51,000	0.85
15.	V VAIDYANATHAN*	7,10,00,274	0.83
16.	BANDHAN MUTUAL FUND	7,04,37,287	0.82
17.	BOFA SECURITIES EUROPE SA	7,01,56,443	0.82
18.	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	6,71,84,140	0.78
19.	NIPPON LIFE INDIA TRUSTEE LTD	6,23,23,885	0.72
20.	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	6,16,57,170	0.72

Note: The shareholding is considered basis PAN

**As on March 31, 2026, Mr. V. Vaidyanathan, MD & CEO, held 6,71,67,414 equity shares of the Bank. In addition, 38,32,860 equity shares were held through the Rukmani Social Welfare Trust ("Trust"), where he serves as a Trustee. Accordingly, his aggregate shareholding, including shares held through the Trust, stood at 7,10,00,274 equity shares, representing 0.83% of the Bank's total equity capital.*

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Dematerialisation of Equity Shares and Liquidity

The equity shares of the Bank are compulsorily traded in dematerialised form on BSE and NSE and are available for trading through both depositories in India, i.e., National Securities Depository Limited (**"NSDL"**) and Central Depository Services (India) Limited (**"CDSL"**). As on March 31, 2026, over 99.99% of the Bank's equity shares were held in dematerialised form. Details in this regard are set out in **Table No. 16.**

Table No. 16: Statement of Dematerialisation of Shares as on March 31, 2026

Category	No. of Equity Shares	% To Equity
NSDL	7,38,18,03,185	85.82
CDSL	1,21,98,64,483	14.18
Physical	31,580	ß
TOTAL	**8,60,16,99,248**	**100.00**

ß 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, as amended, any matured debentures and interest accrued thereon remaining unpaid or unclaimed for a period of seven years from the date they became due for payment are required to be transferred to the IEPF established by the Central Government. Upon such transfer, no claim shall lie against the Bank in respect of the amount so transferred. However, the concerned bondholders may claim the unpaid/ unclaimed amount from the IEPF Authority by following the prescribed procedure.

The bondholders are requested to visit the Bond Section on our website www.idfcfirst.bank.in 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 einward.ris@kfintech.com.

Private Placement Bonds

The Private Placement Bonds issued by the Bank are listed and traded on NSE, in accordance with the terms set out in their respective Information Memorandum/ Term Sheets. Trading details in respect of the Private Placement Bonds may be obtained by sending an e-mail to bank.info@idfcfirstbank.com.

The annual listing fees for FY 2025-26 have been duly paid to the Stock Exchange(s) on which the Bank's bonds are listed.

Details of utilization of funds raised through preferential allotment or qualified institutions placement

During the FY 2025-26, the Board of the Bank at its meeting held on April 17, 2025, approved to issue, offer and allot Compulsorily Convertible Cumulative Preference Shares ("**CCPS**") at a price of ₹ 60 per CCPS, by way of preferential allotment on a private placement basis ("**Preferential Issue**"), to Currant Sea Investments B.V. ("**Currant Sea**") and Platinum Invictus B 2025 RSC Limited ("**Platinum Invictus**").

Pursuant to receipt of the requisite approvals, including approvals of the shareholders of the Bank and the Reserve Bank of India, the duly authorized Committee of the Board had approved allotment of 81,26,94,722 CCPS to Currant Sea and 43,71,85,666 CCPS to Platinum Invictus.

During the year, the CCPS were converted into an equivalent number of equity shares in accordance with the terms of issue and applicable laws and regulations. The proceeds raised through the issue were fully utilised for the purposes for which they were raised.

Credit Ratings and Change/ Revisions in Credit Ratings

As on March 31, 2026, 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.idfcfirst.bank.in under 'The Bank' → 'Investors' → 'Corporate Governance' → 'Credit Ratings' section.

During FY 2025-26, there were no revisions in credit ratings. Further, 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:

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 4571 6477 | Toll Free No.: 180010888
E-mail: bank.info@idfcfirstbank.com
Website: https://www.idfcfirst.bank.in

Details of the Registrar and Share Transfer Agent

For Equity Shares and Retail Bonds

KFin Technologies Limited
(Unit: IDFC FIRST Bank Limited)

Registered Address:

301, The Centrium, 3rd Floor,
57, Lal Bahadur Shastri Road, Nav Pada,
Kurla (West), Mumbai,
400 070, Maharashtra.

Address for Correspondence / Operations Centre:
Selenium Tower B, Plot 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad - 500 032, Telangana, India.
Tel: +91 40 6716 2222/ 7961 1000
Email ID: einward.ris@kfintech.com
Investor Support Centre: https://kprism.kfintech.com/
KFINTECH Corporate Website: https://www.kfintech.com
RTA Website: https://ris.kfintech.com
KPRISM (Mobile Application): https://kprism.kfintech.com/signup
Toll Free / Phone Number: 1800 309 4001
WhatsApp Number: (+91) 910 009 4099

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 : July 25, 2026
Place: Mumbai

Corporate Governance Compliance Certificate

To,
The Members,
IDFC FIRST Bank Limited
KRM Tower, 7^{th} 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, 2026, 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 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.: 6832/2025

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN: F006667H000939137

Date : July 25, 2026
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, 2026 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. Narendra Ostawal	06530414	September 30, 2025
10.	Mr. Pradeep Natarajan	10499651	June 01, 2024
11.	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 | July 25, 2026
ICSI UDIN: F013272H000905020

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, 2026 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 : July 25, 2026
Place: Mumbai

Independent Auditor's Report

To the Members of IDFC FIRST Bank Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **IDFC FIRST Bank Limited** ('the Bank'), which comprise the Standalone Balance Sheet as at 31 March 2026, the Standalone Profit and Loss Account and the Standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

2. 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 the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('the RBI'), in the manner so required for banking companies and give a true and fair view, in conformity with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2026, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards 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 ('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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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 our audit addressed the key audit matters
Classification of advances, identification of and provisioning of non-performing advances (NPA) As at 31 March 2026, the Bank reported total loans and advances (net of provisions) of Rs. 2,80,391 crores (2025: Rs. 2,33,113 crores), gross NPAs of Rs. 4,559 crores (2025: Rs. 4,434 crores), and provision for non-performing assets (including claims) of Rs. 3,212 crores (2025: Rs. 3,204 crores). Refer schedule 9 and note 18.05 (a) to the Financial Statements and schedule 17.02 for accounting policies.	**Our key audit procedures included but were not limited to the following:** • Understood and considered the Bank's accounting policies for classification of advances, NPA identification and provisioning and assessing compliance with the IRACP norms prescribed by the RBI including the additional provisions made on advances. • Obtained an understanding of management's process, interpretation, systems and controls implemented in relation to NPA computation.

Key audit matters	How our audit addressed the key audit matters
The Reserve Bank of India (Commercial Banks - Income Recognition, Asset Classification and Provisioning) Directions, 2025 ("IRACP norms") and other circulars and directives issued by the Reserve Bank of India ("RBI") from time to time prescribes the norms for identification and classification of performing, non-performing advances and the minimum provisions required for such advances. The classification of advances and identification of NPA involves establishment of proper mechanism and application of judgement to identify and determine the amount of provision required as per the policy approved by the Board of Directors of the Bank and based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under IRACP norms. Similarly, the Bank is also required to make judgements to identify advances which are non-recoverable and therefore determined to be written off. The Bank has written off loans of Rs. 5,852 crores (FY 2025: Rs. 4,860 crores) during the year ended 31 March 2026. The provision for advances is estimated based on their ageing and classification of such advances, recovery estimates, nature of loan product, adequacy and existence of security and other qualitative factors and is subject to the minimum provisioning as per IRACP norms and Board of Directors approved policy in this regard. The management also makes additional provisions on exposures based on advances lent to certain stressed sectors and 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.	• Assessed the design, implementation and tested the operating effectiveness of key internal financial controls over approval, recording, monitoring and recovery of loans, monitoring overdue / stressed accounts, measurement of provision, valuation of security, assessing the reliability of management information which included testing overdue reports; • Tested key IT system / application controls including automated process, controls and system-based reconciliations pertaining to advances, NPA identification, classification and provision on advances; • Obtained an understanding for contingency / additional provision carried by the Bank and verified the underlying assumptions for such estimate along with events identified by the management for usage for such provision. • Tested review controls over measurement of provisions including documentation of the relevant approvals along with basis and rationale of the provision and disclosures in financial statements. • Performed test of details over calculation of NPA provisions, including provisions on restructured loans for assessing the completeness and accuracy and to ensure that the same is in compliance with the Bank's Board of Directors approved NPA provisioning policy and IRACP norms. • Tested samples of advances (based on quantitative and qualitative thresholds); • 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;

Key audit matters	How our audit addressed the key audit matters
The management of the Bank relies on the CBS (Core Banking Solutions) along with other allied IT systems accompanied by various estimates, prudent judgements relating to credit assessment of borrowers, valuation of collateral, asset classification, income recognition and provisioning thereon. 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. We have identified this matter as a key audit matter because of significant level of management judgement in determining the provision required for advances, valuation of underlying security, heightened regulatory compliances and its significance to the overall financial statements of the Bank.	• On a sample basis, verified the classification of advance including the date of tagging of NPAs; • Evaluated the statement of accounts, credit review of borrowers, review of SMA reports, valuation reports of collaterals for loans and other related documents to assess recoverability and the classification of the advances; • Selected and tested samples for accounts which are restructured as per IRACP norms; • Verified on sample basis whether the loan write-offs during the year is in accordance with Board approved policy. • Sought independent confirmation of account balances for sample borrowers. • Read the minutes of committee meetings including credit committee meetings and performing inquiries with the credit, credit monitoring, risk, compliance and vigilance departments. • Considered key observations arising out of Internal Audits, Systems Audits and Concurrent Audits conducted as per the policies and procedures of the Bank. • Considered the RBI Annual Financial Inspection report on the Bank, the Bank's response to those observations and other communications with RBI and • Assessed disclosures included in the financial statements in respect of asset classification, and provisioning, including specific disclosures required by IRACP norms.
Information Technology (IT) systems and controls over financial reporting The IT environment of the Bank is complex as it involves a number of independent and inter-dependent IT systems which are used in the operations of the Bank for processing and recording a large volume of transactions at numerous locations on a daily basis. As a result, there is a high degree of reliance and dependency on the IT systems for the Bank's financial accounting and reporting processes which impacts key financial accounting and reporting items and thereby there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.	**We included IT specialists as part of our audit team to perform audit procedures which included, but were not limited to the following:** • Obtained an understanding of IT applications used by the Bank followed by process understanding, mapping of applications to the processes related to financial reporting. • Based on our understanding, we have scoped in relevant IT general controls and IT application controls on the systems identified as relevant for our audit of the financial statements ('in-scope IT systems'). • On such in-scope IT systems, we have tested key IT general controls with respect to the following domains:

Key audit matters	How our audit addressed the key audit matters
We have identified testing of in-scope IT systems and related control environment as key audit matter due to high level of automation, significant number of systems being used by the Bank for processing financial transactions, importance in relation to accurate and timely financial reporting and its impact on the financial records and financial reporting process of the Bank.	a. User access management which included user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and databases in the production environment were granted only to authorized personnel. b. Program change management which included controls on moving program changes to production environment as per defined procedures and with relevant segregation of environments. c. Other areas that were assessed under the IT control environment included backup management and incident management. • Verified the audit trail (edit log) on test check basis for identified accounting applications for compliance with requirements of rule 11 (g) of Companies (Audit and Auditors) Rules 2014. • Evaluated the design and tested the operating effectiveness of key IT application controls in key business processes, which included loan origination, sanctioning, disbursements, repayments and covered automated calculations and automated accounting, as applicable. • Where deficiencies were identified, tested compensating controls or performed alternative procedures.
Unauthorised and fraudulent activities related to deposits of a particular branch Refer note 18.05(h) in the accompanying standalone financial statements on fraudulent incident that occurred during the year ended 31 March 2026 relating to embezzlement of deposit balances of certain category of customers by certain employees at a particular branch in Chandigarh in collusion with certain external parties. Pursuant to the above, the Bank has received claims from these entities and paid the principal amount of Rs. 645.59 crores which has been recognised as an expense in the Profit and Loss account for the year ended 31 March 2026. The matter is currently under investigation by various law enforcement agencies and is subject to forensic review being conducted by an external firm appointed by the Bank.	**Our audit procedures in relation to fraud matter included but were not limited to the following:** • Obtained an understanding of details of the fraud, management's assessment of the modus operandi and the steps taken to identify affected accounts and quantify the financial impact. • Obtained an understanding of management's process, systems and controls implemented in relation to deposits of certain category of customers ('scoped-in deposits'). • Evaluated the design and tested the operating effectiveness of key controls including additional controls relevant to scoped in deposit balances which comprise of transaction processing controls, monitoring controls and branch supervisory controls. • Tested relevant information technology system and application controls including automated process, controls pertaining to scoped in deposits such as fund transfer, logs related to transaction alerts and bank statement sent to the customers etc.

Key audit matters	How our audit addressed the key audit matters
Considering the significance of the impact of the aforesaid event on the financial statements, robust discussions required with the management and those charged with governance, and significant auditor's attention required to assess its impact on our audit procedures and conclusions, this matter has been determined as a key audit matter for current year audit. The above matter is also considered to be fundamental to the understanding of the users of the standalone financial statements.	• Reviewed reports and updates relating to investigation conducted by the internal functions of the Bank. • Reviewed management's process for obtaining balance confirmation of deposits from certain category of customers. • Held discussions with management and those charged with governance and made our report to the Central Government as required under section 143(12) of the Act. • Read the correspondences between the management and law enforcement agencies in relation to this matter. • Assessed the professional competency and objectivity of the external forensic expert appointed by the Bank; obtained an understanding of the scope of work being done by such expert and discussed interim findings till date. • Involved auditor's forensic expert to assist in assessing adequacy and appropriateness of management actions and impact assessment, and in designing additional audit procedures as required to conclude on the matter. • Performed substantive audit procedures including obtaining and analysing account balance confirmations for scoped-in deposits and performing alternative procedures where necessary, to test management's quantification of the financial impact and related accounting treatment in the standalone financial statements. Assessed the appropriateness and adequacy of the related disclosures made by the management in the standalone financial statements.

Information other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report including the Pillar III Disclosure under the New Capital Adequacy Framework (Basel III disclosures) but does not include the standalone financial statements and our auditors' report thereon. The Annual Report 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 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The accompanying standalone financial statements have been approved by the Bank's Board of Directors. The Bank's Management and Board of Directors 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 Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, the Board of Directors is 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 either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

8. The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

9. 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 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 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.

10. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, 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 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 management;

- Conclude on the appropriateness of Board of Directors' 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; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.
12. 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.
13. 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 of the current period 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

14. The standalone financial statements of the Bank for the year ended 31 March 2025 were audited by the predecessor auditor, Kalyaniwalla & Mistry LLP, Chartered Accountants and M. P. Chitale & Co., Chartered Accountants, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 26 April 2025. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

15. The Balance Sheet and the 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.
16. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
    a) We have 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;
    c) We have visited 32 branches to examine the books of accounts and other records maintained at the branch for the purpose of our audit. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out at centrally as all the necessary records and data required for the purposes of our audit are available therein.
17. With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether

any excess remuneration has been paid in accordance with the aforesaid section is not applicable.

18. Further, as required by section 143(3) of the Act, based on our audit, 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 purpose of our audit of the accompanying standalone financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;

    c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 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 financial statements of the Bank as on 31 March 2026 and operating effectiveness of such controls, refer to our separate report in Annexure "A" wherein we have expressed an unmodified opinion; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Bank, as detailed in schedule 12, note 18.15 (e) and note 18.31 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2026;

        ii. the Bank, as detailed in schedule 12 and note 18.31 to the standalone financial statements, has made provision as at 31 March 2026, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        iii. The following delays were noted in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank during the year ended 31 March 2026. Also, refer note 18.30 to the standalone financial statements;

Financial Year	Amount (₹ in crore)	Due date	Date of Payment
2017-18	0.44	3 October 2025	-

        iv. a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 18.32 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Bank to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

        b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 18.32 to the standalone financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ('the 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 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; and

c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend paid by the Bank during the year ended 31 March 2026 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 18.28 to the accompanying standalone financial statements, the Board of Directors of the Bank have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Bank, in respect of financial year commencing on 01 April 2025, has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Furthermore, the audit trail has been preserved by the Bank as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI FRN 001076N/N500013

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423
UDIN: 26042423COHCHY2939

Place: Mumbai
Date: 25 April 2026

For **M. P. Chitale & Co.**
Chartered Accountants
ICAI FRN 101851W

Ashutosh Pednekar
Partner
ICAI Membership No. 041037
UDIN: 26041037BQGSBV6677

Place: Mumbai
Date: 25 April 2026

Annexure A

Independent Auditors' Report on the Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

Opinion

1. We have audited the internal financial controls over financial reporting with reference to standalone financial statements of IDFC FIRST Bank Limited ('the Bank') as at 31 March 2026 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

2. In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, based on the internal control over financial reporting 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI').

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements

3. 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 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 ICAI. 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 for the Audit of the Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements

4. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be 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 over financial reporting with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to standalone financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to 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 financial statements, whether due to fraud or error.

6. 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 over financial reporting with reference to standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements

7. A bank's internal financial controls over financial reporting with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial controls over financial reporting with reference to standalone financial statements include 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorisations 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements

8. Because of the inherent limitations of internal financial controls over financial reporting with reference to 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 over financial reporting with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to 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 **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI FRN 001076N/N500013

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423
UDIN: 26042423COHCHY2939

Place: Mumbai
Date: 25 April 2026

For **M. P. Chitale & Co.**
Chartered Accountants
ICAI FRN 101851W

Ashutosh Pednekar
Partner
ICAI Membership No. 041037
UDIN: 26041037BQGSBV6677

Place: Mumbai
Date: 25 April 2026

Balance Sheet
as at March 31, 2026

(₹ in Thousands)

	Schedule No.	As at March 31, 2026	As at March 31, 2025
CAPITAL AND LIABILITIES			
Capital	1	86,016,992	73,221,070
Employees stock options outstanding		2,878,714	1,487,179
Reserves and surplus	2	384,622,674	306,071,682
Deposits	3	2,944,745,517	2,520,652,454
Borrowings	4	366,206,844	389,748,374
Other liabilities and provisions	5	213,330,142	147,005,753
TOTAL		**3,997,800,883**	**3,438,186,512**
ASSETS			
Cash and balances with Reserve Bank of India	6	113,371,266	140,234,959
Balances with banks and money at call and short notice	7	14,252,556	10,738,587
Investments	8	859,662,452	807,155,219
Advances	9	2,803,905,985	2,331,125,270
Fixed assets	10	25,572,827	26,626,479
Other assets	11	181,035,797	122,305,998
TOTAL		**3,997,800,883**	**3,438,186,512**
Contingent liabilities	12	5,457,290,663	4,388,558,669
Bills for collection		39,915,538	37,709,339
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

Pradeep Natarajan
Executive Director
DIN: 10499651

Sudhanshu Jain
Chief Financial Officer & Head Corporate Centre

Satish Gaikwad
General Counsel & Company Secretary

As per our report of even date.

For **M. P. Chitale & Co**
Chartered Accountants
(Firm Registration No: 101851W)

Ashutosh Pednekar
Partner
(Membership No: 041037)

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Registration No: 001076N/ N500013)

Khushroo B. Panthaky
Partner
(Membership No: 042423)

Date : April 25, 2026
Place : Mumbai

Profit & Loss Account

for the year ended March 31, 2026

(₹ in Thousands)

		Schedule No.	Year ended March 31, 2026	Year ended March 31, 2025
I	**INCOME**			
	Interest earned	13	405,488,152	365,014,866
	Other income	14	78,732,928	70,217,160
	TOTAL		**484,221,080**	**435,232,026**
II	**EXPENDITURE**			
	Interest expended	15	193,335,547	172,095,194
	Operating expenses	16	218,772,054	188,988,365
	Provisions and contingencies	18.15 (e)	55,749,893	58,899,974
	TOTAL		**467,857,494**	**419,983,533**
III	**NET PROFIT / (LOSS) FOR THE YEAR (I-II)**		**16,363,586**	**15,248,493**
	Balance in Profit and Loss Account brought forward from previous year		17,075,622	(6,878,408)
	Additions on Amalgamation	18.01	-	12,735,537
IV	**AMOUNT AVAILABLE FOR APPROPRIATION**		**33,439,208**	**21,105,622**
V	**APPROPRIATIONS :**			
	Transfer to statutory reserve	18.02 (b)	4,095,000	3,850,000
	Transfer to investment reserve	18.02 (b)	-	-
	Transfer to capital reserve	18.02 (b)	2,010,000	880,000
	Transfer to special reserve	18.02 (b)	260,000	300,000
	Transfer from investment fluctuation reserve	18.02 (b)	(950,000)	(1,000,000)
	Dividend paid	18.28	2,957,198	-
	Balance in Profit and Loss Account carried forward		25,067,010	17,075,622
	TOTAL		**33,439,208**	**21,105,622**
VI	**EARNINGS PER SHARE**	18.23		
	(Face value ₹10 per share)			
	Basic (₹)		1.93	2.09
	Diluted (₹)		1.91	2.08
	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

Pradeep Natarajan
Executive Director
DIN: 10499651

Sudhanshu Jain
Chief Financial Officer &
Head Corporate Centre

Satish Gaikwad
General Counsel &
Company Secretary

As per our report of even date.

For **M. P. Chitale & Co**
Chartered Accountants
(Firm Registration No: 101851W)

Ashutosh Pednekar
Partner
(Membership No: 041037)

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Registration No: 001076N/ N500013)

Khushroo B. Panthaky
Partner
(Membership No: 042423)

Date : April 25, 2026
Place : Mumbai

Cash Flow Statement
for the year ended March 31, 2026

(₹ in Thousands)

		Schedule No.	Year ended March 31, 2026	Year ended March 31, 2025
A	**Cash flow from operating activities**			
	Profit after tax		**16,363,586**	**15,248,493**
	Add: Provision for tax		1,964,440	3,752,716
	Net profit before taxes		**18,328,026**	**19,001,209**
	Adjustments for:			
	Amortisation of premium / discount on investments		3,171,641	1,396,436
	Profit on sale of fixed assets (net)	14 (IV)	(11,522)	(108,836)
	Dividend from Subsidiary	14 (VI)	-	(451,980)
	Amortisation of deferred employee compensation		1,536,329	924,921
	Depreciation on fixed assets	16 (V)	8,435,864	8,204,137
	Write back of provision for depreciation in value of investments	18.15 (e)	(3,578,073)	(1,420,337)
	Provision for non performing advances including write off (net of recoveries)	18.15 (e)	57,664,050	52,997,248
	(Write back of provision) / Provision on standard assets and other contingencies	18.15 (e)	(300,524)	3,570,348
	Adjustments for:			
	Decrease / (Increase) in investments (excluding subsidiaries, joint ventures and held to maturity investments)		83,222,014	(26,361,850)
	Increase in advances		(528,655,273)	(438,198,856)
	Increase in deposits		424,093,063	514,889,331
	Increase in other assets		(59,359,111)	(6,758,006)
	Increase in other liabilities and provisions		66,978,608	18,496,828
	Direct taxes paid (net)		(2,374,761)	(2,235,182)
	Net cash flow generated from operating activities (A)		**69,150,331**	**143,945,411**
B	**Cash flow from investing activities**			
	Dividend from subsidiary		-	451,980
	Increase in held to maturity investments		(133,942,075)	(25,916,707)
	Increase in investment in subsidiaries, joint ventures and associates		(1,100,000)	-
	Purchase of fixed assets		(7,637,606)	(8,859,103)
	Proceeds from sale of fixed assets		266,918	331,599
	Net cash flow used in investing activities (B)		**(142,412,763)**	**(33,992,231)**
C	**Cash flow from financing activities**			
	Proceeds from issue of share capital including ESOPs (net of share issue expenses)		76,189,905	32,786,902
	Net repayments in other borrowings		(23,541,530)	(119,607,369)
	Dividend paid during the year (includes dividend paid on CCPS)		(2,957,198)	-
	Net cash flow generated from / (used in) financing activities (C)		**49,691,177**	**(86,820,467)**

Cash Flow Statement
for the year ended March 31, 2026

(₹ in Thousands)

		Schedule No.	Year ended March 31, 2026	Year ended March 31, 2025
D	**Effect of fluctuation in foreign currency translation reserve**		**221,531**	**49,465**
	Net (decrease) / increase in cash and cash equivalents (A+B+C+D)		**(23,349,724)**	**23,182,178**
	Cash and cash equivalents at the beginning of the year		150,973,546	124,802,120
	Cash and cash equivalents acquired on amalgamation	18.01	-	29,89,248
	Cash and cash equivalents at the end of the year		**127,623,822**	**150,973,546**
	Represented by:			
	Cash and Balances with Reserve Bank of India	6	113,371,266	140,234,959
	Balances with Banks and Money at Call and Short Notice	7	14,252,556	10,738,587
	Cash and cash equivalents at the end of the year		**127,623,822**	**150,973,546**

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

Pradeep Natarajan
Executive Director
DIN: 10499651

Sudhanshu Jain
Chief Financial Officer &
Head Corporate Centre

Satish Gaikwad
General Counsel &
Company Secretary

As per our report of even date.

For **M. P. Chitale & Co**
Chartered Accountants
(Firm Registration No: 101851W)

Ashutosh Pednekar
Partner
(Membership No: 041037)

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Registration No: 001076N/ N500013)

Khushroo B. Panthaky
Partner
(Membership No: 042423)

Date : April 25, 2026
Place : Mumbai

Schedules
forming part of Balance Sheet as at March 31, 2026

SCHEDULE 1 - CAPITAL

(₹ in Thousands)

	As at March 31, 2026	As at March 31, 2025
Authorised Capital		
12,700,000,000 (Previous Year - 12,962,000,000) equity shares of ₹ 10 each	127,000,000	129,620,000
1,300,000,000 (Previous Year - 103,800,000 of ₹ 100 each) Preference shares of ₹ 10 each	13,000,000	10,380,000
Equity Share Capital		
Issued, Subscribed, Called up and Paid-up capital		
8,601,699,248 (Previous Year - 7,322,106,984) equity shares of ₹ 10 each, fully paid up	86,016,992	73,221,070
TOTAL	**86,016,992**	**73,221,070**

SCHEDULE 2 - RESERVES AND SURPLUS

(₹ in Thousands)

		As at March 31, 2026	As at March 31, 2025
I	**Statutory reserves**		
	Opening balance	51,737,339	23,192,951
	Additions on amalgamation	-	24,694,388
	Additions during the year {refer note 18.02 (b)}	4,095,000	3,850,000
	Deduction during the year	-	-
	Closing balance	**55,832,339**	**51,737,339**
II	**Capital reserves**		
	Opening balance	8,561,784	7,675,100
	Additions on amalgamation	-	6,684
	Additions during the year {refer note 18.02 (b)}	4,000,358	880,000
	Deduction during the year	-	-
	Closing balance	**12,562,142**	**8,561,784**
III	**Share premium**		
	Opening balance	165,315,369	201,833,503
	Additions on amalgamation	-	25,220,709
	Additions during the year	63,557,406	28,680,453
	Deduction during the year (share issue expenses)	(49,455)	(137,523)
	Deduction on amalgamation	-	(90,281,773)
	Closing balance	**228,823,320**	**165,315,369**
IV	**General reserve**		
	Opening balance	19,600,234	7,942,897
	Additions on amalgamation	-	6,729,728
	Additions during the year {refer note 18.02 (b)}	1,369,902	4,927,609
	Deduction during the year	-	-
	Closing balance	**20,970,136**	**19,600,234**

Schedules

forming part of Balance Sheet as at March 31, 2026

(₹ in Thousands)

		As at March 31, 2026	As at March 31, 2025
V	**Amalgamation reserve**		
	Opening balance	-	(2,317,951)
	Additions during the year	-	-
	Deduction on amalgamation {refer note 18.01}	-	2,317,951
	Closing balance	-	-
VI	**Special reserve**		
	Opening balance	33,757,300	7,035,000
	Additions on amalgamation	-	26,422,300
	Additions during the year {refer note 18.02 (b)}	260,000	300,000
	Deduction during the year	-	-
	Closing balance	**34,017,300**	**33,757,300**
VII	**Investment fluctuation reserve**		
	Opening balance	7,695,000	4,885,000
	Additions during the year {refer note 18.02 (b)}	500,000	3,810,000
	Deduction during the year {refer note 18.02 (b)}	(1,450,000)	(1,000,000)
	Closing balance	**6,745,000**	**7,695,000**
VIII	**Investment reserve account**		
	Opening balance	-	6,625,000
	Additions during the year	-	-
	Deduction during the year {refer note 18.02 (b)}	-	(6,625,000)
	Closing balance	-	-
IX	**Cash flow hedge reserve**		
	Opening balance	552,307	331,463
	Additions during the year {refer note 18.02 (b)}	-	241,690
	Deduction during the year {refer note 18.02 (b)}	(309,761)	(20,846)
	Closing balance	**242,546**	**552,307**
X	**Available for sale reserve**		
	Opening balance	1,727,262	-
	Additions during the year {refer note 18.02 (b)}	-	1,727,262
	Deduction during the year	(1,635,377)	-
	Closing balance	**91,885**	**1,727,262**
XI	**Foreign currency translation reserve**		
	Opening balance	49,465	-
	Additions during the year {refer note 18.02 (b)}	221,531	49,465
	Deduction during the year	-	-
	Closing balance	**270,996**	**49,465**
XII	**Balance in Profit and Loss Account**	**25,067,010**	**17,075,622**
	GRAND TOTAL	**384,622,674**	**306,071,682**

Schedules
forming part of Balance Sheet as at March 31, 2026

SCHEDULE 3 - DEPOSITS

(₹ in Thousands)

			As at March 31, 2026	As at March 31, 2025
A	I	**Demand deposits**		
		(i) From banks	1,893,023	3,953,988
		(ii) From others	231,749,938	193,573,939
		TOTAL	**233,642,961**	**197,527,927**
	II	**Savings bank deposits**	**1,232,861,486**	**984,842,227**
	III	**Term deposits**		
		(i) From banks	121,769,428	127,123,088
		(ii) From others	1,356,471,642	1,211,159,212
		TOTAL	**1,478,241,070**	**1,338,282,300**
		GRAND TOTAL	**2,944,745,517**	**2,520,652,454**
B	I	**Deposits of branches in India**	**2,936,558,277**	**2,519,742,825**
	II	**Deposits of branches outside India**	**8,187,240**	**909,629**
		GRAND TOTAL	**2,944,745,517**	**2,520,652,454**

Out of total Deposits, ₹ 21,942.98 crore (Previous Year ₹ 19,804.58 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, 2026	As at March 31, 2025
I	**Borrowings in India**		
	(i) Reserve Bank of India	-	58,600,000
	(ii) Other banks	18,138,125	41,175,141
	(iii) Other institutions and agencies	263,784,113	282,221,505
	TOTAL	**281,922,238**	**381,996,646**
II	**Borrowings outside India**	**84,284,606**	**7,751,728**
	GRAND TOTAL	**366,206,844**	**389,748,374**

Secured borrowings included in I and II above are ₹ Nil (Previous Year ₹ Nil) except borrowings of ₹ 525.81 crore (Previous year ₹ 6,803.84 crore) under repurchase transactions (including tri-party repo) and transactions under Liquidity adjustment facility and Marginal standing facility.

Schedules

forming part of Balance Sheet as at March 31, 2026

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in Thousands)

		As at March 31, 2026	As at March 31, 2025
I	Bills payable	14,300,024	13,991,159
II	Inter-office adjustments (net)	-	-
III	Interest accrued	13,979,112	18,249,384
IV	Contingent provision against standard assets	12,943,113	12,784,571
V	Deferred tax liabilities (net)	-	-
VI	Derivative liability (MTM)	62,432,561	15,928,199
VII	Others (including provisions)	109,675,332	86,052,440
	GRAND TOTAL	**213,330,142**	**147,005,753**

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in Thousands)

		As at March 31, 2026	As at March 31, 2025
I	Cash in hand (including foreign currency notes)	10,079,556	7,622,026
II	Balances with Reserve Bank of India:		
	(i) In current accounts	81,321,710	99,182,933
	(ii) In other accounts	21,970,000	33,430,000
	GRAND TOTAL	**113,371,266**	**140,234,959**

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(₹ in Thousands)

		As at March 31, 2026	As at March 31, 2025
I	**In India**		
	(i) Balance with banks		
	(a) In current accounts	2,143,747	2,454,720
	(b) In other deposit accounts	-	-
	(ii) Money at call and short notice		
	(a) With banks	-	-
	(b) With other institutions	7,857,730	4,589,831
	TOTAL	**10,001,477**	**7,044,551**
II	**Outside India**		
	(i) In current accounts	4,251,079	3,266,661
	(ii) In other deposit accounts	-	-
	(iii) Money at call and short notice	-	427,375
	TOTAL	**4,251,079**	**3,694,036**
	GRAND TOTAL	**14,252,556**	**10,738,587**

Schedules

forming part of Balance Sheet as at March 31, 2026

SCHEDULE 8 - INVESTMENTS

(₹ in Thousands)

		As at March 31, 2026	As at March 31, 2025
I	**Investments in India in:**		
	(i) Government securities	768,660,968	725,695,218
	(ii) Other approved securities	-	-
	(iii) Shares	4,422,939	7,938,984
	(iv) Debentures and bonds	35,607,983	31,956,298
	(v) Subsidiaries and / or joint ventures *	3,225,228	2,125,228
	(vi) Others ^	47,709,608	39,413,577
	TOTAL	**859,626,726**	**807,129,305**
II	**Investments outside India in:**		
	(i) Government securities (including local authorities)	-	-
	(ii) Subsidiaries and / or joint ventures abroad	-	-
	(iii) Others investment (Shares)	35,726	25,914
	TOTAL	**35,726**	**25,914**
	GRAND TOTAL	**859,662,452**	**807,155,219**
III	**Investments in India:**		
	(i) Gross value of investments	863,455,183	809,842,003
	(ii) Aggregate of provisions for depreciation	(3,828,457)	(2,712,698)
	(iii) Net investment	**859,626,726**	**807,129,305**
IV	**Investments outside India:**		
	(i) Gross value of investments	24,411	24,411
	(ii) Aggregate of provisions for depreciation	11,315	1,503
	(iii) Net investment	**35,726**	**25,914**
	GRAND TOTAL	**859,662,452**	**807,155,219**

* 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 Balance Sheet as at March 31, 2026

SCHEDULE 9 - ADVANCES

(₹ in Thousands)

			As at March 31, 2026	As at March 31, 2025
A	(i)	Bills purchased and discounted	44,342,095	34,064,241
	(ii)	Cash credits, overdrafts and loans repayable on demand	499,069,291	410,337,393
	(iii)	Term loans	2,260,494,599	1,886,723,636
		TOTAL	**2,803,905,985**	**2,331,125,270**
B	(i)	Secured by tangible assets *	1,599,497,423	1,301,943,321
	(ii)	Covered by bank / government guarantees $	53,415,680	50,255,835
	(iii)	Unsecured	1,150,992,882	978,926,114
		TOTAL	**2,803,905,985**	**2,331,125,270**
C **I**	**Advances in India**			
	(i)	Priority sector	843,626,250	714,632,429
	(ii)	Public sector	-	-
	(iii)	Banks	1,166,087	478,699
	(iv)	Others	1,941,766,573	1,610,744,278
		TOTAL	**2,786,558,910**	**2,325,855,406**
C **II**	**Advances outside India #**			
	(i)	Due from banks	-	-
	(ii)	Due from others:		
		(a) Bills purchased and discounted	-	-
		(b) Syndicated loans	7,236,527	2,564,250
		(c) Others	10,110,548	2,705,614
	TOTAL		**17,347,075**	**5,269,864**
	GRAND TOTAL		**2,803,905,985**	**2,331,125,270**

The above advances are net of provisions of ₹ 3,356.40 crore (Previous Year ₹ 3,534.34 crore)

Net of borrowings under Inter Bank Participation Certificate (IBPC) of ₹ 5,289.00 crore (Previous Year ₹ 6,050.00 crore)

* Includes advances against book debts

$ Includes advances against LCs issued by banks

Pertains to advances given from International Banking Unit (IBU) - Gift City.

Schedules
forming part of Balance Sheet as at March 31, 2026

SCHEDULE 10 - FIXED ASSETS

(₹ in Thousands)

		As at March 31, 2026	As at March 31, 2025
I	**Premises (including land)**		
	Gross block		
	At cost at the beginning of the year	256,101	294,907
	Additions during the year	-	-
	Deductions during the year	(2,700)	(38,806)
	TOTAL	**253,401**	**256,101**
	Depreciation		
	As at the beginning of the year	95,774	107,640
	Charge for the year	4,223	4,733
	Deductions during the year	-	(16,599)
	Depreciation to date	**99,997**	**95,774**
	Net block of premises (including land)	**153,404**	**160,327**
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	57,719,217	49,938,292
	Additions during the year	7,177,600	9,133,186
	Deductions during the year	(2,018,047)	(1,352,261)
	TOTAL	**62,878,770**	**57,719,217**
	Depreciation		
	As at the beginning of the year	31,924,204	24,876,506
	Charge for the year	8,431,640	8,199,404
	Deductions during the year	(1,765,352)	(1,151,706)
	Depreciation to date	**38,590,492**	**31,924,204**
	Net block of other fixed assets (including furniture and fixtures)	**24,288,278**	**25,795,013**

Schedules
forming part of Balance Sheet as at March 31, 2026

(₹ in Thousands)

		As at March 31, 2026	As at March 31, 2025
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**	1,131,145	671,139
	GRAND TOTAL	**25,572,827**	**26,626,479**

SCHEDULE 11 - OTHER ASSETS

(₹ in Thousands)

		As at March 31, 2026	As at March 31, 2025
I	Inter-office adjustments (net)	-	-
II	Interest accrued	41,828,844	36,982,875
III	Tax paid in advance / tax deducted at source (net of provisions)	3,782,935	5,011,061
IV	Stationery and stamps	288	249
V	Non banking assets acquired in satisfaction of claims	-	-
VI	Deferred tax assets (net)	10,034,020	8,771,746
VII	Derivative assets (MTM)	62,813,302	15,911,966
VIII	Others ^	62,576,408	55,628,101
	GRAND TOTAL	**181,035,797**	**122,305,998**

^ Includes Rural Infrastructure Development Fund of ₹ 354.99 crore (Previous Year ₹ 736.69 crore)

Schedules
forming part of Balance Sheet as at March 31, 2026

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ in Thousands)

		As at March 31, 2026	As at March 31, 2025
I	Claims against the bank not acknowledged as debts	1,269,328	1,008,136
II	Liability for partly paid investments	687,775	159,236
III	Liability on account of outstanding forward contracts	3,043,199,368	2,327,834,212
IV	Liability on account of outstanding derivative contracts:		
	(a) Interest rate swaps, currency swaps, forward rate agreement and interest rate futures	1,954,625,058	1,733,490,372
	(b) Foreign currency options	45,569,710	33,013,577
	TOTAL (a+b)	**2,000,194,768**	**1,766,503,949**
V	Guarantees given on behalf of constituents		
	(a) In India	282,686,472	204,241,330
	(b) Outside India	-	-
VI	Acceptances, endorsements and other obligations	110,775,416	72,363,619
VII	Other items for which the Bank is contingently liable	18,477,536	16,448,187
	GRAND TOTAL	**5,457,290,663**	**4,388,558,669**

Schedules

forming part of Profit and Loss Account for the year ended March 31, 2026

SCHEDULE 13 - INTEREST EARNED

(₹ in Thousands)

		Year ended March 31, 2026	Year ended March 31, 2025
I	Interest / discount on advances / bills	341,986,300	308,345,172
II	Income on investments	59,496,500	53,173,888
III	Interest on balances with Reserve Bank of India and other inter-bank funds	1,309,595	1,145,506
IV	Others	2,695,757	2,350,300
	GRAND TOTAL	**405,488,152**	**365,014,866**

SCHEDULE 14 - OTHER INCOME

(₹ in Thousands)

		Year ended March 31, 2026	Year ended March 31, 2025
I	Commission, exchange and brokerage	72,319,242	62,068,949
II	Profit / (loss) on sale of investments (net)	4,270,149	3,164,086
III	Profit / (loss) on revaluation of investments (net)	(2,069,070)	1,642,155
IV	Profit / (loss) on sale of land, buildings and other assets (net)	11,522	108,836
V	Profit / (loss) on exchange / derivative transactions (net)	3,986,351	2,017,614
VI	Income earned by way of dividends etc. from subsidiaries / companies and / or joint venture abroad / in India	-	451,980
VII	Income earned by way of lease finance, lease management fee, overdue charges and interest on lease rent receivables	-	-
VIII	Miscellaneous income	214,734	763,540
	GRAND TOTAL	**78,732,928**	**70,217,160**

SCHEDULE 15 - INTEREST EXPENDED

(₹ in Thousands)

		Year ended March 31, 2026	Year ended March 31, 2025
I	Interest on deposits	167,750,798	139,996,055
II	Interest on borrowings from Reserve Bank of India / inter-bank borrowings	3,255,790	6,195,993
III	Others	22,328,959	25,903,146
	GRAND TOTAL	**193,335,547**	**172,095,194**

Schedules
forming part of Profit and Loss Account for the year ended March 31, 2026

SCHEDULE 16 - OPERATING EXPENSES

(₹ in Thousands)

		Year ended March 31, 2026	Year ended March 31, 2025
I	Payments to and provisions for employees	61,819,259	57,099,009
II	Rent, taxes and lighting	8,832,571	7,706,330
III	Printing and stationery	1,342,747	1,169,109
IV	Advertisement and publicity	2,782,346	3,038,318
V	(a) Depreciation on Bank's property other than leased assets	8,435,864	8,204,137
	(b) Depreciation on leased assets	-	-
VI	Directors' fees, allowance and expenses	55,459	47,669
VII	Auditors' fees and expenses	43,815	36,981
VIII	Law charges	727,108	845,872
IX	Postage, telegrams, telephones etc.	1,911,913	1,735,639
X	Repairs and maintenance	2,138,339	1,996,193
XI	Insurance	3,601,827	2,806,921
XII	Other expenditure	127,080,806	104,302,187
	GRAND TOTAL	**218,772,054**	**188,988,365**

17 Significant accounting policies forming part of the financial statements for the year ended March 31, 2026

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. The bank has an Offshore Banking unit at International Financial Service Centre Banking Unit (IBU), Gujarat International Finance Tec - City (GIFT City), Gandhinagar, India.

The financial accounting systems of the Bank are centralised and, therefore, accounting returns are not required to be submitted by branches of the Bank.

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 (as amended) to the extent applicable and practices generally prevalent in the banking industry in India. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year except stated otherwise.

Cash flows statements are prepared using the indirect method.

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 (including 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 from the period of change.

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 investments.

Purchase and sale transactions in securities are

Schedules

forming part of the Financial Statements as at and for the year ended March 31, 2026

recorded under settlement date of accounting, except in the case of equity shares where trade date accounting is followed.

Basis of classification and accounting:

HTM:

- 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) on specified dates then it shall be classified under HTM.

AFS:

- 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.

FVTPL:

- Securities that are not classified as HTM or AFS are classified as FVTPL. The Bank classifies investments in FVTPL category as either FVTPL-HFT or FVTPL Non-HFT. 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'.
- Investments in listed equities are classified in FVTPL HFT category, while unlisted equities are classified in FVTPL Non-HFT, unless designated under AFS category at initial recognition.
- All other securities that do not qualify for inclusion in HTM, AFS or FVTPL-HFT shall be classified under FVTPL-Non – HFT subject to RBI Guidelines.

Investments in Subsidiaries, Associates and Joint Ventures:

- All investments in subsidiaries, associates, and joint ventures are 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 is treated as an item of expenditure under Profit & 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 Gain / Loss:

Day-1 Gain / loss arising due to difference between fair value and acquisition cost on the date of initial recognition are accounted for under :

- Day-1 Gain / loss on level 1 / level 2 instruments are recognized in the Profit and Loss Account under Schedule 14 - Other Income within the subhead 'Profit / (loss) on revaluation of investments (net)'.
- Day-1 gain on level 3 instruments are deferred. In the case of debt instruments, the Day-1 gains are amortized 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 derecognized.
- Day-1 loss on level 3 instruments is recognized immediately in the Profit and Loss Account.

The investment portfolio is categorised into three fair value hierarchies viz. Level 1, Level 2, and Level 3:

- Level 1 Financial Instruments are valued with inputs such as quoted prices in active markets for identical instruments.
- Level 2 Financial Instruments are valued with inputs other than quoted prices, that are observable for asset or liability either directly or indirectly.
- Level 3 Financial Instruments are valued using unobservable inputs.

Transfer of security between categories:

- Transfer of securities between categories of investments is accounted as per the RBI guidelines. The 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.
- 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.

Subsequent measurement:

Investments classified under HTM category are carried at cost and are 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 life 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.

Valuation:

- The fair value of quoted government securities 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). For securities whose prices are not published by FBIL, fair value of the securities is based upon quoted price as available from the trades / quotes on recognised stock exchanges, reporting platforms or trading platforms authorized by RBI / SEBI or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).
- The fair value of unquoted central and state government securities which are in the nature of Statutory Liquidity Ratio (‘SLR’) securities forming part of AFS and FVTPL-HFT categories are computed as per the Price / Yield to maturity (YTM) rates published by 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.
- Quoted Non SLR Bond investments are valued based on the Security Level Valuation (SLV) / Price published by FIMMDA. The valuation of unquoted Non SLR fixed income securities is done considering the YTM curve, as applicable. The YTM rate would consist of FBIL par yield and credit spread published by FIMMDA corresponding to the residual tenor, rating and industry classification of the security.
- 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, 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

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forming part of the Financial Statements as at and for the year ended March 31, 2026

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 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). However, the Valuation (i.e. Market Value) for Security Receipts shall be capped to its Book Value, considering the nature of Instruments. Further, If the investment by the transferor in SRs issued against loans transferred by it is more than 10 percent of all SRs issued against the transferred asset, then the valuation of the SRs in the books of the transferor shall be carried out as per extant RBI guideline.
- Units of Venture Capital Funds ('VCF') and Unquoted Alternative Investment Fund (AIFs) are valued at Net Asset Value (NAV) declared by the funds. Where an AIF fails to carry out and disclose the valuation of its investments by an independent valuer as per the frequency mandated by SEBI (Alternative Investment Fund) Regulations, 2012, the value of its units shall be treated as ₹ 1. In case AIF is not registered under SEBI (Alternative Investment Fund) Regulations, 2012 and the latest disclosed valuation of its investments by an independent valuer precedes the date of valuation by more than 18 months, the value of its units shall be treated as ₹ 1.
- The Bank may invest in Category I and Category II Alternative Investment Funds (AIFs) in accordance with the RBI (Commercial Banks – Undertaking of Financial Services) Directions, 2025. The Bank's investment in any single AIF scheme shall not exceed 10 percent of the total corpus of that scheme. Further, the aggregate investment by all banks in any single AIF scheme shall not exceed 20 percent of the corpus of that scheme. Where the Bank's investment in an AIF scheme exceeds 5 percent of the corpus, and the AIF has made a downstream investment (other than equity instruments) in a company which is also a borrower of the Bank, the Bank shall make a 100 percent provision. Such provision shall be limited to the Bank's proportionate exposure to the borrower through the AIF scheme and shall be capped at the amount of the Bank's direct loan and /or investment exposure to that borrower. If the Bank's investment in an AIF scheme is in the form of subordinated units, the entire investment amount shall be regarded as high risk and shall be fully deducted from the Bank's capital funds. The deduction shall be made proportionately from Tier 1 and Tier 2 capital, wherever applicable.
- Pass Through Certificates ('PTCs') including 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 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.

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. Mark-to-Market appreciation in the security is ignored.

Once an investment is classified as an NPI, these securities are segregated from rest of the portfolio and are 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 is 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 FIMMDA / 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 recognised in the Profit and Loss Account as per the relevant RBI guidelines for valuation of Investments. 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 transactions (Repo) and Reverse repurchase transactions (Reverse Repo) in government securities, Municipal Debt Securities, Commercial Papers, Certificate of Deposits , Units of Debt ETFs 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 is 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. Reverse repos with banks and other institutions having original tenors up to and inclusive of 14 days are classified under Schedule 7 – Balances with banks and money at call and short notice.

17.02 Advances

In accordance with the RBI guidelines, advances are classified as performing and non - performing. Non - Performing advances ('NPA') are further classified

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as Sub - Standard, Doubtful and Loss Assets in accordance with the RBI guidelines on Income Recognition, Asset Classification and provisioning ('IRACP'). 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, Interest in suspense for NPAs, 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 and Provision.

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 the RBI guidelines.

Non-performing and restructured loans are upgraded to standard as per the extant RBI guidelines.

The RBI has issued Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 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 365 days from the commencement 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 the asset classification status of the borrower account

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 identified as fraudulent are classified as Loss Assets. In accordance with RBI guidelines, the Bank is required immediately to create a full provision for the entire amount due to the Bank or for which the Bank is liable, without considering the value of any underlying 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. Further, the provision for UFCE is considered for inclusion in Tier 2 Capital.

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 funded) 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 unrealized 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 realization, by debiting the sundry liabilities account.

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 life of the security on a straight line method basis. STRIPS are amortised on constant yield basis. Interest income on investments in PTCs is recognised at their contractual rate.

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 / processing 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 and commission on renegotiations or rescheduling of outstanding debt is recognised over 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.

Penal charge is recognised as income on realisation basis.

Annual / renewal fee on cards and locker rent are amortised on a straight-line basis over period of one year.

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.

Sale of Investments:

Profit / loss on sale of investments under the HTM categories is recognised in the Profit and Loss Account. Further, the profit on sale of investments in HTM categories is appropriated to the Capital

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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 FVTPL including HFT categories is 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 recognized 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').

Securitisation transactions:

The Bank enters into sale of 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".

The Bank invests in PTCs issued by SPVs. These are accounted for at the deal value and are classified as investments.

In accordance with the Reserve Bank of India (Commercial Banks – Securitisation Transactions) Directions, 2025 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') at a price below the Net Book value (NBV) at the time of transfer, Bank debit the shortfall to the profit and loss account for the year in which the transfer has taken place.

On the other hand, when the stressed loan is transferred to an ARC for a value higher than the NBV at the time of transfer, the Bank shall reverse the excess provision on transfer to the profit and loss account in the year the amounts are received and only when the sum of cash received by way of initial consideration and / or redemption or transfer of Security Receipts (SR) / Pass Through Certificates (PTCs) / other securities issued by ARCs is higher than the NBV of the loan at the time of transfer. Further, such reversal shall be limited to the extent to which cash received exceeds the NBV of the loan at the time of transfer.

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 lower of provisioning rate required in terms of net asset value declared by the SCs / RCs or face value of the SRs reduced by the notional provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books.

In case of stressed loans are taken over by ARCs as agents for recovery in exchange for a fee, the loans will not be removed from the books of the transferors but realisations as and when received shall be credited to the loan accounts. The Bank is required to continue provisions for the loan in the normal course.

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.

Any loss or profit arising on account of sale is recognised in the Profit and Loss Account in the year in which the sale occurs. However, unrealised profits, if any, arising out of such transfers, shall be deducted from CET 1 capital for meeting regulatory capital adequacy requirements till the maturity of such loans. 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 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 and rates published by approved external market data service providers in case where FEDAI rates are not available. 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 recognized 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 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, Forward rate agreements (FRAs), Futures, Bond forwards, Swaps and Options. The Bank undertakes derivative transactions for trading and hedging Balance Sheet assets and liabilities.

Trading Derivatives:

All trading transactions are marked to market and resultant gain or loss is recognized 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) under Schedule 11 - Other Assets or as liabilities when the fair value is negative (negative marked to market value) under Schedule 5 - Other Liabilities and Provision.

The amounts received / paid on cancellation of option contracts are recognized as realized gain / loss on options. Charges receivable / payable on cancellation / termination of foreign exchange forward contracts are recognized as income / expense on the date of cancellation / termination under 'Other Income'.

Premium in option transaction is recognized as income / expense on expiry or early termination of the transaction.

Mark to market gain / loss (adjusted for premium received / paid on options contracts) is recorded as other income.

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Hedging derivatives including funding swaps:

Hedge transactions after June 26, 2019 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 amortized over the life of the swap or underlying whichever is shorter. Upon ineffectiveness of hedge on re-assessment or termination of underlying, the Bank shall de-designate the derivative as trade.

Funding swaps are accounted in accordance with FEDAI guidelines/ AS 11 - "The Effects of Changes in Foreign Exchange Rates".

The forward exchange contracts and Principal only swaps (POS) that are not intended for trading (including funding swaps / swaps cost) that are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction, and are outstanding at the Balance Sheet date are accounted in accordance with AS-11. Accordingly, such contracts are not marked to market and valued at closing spot rate. The premium / discount arising on inception of such forward exchange contracts is amortised over the life of the contract as interest income / expense. The interest income / expense on such POS transaction is accounted on accrual basis.

Provisioning:

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 counter parties are reversed in Profit and Loss Account and held in a 'Suspense Account-Crystallised Receivables'.

Further, derivative contract is not terminated on the overdue receivable remaining unpaid for 90 days. In addition to reversing the crystallised receivable from Profit and Loss Account as stipulated above, the positive MTM pertaining to future receivables shall also be reversed from Profit and Loss Account to another account styled as 'Suspense Account – Positive MTM'.

The subsequent positive changes in the MTM value shall be credited to the 'Suspense Account – Positive MTM', not to Profit and Loss Account. The subsequent decline in MTM value shall be adjusted against the balance in 'Suspense Account – Positive MTM'. If the balance in this account is not sufficient, the remaining amount may be debited to the Profit and Loss Account.

On payment of the overdue in cash, the balance in the 'Suspense Account-Crystallised Receivables' are transferred to the 'Profit and Loss Account', to the extent payment is received.

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 or an extension which becomes an integral part of the asset.

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	5 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.

During FY 2025–26, the useful life of vehicles was reassessed by management and revised from 4 years to 5 years.

Fixed assets individually costing less than ₹ 5,000 are fully depreciated in the year of installation.

Depreciation on assets sold during the year is recognized 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.

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 recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization 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 realized. 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] (as amended). 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.

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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 to Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff after the accounting period ending March 31, 2021 as per Reserve Bank of India (Commercial Banks - Governance) Directions, 2025 dated November 28, 2025 (as amended). 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 ending 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 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.

17.10 Employee benefits

Short-term employee benefits:

Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered during the period. These are recognized at the undiscounted amount in the Profit and Loss Account.

Provident 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 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.

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. Vested past service cost is recognised in Profit and loss account immediately. However, unvested past services cost is amortised over the vesting period as an expense in Profit and Loss Account.

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

In accordance with AS- 29 "Provisions, contingent liabilities, and contingent Assets" 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 escalation cost, are charged on a straight line method over the lease term in the Profit and Loss Account in accordance with the AS - 19 “Leases”. 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 selected 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.

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

The disclosure relating to segment information is in accordance with AS-17 “Segment Reporting” and as per guidelines issued by RBI. Bank’s 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, are recognised in accordance with the AS-28 “Impairment of Assets” specified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 and 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.

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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 "Contingencies and Events Occurring After the Balance Sheet Date", 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.

18 Notes forming part of the Financial Statements as at and for the year ended March 31, 2026

Amounts in notes forming part of the financial statements for the year ended March 31, 2026 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 had 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 was October 01, 2024, being opening of business hours on the Effective Date.

In terms of the Scheme, the Bank had 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 had 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 had been approved by the shareholders of the Bank through Postal Ballot on March 19, 2025.

The amalgamation had been accounted for under the 'pooling of interest' method as prescribed in AS - 14 "Accounting for Amalgamations". All assets and liabilities of eIDFC Limited had 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 had been adjusted against the corresponding share capital of amalgamating company (eIDFC Limited) of ₹ 1,599.98 crore and the difference had 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 had been debited to Merger Adjustment Account. Further, to bring the uniformity in accounting policies, the Bank had debited an amount of ₹ 12.07 crore to Merger Adjustment Account. Consequently, as a result of these adjustments, the Bank had 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) had 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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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, 2026 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, 2026	March 31, 2025
Common Equity Tier 1 capital (CET 1) (net of deductions)	45,426.90	36,427.76
Additional Tier 1 capital	-	-
Tier 1 capital	45,426.90	36,427.76
Tier 2 capital	6,185.80	6,380.53
Total Capital	**51,612.70**	**42,808.29**
Total Risk Weighted Assets (RWA)	**330,918.58**	**276,473.07**
Common equity Tier 1 capital ratio (%)	13.73%	13.17%
Tier 1 capital ratio (%)	13.73%	13.17%
Tier 2 capital ratio (%)	1.87%	2.31%
Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	**15.60%**	**15.48%**
Leverage Ratio (%)	10.21%	9.56%
Percentage of the shareholding of :		
(a) Government of India	7.75%	9.10%
(b) State Government	Nil	Nil
Amount of paid-up equity capital raised during the year *	7,500.00	3,200.00
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	-	-
Basel III compliant preference share capital instruments	-	-

* During the year ended March 31, 2026, the Bank raised additional capital aggregating to ₹ 7,500.00 crore (rounded off) through issuance of 812,694,722 equity shares and 437,185,666 equity shares of face value of ₹ 10/- each to Currant Sea and Platinum Invictus, pursuant to the conversion of an equivalent number of CCPS held by them respectively, at a price of ₹ 60.00 per CCPS (including securities premium of ₹ 50.00 per CCPS).

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).

In terms of composite scheme of amalgamation, the Bank had 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, 2026 and March 31, 2025, the Bank has issued 29,711,876 and 21,771,003 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 25, 2026, proposed a dividend of ₹ 0.25 per share (Previous Year ₹ 0.25 per share), 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, 2026.

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.idfcfirst.bank.in/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

During the year ended March 31, 2026, the Bank has drawn down net amount of ₹ 95.00 crore (Previous Year ₹ 100.00 crore) from Investment Fluctuation Reserve, being excess of 2% of its AFS and FVTPL (Including HFT) portfolio).

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 ₹ 409.50 crore (Previous Year ₹ 385.00 crore) to Statutory Reserve Account.

ii Investment Reserve Account (IRA)

During the previous year ended March 31, 2025, the Bank had implemented the Master Direction on Investment. Pursuant to the transition provisions, the requirement for maintaining the IRA was discontinued. As a result, ₹ 381.00 crore was transferred to the Investment Fluctuation Reserve and ₹ 281.50 crore to the General Reserve.

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. During the year ended March 31, 2026 the Bank has drawn down net amount of ₹ 95.00 crore from IFR.

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During the year ended March 31, 2025,consequent to transition the Bank had transferred ₹ 381.00 crore from IRA to the IFR and subsequently drawn an amount of ₹ 100.00 crore.

iv Capital Reserve

As per the 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. Further, as per the RBI guidelines, any gain or loss on sale of equity instruments designated under AFS at the time of initial recognition, shall not be transferred from AFS Reserve to the Profit and Loss Account, instead such gain or loss shall be transferred from AFS Reserve to the Capital Reserve. During the year ended March 31, 2026, the Bank has appropriated ₹ 201.00 crore (Previous Year ₹ 88.00 crore) and transferred an amount of ₹ 199.04 crore (post tax) on sale of equity shares designated under AFS and 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 per cent 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 ₹ 26.00 crore (Previous Year ₹ 30.00 crore) to Special Reserve.

vi Cash Flow Hedge Reserve

During the year ended March 31, 2026, an amount of ₹ 30.98 crore (Previous Year ₹ 2.08 crore) has been released to Profit and Loss Account, and balance of ₹ 24.25 crore is held in Cash Flow Hedge Reserve (Previous Year ₹ 55.23 crore).

vii General Reserve

During the year ended March 31, 2026, the Bank has transferred ₹ 136.99 crores. The Bank reversed provision on loan of one corporate borrower amounting to ₹ 133.91 crore (post tax) which has been transferred to General Reserve.

During the previous year ended March 31, 2025, the Bank had implemented the Master Direction on Investments. Pursuant to the transition provisions, the Bank had 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, 2026, the Bank has recognized net gain of ₹ 9.19 crore (post tax) [Previous Year ₹ 172.73 crore (post tax)] to Available for Sale Reserve (AFS).

ix Foreign Currency Translation Reserve

As at March 31, 2026, the Bank has recognised ₹ 22.15 crore (Previous Year ₹ 4.95 crore) as Foreign Currency Translation Reserve on account of translation of foreign currency assets and liabilities of non-integral foreign operations.

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, 2026 :

(₹ 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 ^	4,804.75	13,738.64	8,248.50	13,077.56	18,712.92	11,012.15	20,670.04	44,416.64	31,430.70	65,065.04	63,297.61	294,474.55
Advances ^ #	785.59	8,119.34	3,947.10	8,834.32	8,894.25	8,921.34	22,398.01	37,419.66	103,324.83	31,743.50	46,002.66	280,390.60
Investments ^	25,487.90	2,706.59	1,271.17	3,232.65	2,718.57	4,873.93	4,776.89	9,813.65	8,493.59	10,116.74	12,474.57	85,966.25
Borrowings ^	-	527.01	474.18	-	1,138.02	1,261.40	1,782.53	13,139.44	16,298.10	2,000.00	-	36,620.68
Foreign Currency assets $	431.75	32.35	42.28	205.58	114.99	351.11	391.43	89.08	1,219.01	353.26	262.22	3,493.06
Foreign Currency liabilities $	43.21	168.83	645.45	389.39	1,344.39	1,384.05	2,066.34	6,200.57	814.30	777.99	430.52	14,265.04

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

* 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 Joint Statutory Auditors.

^ Deposits, Advances, Investments and Borrowings include foreign currency balances.

$ Maturity profile of foreign currency assets and liabilities excludes off-balance sheet items.

For the purpose of disclosing the maturity pattern, loans and advances that have been subject to risk participation vide Inter Bank Participation Certificates (IBPC) have been classified in the maturity bucket corresponding to the contractual maturities of such IBPC.

18.03 (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. The Bank has been submitting LCR report to RBI from January 2016.

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forming part of the Financial Statements as at and for the year ended March 31, 2026

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, 2026		Quarter ended December 31, 2025		Quarter ended September 30, 2025		Quarter ended June 30, 2025	
	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)		74,784.02		74,964.32		68,401.82		69,097.88
Cash outflows								
2. Retail deposits and deposits from small business customers, of which:	**187,760.13**	**17,481.82**	**182,299.33**	**16,966.37**	**174,028.16**	**16,125.73**	**162,580.80**	**15,031.33**
i. Stable deposits	25,883.97	1,294.20	25,271.25	1,263.56	25,541.65	1,277.08	24,534.98	1,226.75
ii. Less stable deposits	161,876.16	16,187.62	157,028.08	15,702.81	148,486.51	14,848.65	138,045.82	13,804.58
3. Unsecured wholesale funding, of which:	**71,119.04**	**46,896.46**	**72,460.03**	**46,362.68**	**65,961.30**	**41,147.12**	**65,547.55**	**41,077.28**
i. Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
ii. Non-operational deposits (all counterparties)	40,370.97	16,148.39	43,495.58	17,398.23	41,356.97	16,542.79	40,783.78	16,313.51
iii. Unsecured debt	30,748.07	30,748.07	28,964.45	28,964.45	24,604.33	24,604.33	24,763.77	24,763.77
4. Secured wholesale funding		-		-		-		-
5. Additional requirements, of which:	**75,893.31**	**73,152.44**	**55,134.25**	**52,284.60**	**62,052.42**	**59,119.68**	**63,526.09**	**61,333.31**
i. Outflows related to derivative exposures and other collateral requirements	72,949.16	72,949.16	52,087.35	52,087.35	58,914.92	58,914.92	61,210.20	61,210.20
ii. Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii. Credit and liquidity facilities	2,944.15	203.28	3,046.90	197.25	3,137.50	204.76	2,315.89	123.11
6. ther contractual funding obligations	6,669.71	6,669.71	6,163.74	6,163.74	5,894.77	5,894.77	5,555.58	5,555.58
7. Other contingent funding obligations	122,334.06	5,375.45	113,809.86	5,029.77	105,322.49	4,645.46	96,421.58	4,251.70
8. **Total cash outflows**		**149,575.88**		**126,807.16**		**126,932.76**		**127,249.20**
Cash inflows								
9. Secured lending (e.g.reverse repos)	648.10	-	1,817.28	-	2,334.22	-	605.86	-
10. Inflows from fully performing exposures	14,535.92	9,457.03	13,144.62	8,422.21	11,841.88	7,279.29	10,408.12	6,246.97
11. Other cash inflows *	76,198.20	74,403.79	54,814.03	53,327.41	61,712.96	60,182.13	63,561.63	62,269.53
12. **Total Cash Inflows**	**91,382.22**	**83,860.82**	**69,775.93**	**61,749.62**	**75,889.06**	**67,461.42**	**74,575.61**	**68,516.50**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
TOTAL HQLA		74,784.02		74,964.32		68,401.82		69,097.88
Total Net Cash Outflows		65,715.06		65,057.54		59,471.34		58,732.70
Liquidity Coverage Ratio (%)		113.80%		115.23%		115.02%		117.65%

* "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.

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**	**1,42,193.92**	**13,220.69**	**1,34,213.12**	**12,453.80**	**1,24,462.79**	**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	1,14,862.85	11,486.29	1,05,945.74	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. ther 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.

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.

18.03 (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: https://www.idfcfirst.bank.in/investors/regulatory-disclosures. 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, 2026

18.04 Investments

(a) Composition of investment portfolio

Year ended March 31, 2026

(₹ in crore)

Particulars		Held to maturity		Available for Sale	FVTPL		Subsidiaries, Associates & Joint Ventures	
		At Cost	Fair Value		HFT ^	Non-HFT	At Cost	Fair Value
I) Investments in India								
i)	Government securities	58,640.19	57,110.61	6,515.30	11,923.96	-		
ii)	Other approved securities	-	-	-	-	-		
iii)	Shares	-	-	212.72	9.11	326.52		
iv)	Debentures and bonds	-	-	1,251.96	781.71	1,495.15		
v)	Subsidiaries, associates and joint ventures						454.71 #	220.50
vi)	Others *	-	-	2,977.17	703.05	1,053.96		
Total		**58,640.19**	**57,110.61**	**10,957.15**	**13,417.83**	**2,875.63**	**454.71 #**	**220.50**
Less: Provision for impairment / NPI $		-	-	(110.59)	(162.19)	22.14	(132.19)	-
Net Investment in India		**58,640.19**	**57,110.61**	**10,846.56**	**13,255.64**	**2,897.77**	**322.52**	**220.50**
II) Investments outside India								
i)	Government securities (including local authorities)	-	-	-	-	-		
ii)	Subsidiaries, associates and joint ventures						-	-
iii)	Other investments (Shares)	-	-	-	-	2.44		
Total		-	-	-	-	**2.44**	-	-
Less: Provision for impairment /NPI $		-	-	-	-	1.13	-	-
Net Investment outside India		-	-	-	-	3.57	-	-
Total Investments (I+II)		**58,640.19**	**57,110.61**	**10,846.56**	**13,255.64**	**2,901.34**	**322.52**	**220.50**

$ Including provision towards non-performing investments, specific provision against identified investments, marked-to-market.

* Includes investments in venture capital funds / alternative investment funds, security receipts, certificate of deposits and pass through certificates.

During the year ended on March 31, 2026, the Bank has infused additional equity capital of ₹ 110.00 crore in IDFC FIRST Bharat Limited, a wholly owned subsidiary.

^ Includes HFT Short sales

Year ended March 31, 2025

(₹ in crore)

Particulars		Held to maturity		Available for Sale	FVTPL		Subsidiaries, Associates & Joint Ventures	
		At Cost	Fair Value		HFT	Non -HFT	At Cost	Fair Value
I) Investments in India								
i)	Government securities	45,415.49	46,176.66	6,720.57	20,304.76	-		
ii)	Other approved securities	-	-	-	-	-		
iii)	Shares	-	-	681.25	9.11	377.50		
iv)	Debentures and bonds	-	-	1,021.02	1,165.89	1,002.11		
v)	Subsidiaries, associates and joint ventures						344.71	135.75
vi)	Others *	-	-	2,383.85	465.80	1,092.14		
Total		**45,415.49**	**46,176.66**	**10,806.69**	**21,945.56**	**2,471.75**	**344.71**	**135.75**
Less: Provision for impairment / NPI $		-	-	(173.00)	120.84	(86.92)	(132.19)	-
Net Investment in India		**45,415.49**	**46,176.66**	**10,633.69**	**22,066.40**	**2,384.83**	**212.52**	**135.75**
II) Investments outside India								
i)	Government securities (including local authorities)	-	-	-	-	-		
ii)	Subsidiaries, associates and joint ventures						-	-
iii)	Other investments (Shares)	-	-	-	-	2.44		
Total						**2.44**	**-**	**-**
Less: Provision for impairment / NPI $		-	-	-	-	0.15	-	-
Net Investment outside India		**-**	**-**	**-**	**-**	**2.59**	**-**	**-**
Total investments (I+II)		**45,415.49**	**46,176.66**	**10,633.69**	**22,066.40**	**2,387.42**	**212.52**	**135.75**

$ Inluding provision towards non-performing investments, specific provision against identified investments, marked-to-market.

* Includes investments in venture capital funds / alternative investment funds, security receipts, certificate of deposits and pass through certificates.

Note: Excluding technical written off cases.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2026

(b) Fair Value Hierarchy of investment portfolio measured at fair value on balance sheet

Year ended March 31, 2026

(₹ in crore)

Particulars		Available for Sale (AFS)				Fair Value through Profit and Loss (FVTPL)			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I) Investments in India									
i)	Government securities #	5,379.60	1,069.20	-	6,448.80	10,043.61	1,733.50	-	11,777.11
ii)	Other approved securities	-	-	-	-	-	-	-	-
iii)	Shares	149.51	-	-	149.51	-	-	292.78	292.78
iv)	Debentures and bonds	196.41	572.32	490.25	1,258.97	893.84	1,408.00	-	2,301.84
v)	Subsidiaries, associates and joint ventures								
vi)	Others *	-	-	2,989.27	2,989.27	-	703.06	1,078.63	1,781.68
Total		**5,725.52**	**1,641.52**	**3,479.52**	**10,846.56**	**10,937.45**	**3,844.56**	**1,371.41**	**16,153.41**
II) Investments outside India									
i)	Government securities (including local authorities)	-	-	-	-	-	-	-	-
ii)	Subsidiaries, associates and joint ventures								
iii)	Other investments (Shares)	-	-	-	-	-	-	3.57	3.57
Total		-	-	-	-	-	-	**3.57**	**3.57**

* Includes investments in venture capital funds / alternative investment funds, security receipts, certificate of deposits and pass through certificates.

Government securities are liquid and actively quoted and traded in the market. However, only those securities for which prices are quoted by FBIL and which have been traded on the reporting date are prudently classified as Level I instruments.

Note: Including provision towards non-performing investments, specific provision against identified investments, marked-to-market.

Year ended March 31, 2025

(₹ in crore)

Particulars		Available for Sale (AFS)				Fair value through Profit and Loss (FVTPL)			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I) Investments in India									
i)	Government securities #	61.32	6,660.39	-	6,721.71	16,844.95	3,587.38	-	20,432.33
ii)	Other approved securities	-	-	-	-	-	-	-	-
iii)	Shares	487.20	-	-	487.20	-	-	306.69	306.69
iv)	Debentures and bonds	150.00	523.86	353.26	1,027.12	1,318.27	850.24	-	2,168.51
v)	Subsidiaries, associates and joint ventures								
vi)	Others *	-	-	2,397.66	2,397.66	-	465.80	1,077.90	1,543.70
Total		**698.52**	**7,184.25**	**2,750.92**	**10,633.69**	**18,163.22**	**4,903.42**	**1,384.59**	**24,451.23**
II) Investments outside India									
i)	Government securities (including local authorities)	-	-	-	-	-	-	-	-
ii)	Subsidiaries, associates and joint ventures								
iii)	Other investments (Shares)	-	-	-	-	-	-	2.59	2.59
Total		-	-	-	-	-	-	**2.59**	**2.59**

* Includes investments in venture capital funds / alternative investment funds, security receipts, certificate of deposits and pass through certificates.

\# Government securities are liquid and actively quoted and traded in the market. However, only those securities for which prices are quoted by FBIL and which have been traded on the reporting date are prudently classified as Level I instruments.

Note: Including provision towards non-performing investments, specific provision against identified investments, marked-to-market.

(c) Net gains / (losses) on Level 3 financial instruments recognised in AFS-Reserve and Profit and Loss Account

(₹ in crore)

Particulars *	March 31, 2026	March 31, 2025
Recognised in AFS-Reserve	(0.84)	14.73
Recognised in Profit and Loss Account	56.63	36.09

* Excluding Non performing Investment, technical written off and identified Investments.

(d) Detail of HTM Sales

During the year ended March 31, 2026 and March 31, 2025, the carrying value of Investments sold off from HTM category (excluding sales to the RBI under open market operation auctions (OMO) / Government Securities Acquisition Programme (GSAP) / Conversion / Switch auctions) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

(₹ in crore)

Sr No	Particulars	March 31, 2026	March 31, 2025
a	Opening carrying value of securities in HTM	45,415.49	31,685.65 *
b	Carrying value of all HTM securities sold during the year	13,379.92	10,426.18
c	Less: Carrying values of securities sold under situations exempted from regulatory limit	11,130.81	8,893.37
d	Carrying value of securities sold (d=b-c)	2,249.11	1,532.81
e	Securities sold as a percentage of opening carrying value of securities in HTM (e=d÷a)	4.95%	4.84%
f	Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	201.00	82.00

* Includes change in value of investments on account of implementation of the Master Direction (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2023 on April 01, 2024.

(e) Reclassification between categories of investments

During the year ended March 31, 2026 and March 31, 2025, the Bank did not undertake any reclassification of investments between categories.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2026

(f) Movement of Provisions for non-performing investments (NPIs) and Investment Fluctuation Reserve

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
(I) Movement of provisions held towards non-performing investments (NPIs)		
Opening balance	48.03	159.67
Add: Provisions made during the year	14.80	13.36
Less: Write-back of provisions during the year	(12.23)	(125.00)
Closing balance	**50.60**	**48.03**
(II) Movement of investment fluctuation reserve		
Opening balance	769.50	488.50
Add: Amount transferred during the year	50.00	381.00
Less: Drawdown	(145.00)	(100.00)
Closing balance	**674.50**	**769.50**
(III) Closing balance in IFR as a percentage of closing balance of investments in AFS and FVTPL (including HFT category)	**2.50%**	**2.19%**

(g) Non-SLR Investment portfolio

i Issuer composition of non - SLR investments as at March 31, 2026 * :

(₹ 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	ß	-	-	-	ß
ii	Financial institutions	2,886.85	1,533.70	-	-	974.18
iii	Banks	1,548.02	919.16	-	-	331.36
iv	Private corporates	677.65	569.96	-	-	256.07
v	Subsidiaries / joint ventures	322.52	322.52	-	-	322.52
vi	Others	3,833.47	3,833.47	-	-	3,833.47
vii	Provision held towards depreciation @	(168.36)	-	-	-	-
	TOTAL	**9,100.15**	**7,178.81**	-	-	**5,717.60**

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

* Excludes investments in excess SLR governments securities of ₹ Nil.

^ 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, marked to market on investments.

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	ß	-	-	-	ß
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, marked to market on investments.

ii Non performing Non-SLR investments :

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
(a) Opening balance of Non performing Non-SLR investments	48.03	161.39
Additions during the year	14.80	11.64
Reductions during the year $ #	(12.23)	(125.00)
Closing balance of Non-performing Non-SLR investments	**50.60**	**48.03**
Closing provision on Non-performing Non-SLR investments	**50.60**	**48.03**
(b) Opening balance of Non performing Non-SLR investments (Under 'Schedule 11 - Other Assets')	93.54	100.00
Additions during the year	-	125.00
Reductions during the year $ #	(2.10)	(131.46)
Closing balance of Non-performing Non-SLR investments (Under 'Schedule 11 - Other Assets')	**91.44**	**93.54**
Closing provision on Non-performing Non-SLR investments (Under 'Schedule 11 - Other Assets')	**91.44**	**93.54**

$ including technical write-off.

including matured investment.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2026

(h) 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, 2026 and March 31, 2025 :

Year ended March 31, 2026

(₹ in crore)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on March 31, 2026	
	Face value	Market value *	Face value	Market value *	Face value	Market value *	Face value	Market value *
Securities sold under repo								
i. Government securities	-	-	11,848.68	12,026.17	3,128.46	3,227.40	522.00	525.81
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo								
i. Government securities	-	-	3,245.00	3,309.63	1,326.73	1,341.73	805.00	785.77
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-

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	6,990.64	5,845.49	6,371.57
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	-	-	-	-	-	-	-	-

* 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, 2026 and March 31, 2025:

Year ended March 31, 2026

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2026
Securities sold under Tri-party repo				
i. Government securities	-	16,559.95	7,315.32	-
ii. Corporate debt securities	-	-	-	-
iii. Any other Securities	-	-	-	-
Securities purchased under Tri-party reverse repo				
i. Government securities	-	1,499.56	10.22	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

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 Tri-party repo				
i. Government securities	-	12,582.74	5,092.00	549.67
ii. Corporate debt securities	-	-	-	-
iii. Any other Securities	-	-	-	-
Securities purchased under Tri-party reverse repo				
i. Government securities	-	1,795.93	22.65	-
ii. Corporate debt securities	-	-	-	-
iii. Any other Securities	-	-	-	-

(i) 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, 2026 and March 31, 2025:

Year ended March 31, 2026

(₹ 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, 2026
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL transactions	-	-	-	-	-

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2026

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	-	-	-	-	-

(j) Securities kept as margin

The details of securities that are kept as margin are as under:

(₹ in crore)

	Particulars	Face Value	
		March 31, 2026	March 31, 2025
(I)	Securities kept as margin with Clearing Corporation of India limited (CCIL) towards :		
	Collateral and fund management - Securities segment	990.00	690.00
	Collateral and fund management -Tri-party Repo segment	-	675.00
	Default fund - Forex Forward segment	60.00	97.00
	Default fund - Forex Settlement segment	29.00	24.00
	Default fund - Rupee Derivatives (Guaranteed Settlement) segment - MIBOR	26.50	11.50
	Default fund - Securities segment	18.00	10.00
	Default fund - Tri-party repo segment	12.50	3.50
	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
(III)	Securities kept as margin with National Securities Clearing Corporation of India (NSCCL) towards NSE Currency Derivative segment	0.23	0.53
(IV)	Securities sold under ready forward transactions with CCIL	522.00	376.00
(V)	Securities kept as margin with Indian Clearing Corporation Limited towards BSE Currency Derivative segment	0.60	0.60
	TOTAL	**1,660.83**	**7,359.62**

(k) Transition on Investment Portfolio:

During the previous year ended March 31, 2025, the Bank implemented the Reserve Bank of India (Commercial Banks – Classification, Valuation, and Operation of Investment Portfolio) Directions, which was applicable to banks from April 01, 2024. Consequent to the transition provisions, the Bank's net worth had increased by ₹ 532.48 crore (post tax) as on April 01, 2024.

Notes
forming part of the Financial Statements as at and for the year ended March 31, 2026

18.05 Asset Quality

(a) Classification of advances and provisions held

Year ended March 31, 2026

(₹ 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	232,213.30	3,151.26	943.67	338.65	4,433.58	236,646.88
Add: Additions during the year					8,615.57	
Less: Reductions during the year *					(8,490.63)	
Closing balance	**279,188.48**	**3,147.55**	**493.54**	**917.43**	**4,558.52**	**283,747.00**
* Reductions in Gross NPAs due to:					8,490.63	
i) Upgradation					1,164.60	
ii) Recoveries / Sacrifice (excluding recoveries from upgraded accounts)					982.50	
iii) Technical / Prudential Write - offs					5,851.60	
iv) Write - offs other than those under (iii) above					491.93	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held $	1,278.46	1,990.87	874.14	338.65	3,203.66	4,482.12
Add: Fresh provisions made during the year					7,330.38	
Less: Excess provision reversed / Write - off loans					(7,321.96)	
Closing balance of provisions held $	**1,288.54**	**1,879.96**	**414.69**	**917.43**	**3,212.08**	**4,500.62**
Net NPAs						
Opening balance		1,160.39	69.53	-	1,229.92	
Add: Fresh additions during the year					1,285.19	
Less: Reductions during the year					(1,168.67)	
Closing balance		**1,267.59**	**78.85**	**-**	**1,346.44**	
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						8,520.69
Add: Technical / Prudential write-offs during the year						5,851.60
Less: Recoveries / Sacrifice made from previously technical / prudential written-off accounts during the year						(1,737.75)
- of which Sacrifice / Compromise						(947.55)
Closing balance						**12,634.54**

$ Excludes specific provision against identified standard advances.

Notes
forming part of the Financial Statements as at and for the year ended March 31, 2026

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)					984.18	
iii) Technical / Prudential Write-offs					4,859.97	
iv) Write-offs other than those under (iii) above					368.97	
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)
- of which Sacrifice / Compromise						(570.55)
Closing balance						**8,520.69**

$ Excludes specific provision against identified standard advances.

Particulars		March 31, 2026	March 31, 2025
i.	Gross NPA to Gross Advances	1.61%	1.87%
ii.	Net NPAs to Net Advances	0.48%	0.53%
iii.	Provision Coverage Ratio (Gross of outstanding Technical Write offs)	92.17%	90.51%
iv.	Provision Coverage Ratio (NPA Provision / Gross Non Performing Advances)	70.46%	72.26%

(b) Sector-wise advances and Gross NPAs

(₹ in crore)

Sector			March 31, 2026		
			Outstanding total advances #	Gross NPAs	% of Gross NPAs to total advances in that sector
A	**Priority Sector**				
	i.	Agriculture and allied activities	27,724.44	462.37	1.67%
	ii.	Advances to industries sector eligible as priority sector lending, of which: *	16,692.54	154.94	0.93%
		- Electronics and Other Engineering	2,159.29	9.61	0.45%
		- Basic Metal and Metal Products	1,814.62	7.38	0.41%
	iii.	Services, of which: *	30,553.04	393.99	1.29%
		- Trade	9,028.76	106.72	1.18%
		- Transport Operators	6,368.04	157.66	2.48%
	iv.	Personal loans, of which: *	10,148.34	177.88	1.75%
		- Housing	9,215.72	175.29	1.90%
		Subtotal (A)	**85,118.36**	**1,189.18**	**1.40%**
B	**Non Priority Sector**				
	i.	Agriculture and allied activities	1,380.06	31.95	2.32%
	ii.	Industry, of which: *	20,557.37	728.19	3.54%
		- Basic Metal and Metal Products	2,265.17	1.72	0.08%
	iii.	Services, of which: *	38,223.32	622.82	1.63%
		- Financial Intermediation	18,293.06	125.77	0.69%
		- Trade	4,961.56	100.82	2.03%
	iv.	Personal loans, of which: * $	138,467.89	1,986.38	1.43%
		- Consumer Credit ^	118,071.80	1,873.87	1.59%
		- Housing	17,057.17	103.15	0.60%
		Subtotal (B)	**198,628.64**	**3,369.34**	**1.70%**
		TOTAL (A)+(B)	**283,747.00**	**4,558.52**	**1.61%**

Outstanding total advances represents Gross Advances.

* Sub-sectors have been disclosed where advances exceed 10% of total advances in that sector at reporting date.

$ Personal loans as defined in RBI notification on XBRL Returns – Harmonization of Banking Statistics dated January 04, 2018.

^ Consumer credit as defined in RBI notification on XBRL Returns – Harmonization of Banking Statistics dated January 04, 2018.

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, 2026

(₹ 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%
		- Consumer Credit ^	96,369.02	1,752.19	1.82%
		- 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.

$ Personal loans as defined in RBI notification on XBRL Returns – Harmonization of Banking Statistics dated January 04, 2018.

^ Consumer credit as defined in RBI notification on XBRL Returns – Harmonization of Banking Statistics dated January 04, 2018.

Classification of advances into sector is based on Sector wise Industry Bank Credit return submitted to the RBI.

(c) Overseas assets, NPAs and revenue

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total assets	2,716.88	628.08
Total NPAs	-	-
Total revenue	86.21	15.85

The above disclosure pertains to International Banking Unit (IBU) - Gift City.

(d) Implementation of Resolution Plans (RPs) *:

(₹ in crore)

Cases eligible for RPs during FY 2026		RPs successfully implemented during FY 2026		RPs under implementation during FY 2026	
No. of cases	Balance Outstanding	No. of cases	Balance Outstanding	No. of cases	Balance Outstanding
-	-	-	-	-	-

(₹ in crore)

Cases eligible for RPs during FY 2025		RPs successfully implemented during FY 2025		RPs under implementation during FY 2025	
No. of cases	Balance Outstanding	No. of cases	Balance Outstanding	No. of cases	Balance Outstanding
1	22.75	1	22.75	-	-

* Aggregate Exposure of the borrower to lenders above ₹ 1,500.00 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:

(i) the additional provisioning for NPAs assessed by RBI exceeds 5 percent of the reported profit before provisions and contingencies for the reference period and

(ii) 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 year ended March 31, 2025, and March 31, 2024.

(f) Disclosure of transfer of loan exposures:

(i) Details of loans not in default transferred by the Bank are given below:

Particulars	March 31, 2026		March 31, 2025	
	Assignment / Novation	Loan Participation	Assignment / Novation	Loan Participation
Aggregate amount of loans transferred (₹ in crore)	1.56	-	1,742.64	-
Weighted average residual maturity (in years)	15.25	-	13.62	-
Weighted average holding period by originator (in years)	5.06	-	1.52	-
Retention of beneficial economic interest by the originator	NA	-	10%	-
Tangible security coverage	98%	-	98%	-

The loans transferred are not rated.

(ii) Details of loans not in default acquired by the Bank are given below:

Particulars	March 31, 2026		March 31, 2025	
	Assignment / Novation	Loan Participation	Assignment / Novation	Loan Participation
Aggregate amount of loans acquired (₹ in crore)	8,138.49	-	2,996.48	-
Weighted average residual maturity (in years)	1.41	-	2.68	-
Weighted average holding period by originator (in years)	0.39	-	0.67	-
Retention of beneficial economic interest by the originator	10%	-	10%	-
Tangible security coverage	75%	-	70%	-

The loans acquired are not rated.

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(iii) Details of stressed loans acquired by the Bank (excluding prudentially written off accounts) are given below:

Particulars	March 31, 2026		March 31, 2025	
	From SCBs, RRBs, Co-operative Banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs	From SCBs, RRBs, Co-operative Banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
Aggregate principal outstanding of loans acquired (₹ in crore)	8.13	-	-	-
Aggregate consideration paid (₹ in crore)	7.93	-	-	-
Weighted average residual tenor of loans acquired (in years)	0.06	-	-	-

(iv) Details of stressed loans classified as NPA transferred by the Bank (excluding written-off accounts) as given below:

Particulars	March 31, 2026		March 31, 2025	
	To ARCs	To permitted transferees	To ARCs	To permitted transferees
Number of accounts	125	-	31	-
Aggregate principal outstanding of loans transferred (₹ in crore)	29.46	-	5.30	-
Weighted average residual tenor of the loans transferred (in years)	8.55	-	5.10	-
Net book value of loans transferred (at the time of transfer)*	8.33	-	0.39	-
Aggregate consideration (₹ in crore)	14.75	-	1.81	-
Additional consideration realised in respect of accounts transferred in earlier years (₹ in crore)	-	-	-	-

* Excess provision reversed to profit and loss account on account of sale of loan to ARCs was ₹ 6.42 crore (Previous Year ₹ 1.42 crore).

Excess provision reversed to profit and loss account on account of sale of loan to ARCs for written off accounts was ₹ 114.00 crore (Previous Year ₹ 102.74 crore).

(v) The Bank has not made any investment in Security Receipts during the year ended March 31, 2026 and March 31, 2025. The book value of outstanding Security Receipts as on March 31, 2026 is ₹ Nil (Previous Year ₹ Nil).

(g) Disclosure on the details of Co-Lending Arrangements (CLAs) on an aggregate basis, as per the Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 (as amended) are given below:

Sr. No.	Particulars	Value
(i)	Quantum of CLAs	
	- Number of CLA partners	1
	- Number of outstanding cases CLA *	4,901
	- Amount of outstanding (₹ in crore)*	136.27
(ii)	Weighted average Interest Rate (%)	10.84
(iii)	Fees Paid (₹ in crore)	-

Sr. No.	Particulars	Value
(iv)	Broad sectors in which CLA was made (₹ in crore)	
	- Vehicle loan	136.27
(v)	Performance of loans under CLA	
	- Standard loans (₹ in crore)	136.20
	- Non-Performing loans (₹ in crore)	0.07
(vi)	Default Loss Guarantee (DLG) (if any) (₹ in crore)	-

* Excluding written-off accounts

(h) Provisioning pertaining to Fraud Accounts

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Number of frauds reported @	356	960
Amount involved in fraud (₹ in crore) # @	689.26	19.93
Amount involved in fraud (net of recoveries) / (write-offs) at the end of the year (₹ in crore) * # @	683.61	3.44
Amount of provision made for such frauds (₹ in crore) * # @	683.61	3.44
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

@ Includes a fraud incident identified by the Bank during the quarter ended March 31, 2026, involving unauthorized and fraudulent activities by certain employees at a particular branch in Chandigarh in collusion with certain external parties. The Bank received a request from one of its customers, a particular Department of Haryana Government, for closure of its account and transfer of funds to another bank. In the process, certain discrepancies were observed in the amount mentioned vis-a-vis the balance in the account. Subsequently, certain other customers / entities engaged with the Bank regarding their respective accounts with the Bank. During this process, similar differences were observed between the balances in the account and the balances as mentioned by the said entities holding accounts with the Bank.

Pursuant to the above, the Bank has received claims from these entities and paid the principal amount of ₹ 645.59 crore. The Bank has recognised the amount paid as an expense in the books for the quarter and year ended March 31, 2026. The matter is currently under investigation by various law enforcement agencies and subject to forensic review being conducted by an external firm appointed by the Bank.

Based on the assessment done by the Bank, the management is reasonably certain that there will be no further material adjustments to the financial statements other than those already accounted for.

The Bank subsequently filed the FMR with the RBI on April 07, 2026.

* Includes advances amounting to ₹ 37.94 crore (Previous Year ₹ 1.23 crore) classified as NPA and are fully provided for (net of recoveries) within the financial year. This excludes advances amounting to ₹ 4.18 crore (Previous Year ₹ 9.39 crore) reported as fraud during the year and subsequently written off / net of recoveries within the financial year.

Includes a fraud case concerning a loan account of one borrower amounting to ₹ 37.45 Crore which was initially reported in April 13, 2022. Subsequently, the case was deactivated by the Reserve Bank of India (RBI) in June 2024, following a court order. Based on the Bank's reassessment, the case was reclassified as fraud and reported as on July 30, 2025. Further the account has been classified as a NPA and has been fully provided.

Notes
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(i) Disclosure related to Project Finance for the quarter ended March 31, 2026, as per the Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 (as amended) applicable from October 01, 2025 are given below:

i. For the quarter ended March 31, 2026:

Sr. No.	Particulars	Number of accounts	Total outstanding in ₹ crore
1	Projects under implementation accounts at the beginning of the quarter	15	1,007.00
2	Projects under implementation accounts sanctioned during the quarter	1	430.00
3	Projects under implementation accounts where DCCO has been achieved during the quarter	1	430.00
4	Projects under implementation accounts at the end of the quarter(1+2-3) *	12	797.55
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked	-	-
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented	-	-
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation	-	-
5.3	Out of '5' – accounts in respect of which Resolution plan has failed	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	-	-
8	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked	-	-
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented	-	-
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation	-	-
8.3	Out of '8' – accounts in respect of which Resolution plan has failed	-	-

* Includes movement / prepayment during Q4 FY 2025-26 in projects under implementation accounts existing at the beginning of the quarter.

Note 1: Number of accounts reported above are number of projects funded by the Bank.

Note 2: The above disclosure excludes project loans sanctioned but not accepted by borrowers.

ii. For the quarter ended December 31, 2025 :

Sr. No.	Item Description	Number of accounts	Total outstanding (₹ in crore)
1	Projects under implementation accounts at the beginning of the quarter	15	763.97
2	Projects under implementation accounts sanctioned during the quarter	-	-
3	Projects under implementation accounts where DCCO has been achieved during the quarter	-	-
4	Projects under implementation accounts at the end of the quarter(1+2-3) *	15	1,007.00 *
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked	-	-
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented	-	-
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation	-	-
5.3	Out of '5' – accounts in respect of which Resolution plan has failed	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	-	-
8	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked	-	-
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented	-	-
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation	-	-
8.3	Out of '8' – accounts in respect of which Resolution plan has failed	-	-

* Includes movement during Q3 FY 2025-26 in projects under implementation accounts existing at the beginning of the quarter.

Note 1: Number of accounts reported above are number of projects funded by the Bank.

Note 2: The above disclosure excludes project loans sanctioned but not accepted by borrowers.

Notes

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(j) Resolution Framework for COVID-19-related Stress

i. For the year ended March 31, 2026 :

Disclosure under Resolution Framework for COVID-19 related Stress as at September 30, 2025 as per the Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 are given below:

(₹ 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, 2025 (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, 2025 **
Personal Loans	107.15	2.44	0.28	9.83	94.60
Corporate Loans *	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	112.75	0.67	-	6.04	106.04
Total	**219.90**	**3.11**	**0.28**	**15.87**	**200.64**

* 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, 2025.

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 ₹ 5.90 crore, which were not standard as at March 31, 2025 and upgraded to standard during the half year ended September 30, 2025 are not included.

Disclosure under Resolution Framework for COVID-19 related Stress as at March 31, 2026 as per the Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 are given below:

(₹ 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, 2025 (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, 2026 **
Personal Loans	94.60	0.49	0.01	7.30	86.80
Corporate Loans *	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	106.04	0.26	-	20.23	85.55
Total	**200.64**	**0.75**	**0.01**	**27.53**	**172.35**

* 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, 2026.

This amount represents amount paid by the borrowers during the half year net-off Interest capitalised.

** Loans restructured under the above framework amounting to ₹ 3.32 crore, which were not standard as at September 30, 2025 and upgraded to standard during the half year ended March 31, 2026 are not included.

(ii) For the year ended March 31, 2025 :

Disclosure under Resolution Framework for COVID-19 related Stress as at September 30, 2024 as per the Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 are given below:

(₹ 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-off 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.

Disclosure under Resolution Framework for COVID-19 related Stress as at March 31, 2025 as per the Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 are given below:

(₹ 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-off 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.

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(k) Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

Year ended March 31, 2026

No. of accounts restructured	Amount (₹ in crore) ^
186	168.61

^ Outstanding balances of restructured loan accounts, excluding technically written-off amounts.

Year ended March 31, 2025

No. of accounts restructured	Amount (₹ in crore) ^
270	220.97

^ Outstanding balances of restructured loan accounts, excluding technically written-off amounts.

(l) Specific Provision against identified standard advances

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Opening balance	330.66	305.68
Addition during the year	60.71	58.36
Reduction during the year	(178.95)	(12.95)
Transfer to provisions on NPA	(68.10)	(20.43)
Closing balance	**144.32**	**330.66**

(m) Conversion of Debt into Equity

During the year ended March 31, 2026, there was no change in the position as reported as at March 31, 2025. 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, 2026	March 31, 2025
1	**Direct exposure**		
	i Residential mortgages	27,122.97	27,092.72
	of which housing loans eligible for inclusion in priority sector advances	9,595.72	5,570.81
	ii Commercial real estate	4,212.56	4,630.50
	iii Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
	a. Residential	150.60	228.37
	b. Commercial real estate	-	-
2	**Indirect exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	2,224.25	2,577.18
	Others	-	-
	Total Exposure to Real Estate Sector	**33,710.38**	**34,528.77**

(b) Exposure to capital market

(₹ in crore)

	Particulars	March 31, 2026	March 31, 2025
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 *	655.22	1,085.18
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	92.79	17.65
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 stock brokers and guarantees issued on behalf of stockbrokers and market makers	6,723.16	3,917.17
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	1,619.33	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)	624.32	597.43
	Total exposure to capital market	**9,714.82**	**5,967.43**

* Excludes investment in equity shares on account of conversion of debt into equity as part of restructuring amounting to ₹ 11.63 crore (Previous Year ₹ 11.63 crore) which are exempted from exposure to Capital Market.

(c) Risk category wise country exposure

(₹ in crore)

Risk Category	March 31, 2026		March 31, 2025	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	7,734.56	-	4,715.79	-
Low	3,991.78	-	3,099.86	-
Moderately Low	140.70	-	450.86	-
Moderate	10.00	-	50.20	-
Moderately High	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Total	**11,877.04**	**-**	**8,316.71**	**-**

Country Risk classification is in accordance with guidelines issued by Export Credit Guarantee Corporation of India Limited (ECGC).

Notes

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(d) Unsecured advances

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total unsecured advances of the Bank	115,099.29	97,892.61
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	7,308.88	4,261.74
Estimated value of such intangible securities	22,934.98	14,207.79

(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 ₹ 3,753.27 crore (Previous Year ₹ 2,670.10 crore) and outstanding of ₹ 2,203.10 crore (Previous Year ₹ 1,676.20 crore) as on March 31, 2026.

(f) Intra-group exposures

Intra-group exposures in accordance with RBI guidelines are as follows :

(₹ in crore)

	Particulars	March 31, 2026	March 31, 2025
i.	Total amount of intra-group exposures	454.71	344.71
ii.	Total amount of top-20 intra-group exposures	454.71	344.71
iii.	Percentage of intra-group exposures to total exposure of the Bank on borrowers / customers	0.11%	0.10%
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, 2026, incremental capital held towards borrowers having UFCE is ₹ 177.30 crore (Previous Year ₹ 173.13 crore) and made incremental provision of ₹ 6.00 crore (Previous Year ₹ 15.56 crore) towards UFCE. As of March 31, 2026, the Bank held cumulative provision towards UFCE of ₹ 67.00 crore (Previous Year ₹ 61.00 crore).

18.07 Concentration of deposits, advances, exposures and NPAs

(a) Concentration of advances

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total advances to twenty largest borrowers [$]	21,124.19	15,640.95
Percentage of advances to twenty largest borrowers to total advances of the Bank	5.48%	4.89%

[$] Advances represent credit exposure (funded and non-funded) including derivative exposure computed as per current exposure method in accordance with the RBI guidelines. The exposure is net-off cash collateral.

(b) Concentration of exposures *

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total exposure to twenty largest borrowers / customers	21,815.39	16,574.98
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Bank on borrowers / customers	5.49%	5.01%

* Exposure includes credit exposure (funded and non-funded), derivative exposure and investment exposure (including underwriting and similar commitments) in accordance with the RBI guidelines. The exposure is net-off cash collateral.

(c) Concentration of deposits

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total deposits of twenty largest depositors	27,644.53	20,046.11
Percentage of deposits of twenty largest depositors to total deposits of the Bank	9.39%	7.95%

(d) Concentration of NPAs

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total exposure to the top twenty NPA accounts *	1,106.38	1,052.26
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	24.27%	23.73%

The above disclosure is for Non - Performing Advances.

* Exposure represents advances outstanding for top twenty NPA accounts.

18.08 Derivative

(a) Details of derivative portfolio

(₹ in crore)

Particular	March 31, 2026		
	Level 1	Level 2	Level 3
Interest Rate Derivatives			
MTM – Assets	-	675.35	-
MTM – Liabilities	-	511.65	-
Net Gain / Loss recognised in Profit & Loss Account	-	163.70	-
Exchange Rate Derivatives *			
MTM – Assets	13.91	5,592.42	(0.35)
MTM – Liabilities	9.75	5,722.24	(0.38)
Net Gain / Loss recognised in Profit & Loss Account	4.16	(129.82)	0.03
Credit Risk Derivatives			
MTM – Assets	-	-	-
MTM – Liabilities	-	-	-
Net Gain / Loss recognised in Profit & Loss Account	-	-	-
Other Derivatives			
MTM – Assets	-	-	-
MTM – Liabilities	-	-	-
Net Gain / Loss recognised in Profit & Loss Account	-	-	-

* Exchange Rate Derivatives includes FX contracts such as TOM, Spot, Forwards and FX Swaps etc., which are highly liquid and actively quoted in terms of premia. Mark-to-market valuation is determined by discounting the underlying cash flows and accordingly, Forward and FX Swap contracts are prudently classified as Level II instruments.

Notes
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(₹ in crore)

Particular	March 31, 2025		
	Level 1	Level 2	Level 3
Interest Rate Derivatives			
MTM – Assets	-	498.03	-
MTM – Liabilities	-	465.27	-
Net Gain / Loss recognised in Profit & Loss Account	-	32.76	-
Exchange Rate Derivatives *			
MTM – Assets	5.53	1,087.38	-
MTM – Liabilities	6.28	1,120.12	-
Net Gain / Loss recognised in Profit & Loss Account	(0.75)	(32.74)	-
Credit Risk Derivatives			
MTM – Assets	-	-	-
MTM – Liabilities	-	-	-
Net Gain / Loss recognised in Profit & Loss Account	-	-	-
Other Derivatives			
MTM – Assets	-	-	-
MTM – Liabilities	-	-	-
Net Gain / Loss recognised in Profit & Loss Account	-	-	-

* Exchange Rate Derivatives includes FX contracts such as TOM, Spot, Forwards and FX Swaps etc., which are highly liquid and actively quoted in terms of premia. Mark-to-market valuation is determined by discounting the underlying cash flows and accordingly, Forward and FX Swap contracts are prudently classified as Level II instruments.

(b) Forward rate agreement (FRA) / Interest rate swap (IRS)

(₹ in crore)

Particulars		March 31, 2026	March 31, 2025
i	The notional principal of IRS / FRA	186,371.83	166,598.82
ii	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	711.47	525.33
iii	Collateral required by the Bank upon entering into IRS / FRA	-	-
iv	Concentration of credit risk arising from the IRS / FRA (%) *	31.54%	43.02%
v	Concentration of credit risk arising from the IRS / FRA *	258.18	482.13
vi	The fair value of the IRS / FRA (Net MTM)	181.40	44.70

* 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, 2026 and March 31, 2025.

The nature and terms of the IRS / FRA as on March 31, 2026 are set out below :

(₹ in crore except numbers)

Nature	No. of deals	Notional principal	Benchmark	Terms
Trading	1,290	58,701.01	INROIS	Pay Floating / Receive Fixed
Trading	1,407	86,082.46	INROIS	Pay Fixed / Receive Floating
Trading	74	11,727.93	SOFR	Pay Floating / Receive Fixed
Trading	69	10,220.61	SOFR	Pay Fixed / Receive Floating
Trading	123	6,024.21	INR MOD MIFOR	Pay Floating / Receive Fixed
Trading	80	3,875.00	INR MOD MIFOR	Pay Fixed / Receive Floating
Trading	8	612.34	USD Term SOFR	Pay Floating / Receive Fixed
Trading	4	3,593.22	USD Term SOFR / SOFR	Pay Floating / Receive Floating
Trading	2	860.00	MIOIS	Pay Fixed / Receive Floating
Trading	2	2,845.05	USD Term SOFR	Pay Fixed / Receive Floating
Trading	1	151.74	SOFR / USD Term SOFR	Pay Floating / Receive Floating
Trading	72	1,500.00	Bond Yield	Sell FRA
Trading	1	178.26	JPY TONAR	Pay Fixed / Receive Floating
Total Trading	**3,133**	**186,371.83**		
Banking	-	-		
Total Banking	-	-		
Total	**3,133**	**186,371.83**		

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**		

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2026

(c) Exchange traded interest rate derivatives

(₹ in crore)

Sr No	Particulars	March 31, 2026	March 31, 2025
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'	-	-

(d) 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 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, Credit Risk 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.

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, 2026	
		Currency Derivatives	Interest rate derivatives
1	Derivatives (notional principal amount)		
	a. For hedging	24,592.66	-
	b. For trading	284,238.47	186,371.83
2	Marked to market positions		
	a. Asset (+)	5,876.19	711.47
	b. Liability (-)	(5,697.52)	(530.07)
3	Credit exposure	9,447.48	1,350.90
4	Likely impact of one percentage change in interest rate (100*PV01)		
	a. On hedging derivatives	ß	-
	b. On trading derivatives	45.59	193.90
5	Maximum and minimum of 100*PV01 observed during year		
	a. On hedging		
	- minimum	ß	-
	- maximum	0.04	-
	b. On trading		
	- minimum	20.16	193.90
	- maximum	47.71	416.37

* Excluding FX contracts such as Cash, Tom, and Spot. PV01 figure presented in absolute terms.

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(₹ 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

i 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.

ii The Bank has computed maximum and minimum of PV01 for the year based on monthly averages.

iii 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 :

a. The current replacement cost (marked-to-market value including accrued interest) of the contract or zero whichever is higher; and

b. 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.

(e) Credit Default Swaps

The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended March 31, 2026 and March 31, 2025. Further, there are no outstanding CDS as on March 31, 2026 and March 31, 2025.

18.09 Details of securitisation transactions undertaken by the Bank under the Reserve Bank of India (Commercial Banks – Securitisation Transactions) Directions, 2025 Dated November 28, 2025 are given below:

(₹ in crore, except numbers)

	Particulars		March 31, 2026		March 31, 2025	
1	No. of SPEs holding assets for securitisation transactions originated by the Bank			4		4
2	Total amount of securitised assets as per books of the SPEs (outstanding as on Balance Sheet date)			1,496.17		3,059.33
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			189.37		197.56
	• Others			215.48		215.48
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			300.15		314.18
	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
	- 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	1,496.17	4.00	3,059.33
7	Performance of facility provided viz. credit enhancement, liquidity support, servicing agent etc.		Credit Enhancement	Servicing agent	Credit Enhancement	Servicing agent
	(a) Amount paid		227.43 (111%)	-	59.73(26%)	-
	(b) Amount Increase due to new pool		-	-	167.70 (74%)	-
	(c) Repayment received		(22.21) (11%)	-	-	-
	(d) Outstanding amount		205.22 (100%)	1,496.17	227.43(100%)	3,059.33
8	Average default rate of portfolios observed in the past *					
	- Consumer Loans			1.33%		2.00%
	- Vehicles			1.63%		1.77%
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 % to Gross advances as on March 31, 2026.

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The following are SMA (Gross of IBPC) perccentages.

Asset Class	March 31, 2026	March 31, 2025
Consumer Loans	1.67%	2.50%
Vehicles	2.26%	2.54%

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)

Details of amounts transferred to / reimbursed by DEA Fund are set out below:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Opening balance of amounts transferred to DEA Fund	-	-
Add : Amounts transferred to DEA Fund during the year	0.04	-
Less : Amounts reimbursed by DEA Fund towards claims	-	-
Closing balance of amounts transferred to DEA Fund *	0.04	-

* Closing balance of the amount transferred to DEA Fund, as disclosed above, are also included under Schedule 12 - Contingent Liabilities - Other items for which the bank is contingently liable.

18.12 Disclosure of complaints

Summary information on complaints received by the Bank from customers and from the Offices of Ombudsman :

Particulars		March 31, 2026	March 31, 2025
	Complaints received by the Bank from its customers		
a.	No. of complaints pending at the beginning of the year	321	469
b.	No. of complaints received during the year	17,170	21,573
c.	No. of complaints disposed during the year	16,731	21,721
	-of which, number of complaints rejected by the Bank	995	143
d.	No. of complaints pending at the end of the year	760	321
	Maintainable complaints received by the Bank from Office of Ombudsman *		
e.	Number of maintainable complaints received by the Bank from Office of Ombudsman	4,824	3,682
f.	Of 'e', number of complaints resolved in favour of the Bank by Office of Ombudsman	2,552	1,531
g.	Of 'e', number of complaints resolved through conciliation/ mediation / advisories issued by Office of Ombudsman	2,272	2,150
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)	-	-

* The number of maintainable complaints for the year ended March 31, 2026 is provisional and subject to revision upon receipt of final confirmation from the Reserve Bank of India (RBI).

Top five grounds of complaints received by the Bank from customers

March 31, 2026

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
Recovery Agents / Direct Sales Agents	4	5128	221%	356	157
Credit Cards	88	4314	(37%)	107	31
Loans and advances	166	2390	(56%)	77	23
ATM / Debit Cards	0	1060	(43%)	5	3
Account opening / difficulty in operation of accounts	3	419	37%	37	16
Others	60	3859	(24%)	178	72
Total	**321**	**17170**	**(20%)**	**760**	**302**

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**

The above disclosure excluding complaints redressed within next working day.

18.13 Disclosure of penalties imposed by RBI

During the year ended March 31, 2026, two penalties amounting to ₹0.0005 crore (₹5,000) and ₹0.001 crore (₹10,000) were imposed on the Bank by the Reserve Bank of India (RBI) (Previous Year: ₹0.391 crore), with respect to deficiencies observed at two branches of the Bank—one pertaining to the non display of security features at a prominent place, and the other relating to the exchange of notes observed during incognito visit conducted by the RBI on October 15, 2025 and December 11, 2025, respectively. The Bank has also examined the incidents and taken necessary corrective actions to avoid recurrence of the same in future.

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18.14 Disclosures on remuneration

(i) Qualitative disclosures

a. Information relating to the composition and mandate of the Nomination and Remuneration Committee (NRC):

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:

Ms. Matangi Gowrishankar	Chairperson (previously was a member, appointed as a Chairperson w.e.f October 18, 2025)
Mr. Sudhir Kapadia	Member (ceased to be the Chairperson w.e.f. October 18, 2025)
Mr. Narendra Ostawal	Member (appointed w.e.f October 18, 2025)
Mr. Aashish Kamat	Member
Mr. Sanjeeb Chaudhuri	Member
Mr. Uday Bhansali	Member
Mr. S. Ganesh Kumar	Member (ceased w.e.f October 18, 2025)

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 engages with '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 all 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, 2026 is stated against each category:

1.	MD & CEO	1
2.	Material Risk Takers	15
3.	Control Function Staff	10
4.	Other Staff	43033

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.
- 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 Master Direction "Reserve Bank of India (Commercial Banks - Governance) Directions, 2025" dated November 28, 2025.

The Remuneration Policy was reviewed and revised in FY 2025-26 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 are recommended by 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.

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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 in "Reserve Bank of India (Commercial Banks - Governance) Directions, 2025" dated November 28, 2025.

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.

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 2025-26, 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, 2026 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.

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.

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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 up to 5 years, which adequately covers the time horizon for risk to materialize. A minimum 75% of grants are deferred over a period up to 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's Master Direction "Reserve Bank of India (Commercial Banks - Governance) Directions, 2025" dated November 28, 2025.

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. In addition, cash bonus, unvested and /or vested shares is subject to malus / clawback 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.

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. As part of the variable pay plan, select employees may also be granted employee stock options basis role, performance and potential.

  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, 2026	March 31, 2025
g.	i	Number of meetings held by the Nomination and Remuneration Committee during the financial year	7	6
	ii	Remuneration paid to its members (sitting fees for the above NRC meetings) (₹ in crore)	0.35	0.23
h.	i	Number of employees having received a variable remuneration award during the financial year[1]	21	20
	ii	Number and total amount of sign-on/joining bonus made during the financial year (₹ in crore)	-	-
	iii	Number and total amount of guaranteed bonuses awarded during the financial year (₹ in crore)	-	-
	iv	Details of severance pay, in addition to accrued benefits, if any	-	-
i.	i.	Total amount of outstanding deferred remuneration, split into		
		- Cash (₹ in crore)	16.17	19.18
		- Shares	-	-
		- Share-linked instruments (number of unvested stock options outstanding as on March 31st and fair value of the same)	38,779,950 options with a fair value of ₹ 111.63 crore	42,124,565 options with a fair value of ₹ 113.29 crore
		- Share-linked instruments (number of vested stock options outstanding as on March 31st and fair value of the same)	26,457,701 options with a fair value of ₹ 44.81 crore	25,430,414 options with a fair value of ₹ 38.39 crore

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		Particulars	March 31, 2026	March 31, 2025
	ii.	Total amount of deferred remuneration paid out in the financial year		
		- Cash[2] (₹ in crore)	9.85	7.28
		- Share-linked instruments (number of stock options vested during the year and fair value of the same)	11,980,558 options with a fair value of ₹ 24.43 crore	11,760,857 options with a fair value of ₹ 19.23 crore
j.	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred			
		- Fixed[3] (₹ in crore)	50.74	53.48
		- Variable (₹ in crore)		
		- Deferred Cash variable pay[4]	8.46	9.87
		- Non-Deferred Cash variable pay[5]	9.92	11.39
		- Deferred	14,509,806 options granted with a fair value of ₹ 38.05 crore	14,283,018 options granted with a fair value of ₹ 48.60 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)	16.17	19.18
		- Deferred Non Cash (Share Linked instruments)	65,237,651 options with a fair value of ₹ 156.44 crore	67,554,979 options with a fair value of ₹ 151.68 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		21	20
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)		0.11	0.10
	Deviation of the pay of WTD from the mean pay of the Bank			
	- MD & CEO[7] (₹ in crore)		5.18	5.19
	- WTD[7] (₹ in crore)		4.11	3.78

1. For FY 2025-26, Remuneration paid includes MD & CEO, Whole Time Director (WTD) and 19 Material Risk Takers (MRTs) identified in the current year, of which 2 MRTs are added and 5 MRTs were excluded on account of role change, retirement & death during the year.

   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 was added and 1 MRT was excluded on account of role change during the year.

2. FY 2025-26 represents portion of Deferred Cash Variable Pay for FY 2022-23, 2023-24 and for FY 2024-25 including payment to 5 MRTs (role change, retirement & death).

   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).

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 2025-26 represents portion of Cash Variable Pay for FY 2024-25 payable in April 2026 to April 2028. This does not include deferred cash variable pay of ₹0.81 crores payable to 3 MRTs excluded on account of role change.

   FY 2024-25 represents portion of Cash Variable Pay for FY 2023-24 payable in April 2025 to April 2027. This does not include deferred cash variable pay of ₹0.58 crores payable to 1 MRT excluded on account of role change.
5. FY 2025-26 represents portion of Cash Variable pay for FY 2024-25 paid in FY 2025-26, this does not include Cash Variable pay of ₹0.81 crore paid to 3 MRTs excluded on account of role change.

   FY 2024-25 represents portion of Cash 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.
6. FY 2025-26 represents portion of Cash Variable pay for FY 2022-23 payable in April 2026, Variable pay for FY 2023-24 payable from April 2026 to April 2027 and Variable pay for FY 2024-25 payable from April 2026 to April 2028.

   FY 2024-25 represents portion of Cash Variable pay for FY 2021-22 payable in April 2025, Variable pay for FY 2022-23 payable from April 2025 to April 2026 and Variable pay for FY 2023-24 payable from April 2025 to April 2027.
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.
8. Fair value of stock options is determined using Black-Scholes pricing models on the grant date.

(iii) During the year ended March 31, 2026, the Bank has paid fixed remuneration & sitting fees to Non - Executive Directors amounting to ₹2.26 crore (Previous Year ₹1.99 crores) and ₹2.83 crore. (Previous Year ₹2.38 crore) respectively.

18.15 Other Disclosures

(a) Business ratios / Information

Particulars	March 31, 2026	March 31, 2025
Interest income as a percentage to working funds $	10.67%	11.25%
Non-interest income as a percentage to working funds $	2.07%	2.16%
Cost of deposits ^^	6.14%	6.38%
Net Interest Margin *	5.91%	6.36%
Operating profit as a percentage to working funds $ &	1.90%	2.29%
Return on assets @	0.43%	0.47%
Business (deposits plus advances) per employee # ^ (₹ in crore)	12.14	10.31
Net Profit per employee ^ (₹ in crore)	0.04	0.04

$ 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.

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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.

(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, 2026	March 31, 2025
1. For selling life insurance policies	595.47	526.81
2. For selling non-life insurance policies	298.74	282.21
Total	**894.21**	**809.02**

(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, 2026	March 31, 2025
1. For selling mutual fund products	78.43	56.65
2. Others	54.10	56.62
Total	**132.53**	**113.27**

(d) Priority sector lending certificates (PSLCs)

Details of PSLCs purchased :

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
PSLC - Agriculture	9,747.00	7,500.00
PSLC - Small / Marginal Farmers	5,429.00	4,538.50
PSLC - Micro Enterprises	-	-
PSLC - General	-	-
Total	**15,176.00**	**12,038.50**

Details of PSLCs sold :

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
PSLC - Agriculture	-	-
PSLC - Small / Marginal Farmers	-	3,000.00
PSLC - Micro Enterprises	5,000.00	-
PSLC - General	-	-
Total	**5,000.00**	**3,000.00**

(e) Provisions and contingencies

Provisions and contingencies shown under the head expenditure in Profit and Loss Account comprise of:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Provision made towards income tax		
- Current Tax	332.56	479.25
- Deferred Tax	(136.12)	(103.98)
Provisions for depreciation on investment *	(357.81)	(142.03)
Provision on non-performing advances ^	5,766.40	5,299.72
Provision and other contingencies #	(30.04)	357.04
Total	**5,574.99**	**5,890.00**

* Including specific provision/ (write back of provision) against identified investments and write-offs (net of recoveries).

^ Including bad debts written-off (net of recoveries) and specific provision / (write back of provision) against identified advances.

\# Including provision on restructured assets / (write back of provision) 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. The Bank prepares Proforma Ind AS financials for submission to the RBI as per the prescribed frequency. The implementation of Ind AS by banks requires certain 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 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 Reserve Bank of India (Commercial Banks – Classification, Valuation, and Operation of Investment Portfolio) Directions 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 issued draft circular titled “Reserve Bank of India (Scheduled Commercial Banks – Asset Classification, Provisioning and Income Recognition) Directions, 2025” for public comments. Through this draft, the RBI has proposed the transition to an Expected Credit Loss–based provisioning regime for banks in India, with the framework slated to become effective from April 1, 2027.

In line with the proposed directions, the Bank is currently in the implementation phase, which entails significant changes across systems, processes, governance structures, and business practices. This includes development and validation of ECL models, implementation of Effective Interest Rate (EIR), strengthening of data infrastructure, alignment of income recognition processes, determination of Cash flows and capacity building across relevant functions to ensure a smooth and compliant transition to the ECL framework.

It may further be noted that the above significant impacted areas may change based on the final guidelines to be issued by the RBI.

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(g) Payment of DICGC Insurance Premium

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Payment of DICGC Insurance Premium *	364.16	285.60
Arrears in payment of DICGC premium	-	-

* Includes GST of ₹ 55.55 crore (Previous Year ₹ 43.57 crore).

18.16 Provision for credit card and debit card reward points

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Opening provision for reward points	97.94	68.71
Provision for reward points made during the year	410.27	228.98
Utilisation / write-back of provision for reward points	(256.52)	(199.75)
Closing provision for reward points	**251.69**	**97.94**

The valuation of credit card and debit card reward points is based on actuarial valuation obtained from an independent actuary.

18.17 Disclosure of Letters of comfort (LoCs) issued by banks

The Bank has not issued any Letter of Comfort during the year ended March 31, 2026 and March 31, 2025 and there is no outstanding as at March 31, 2026 and March 31, 2025.

18.18 Portfolio-level information on the use of funds raised from green deposits

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025	Cumulative *
Total green deposits raised (A)	1,284.98	51.10	1,336.08
Use of green deposit funds			
(1) Renewable Energy	103.03	-	103.03
(2) Energy Efficiency	-	-	-
(3) Clean Transportation	1,181.47	51.10	1,232.57
(4) Climate Change Adaptation	-	-	-
(5) Sustainable Water and Waste Management	0.48	-	0.48
(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)	**1,284.98**	**51.10**	**1,336.08**
Amount of Green Deposit funds not allocated (C = A – B)	-	-	-
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities / projects	-	-	-

* The figures reported above correspond to the period from July 16, 2024 till March 31, 2026.

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, 2026	March 31, 2025
Provident fund	163.08	158.95
Pension fund	17.32	12.69

ii Gratuity

The following tables summarise the components of net benefit expenses recognised in the Profit and Loss Account, funded status and amounts recognised in the Balance Sheet for the gratuity benefit plan, as per AS-15 “Employee Benefits”:

Profit and Loss Account

Net employee benefit expenses:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Current service cost	55.10	38.95
Interest on defined benefit obligation	18.05	12.75
Expected return on plan assets	(11.81)	(8.13)
Net actuarial losses / (gains) recognised in the year	(9.07)	12.13
Past service cost	71.75	-
Total included in “Payments to and provisions for employees” [Schedule 16(I)]	**124.02**	**55.70**
Actual return on plan assets	(0.96)	9.58

Balance Sheet

Details of provision for gratuity:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Present value of funded obligations	357.48	202.34
Fair value of plan assets	(241.90)	(159.65)
Unrecognised Past Service Cost	(49.08)	-
Net Liability included under Schedule 5 - Other Liabilities	**66.50**	**42.69**

Changes in the present value of the defined benefit obligation are as follows :

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Opening defined benefit obligation	**202.34**	**146.47**
Current service cost	55.10	38.95
Interest cost	18.05	12.75
Actuarial losses / (gains)	(21.84)	13.58
Past service cost	120.83	-
Liabilities assumed on acquisition / (settled on divestiture)	-	-
Benefits paid	(17.00)	(9.41)
Closing defined benefit obligation	**357.48**	**202.34**

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Changes in the fair value of plan assets are as follows:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Opening fair value of plan assets	**159.65**	**109.48**
Expected return on plan assets	11.81	8.13
Actuarial gains / (losses)	(12.77)	1.45
Contributions by employer	100.21	50.00
Assets acquired on acquisition / (distributed on divestiture)	-	-
Benefits paid	(17.00)	(9.41)
Closing fair value of plan assets	**241.90**	**159.65**
Expected Employers Contribution Next Year	40.00	50.00

Experience adjustments

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022
Defined benefit obligations	357.48	202.34	146.47	103.38	78.82
Plan assets	241.90	159.65	109.48	67.82	55.40
Surplus / (deficit)	(115.58)	(42.69)	(36.99)	(35.56)	(23.42)
Experience adjustments on plan liabilities	6.24	6.60	8.51	3.77	2.47
Experience adjustments on plan assets	(12.77)	1.45	2.58	(2.05)	(0.16)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets:

Particulars	March 31, 2026	March 31, 2025
Government securities	33.24%	54.11%
Bonds, debentures and other fixed income instruments	32.98%	23.93%
Deposits and money market instruments	13.15%	6.19%
Equity shares	20.63%	15.77%

Principal actuarial assumptions at the Balance Sheet date:

Particulars	March 31, 2026	March 31, 2025
Discount rate (p.a.)	6.60%	6.65%
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.

Provision towards probable impact on account of Code of Social Security 2020

Pursuant to the notification issued by the Ministry of Labour and Employment, the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the “New Labour Codes”) became effective from November 21, 2025. The Bank had reassessed its employee benefit obligations based on certain estimates and assumptions, pursuant to issuance of the new Labour Codes. Accordingly, an incremental impact on account of past service cost in accordance with AS-15 “Employee Benefits” amounting to ₹ 71.75 crore has been recognised in the Profit and Loss Account during the year ended March 31, 2026. The supporting Rules and certain key clarifications are awaited, and the interpretations and industry practices are still developing. The above impact estimates will be re-assessed and finalised based on the final Rules, industry practices and any revisions to the Bank’s staff emoluments from time to time.

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. In accordance with Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 , the Bank has presented 'Digital Banking' as a sub-segment of the Retail Banking segment.
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 Financial Statements as at and for the year ended March 31, 2026

Segmental reporting for the year ended March 31, 2026 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)	28,426.89	11,165.81	9,235.67	44,647.45	53,883.12	1,026.74	94,502.56
Add: Unallocated revenue (ii)							165.07
Less : Inter segment revenue (iii)							(46,245.52)
Total Revenue (i+ii-iii)							**48,422.11**
Segment Results before tax (iv)	522.10	1,089.86	(169.50)	429.59	260.09	486.96	2,359.01
Less: Unallocated expenses (net of revenue) (v)							(526.20)
Operating Profit (iv-v)							**1,832.81**
Less: Provision for tax							(196.45)
Net Profit							**1,636.36**
Segment assets	107,556.20	56,436.04	22,185.88	2,10,880.31	2,33,066.19	80.38	397,138.81
Add: Unallocated assets							2,641.28
Total Segment Assets							**399,780.09**
Segment liabilities	32,586.30	84,242.04	63,740.93	1,70,647.51	2,34,388.44	66.74	351,283.52
Add: Unallocated liabilities							1,144.73
Total Segment Liabilities							**352,428.25**
Capital Employed (Segment Assets - Segment Liabilities)	74,969.90	(27,806.00)	(41,555.05)	40,232.80	(1,322.25)	13.64	45,855.29
Add: Unallocated capital employed							1,496.55
Total Capital Employed							**47,351.84**
Capital expenditure for the year	2.85	45.81	34.19	615.62	649.81	9.18	707.65
Add: Unallocated capital expenditure							10.11
Total Capital Expenditure							**717.76**
Depreciation on fixed assets for the year	4.44	49.84	39.63	735.21	774.84	7.47	836.59
Add: Unallocated depreciation							7.00
Total Depreciation							**843.59**

The above Segmental Reporting includes revenue and other income earned from Insurance Companies as under:

a. Commission income from sale of insurance policies - ₹ 894.21 crore {refer note 18.15(b)}

b. Others - ₹ 15.40 crore.

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	3,41,309.74
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	3,04,889.72
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:

a. Commission income from sale of insurance policies - ₹ 809.02 crore {refer note 18.15(b)}.

b. Others - ₹ 28.33 crore.

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forming part of the Financial Statements as at and for the year ended March 31, 2026

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.

18.21 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, 2026	March 31, 2025
Deferred tax assets on account of provisions for loan losses	1,183.19	1,123.32
Deferred tax assets on account of provision for diminution in value of investments	11.06	70.80
Deferred tax assets on account of long term capital loss	2.96	4.91
Deferred tax assets on account of other contingencies	68.09	-
Deferred tax assets (A)	**1,265.30**	**1,199.03**
Deferred tax liabilities on account of depreciation on fixed assets (Including intangible assets)	58.54	73.92
Deferred tax liabilities on Special Reserve under Section 36(1)(viii) of Income Tax Act, 1961	119.55	115.31
Deferred tax liabilities on account of other contingencies	-	20.11
Deferred tax liabilities on account of RBI Circular on investment accounting *	62.80	91.51
Balance transfer from eIDFC Ltd to the Bank under merger	21.01	21.01
Deferred tax liabilities (B)	**261.90**	**321.86**
Net Deferred tax assets (A-B)	**1,003.40**	**877.17**

* Previous year 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, 2026 are disclosed below:

a. Subsidiary

IDFC FIRST Bharat Limited

b. Associates

Millennium City Expressways Private Limited

Jetpur Somnath Tollways Private Limited

c. Key Management Personnel

Mr. V. Vaidyanathan - MD & CEO

Mr. Pradeep Natarajan - Executive Director **(w.e.f. June 01, 2024)**

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 (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 Mixed Wardrobe, The Mixed Wardrobe Private Limited

The significant transactions between the Bank and related parties for the year ended March 31, 2026 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 FIRST Bharat Limited ₹1.46 crore (Previous Year ₹ 2.25 crore)

- Dividend Paid:

Mr. V. Vaidyanathan ₹ 1.66 crore (Previous Year Nil)

- Managerial Remuneration:

Mr. V. Vaidyanathan ₹ 5.59 crore (Previous Year ₹ 5.55 crore)

Mr. Pradeep Natarajan ₹ 6.29 crore (Previous Year ₹ 3.41 crore) [includes cash variable pay pertaining to previous financial years, which became payable and was paid during FY 2025-26 upon completion of the prescribed deferral period]

- Receiving of services:

IDFC FIRST Bharat Limited ₹ 1,670.77 crore (Previous Year ₹ 1,002.16 crore)

- Rendering of services:

IDFC FIRST Bharat Limited ₹ 0.37 crore (Previous Year ₹ 0.10 crore)

- Operating expenses:

Millennium City Expressways Private Limited ₹ 0.87 crore (Previous Year ₹ 0.24 crore)

- Interest Income earned:

Mr. Pradeep Natarajan ₹ 0.20 crore (Previous Year ₹ 0.31 crore)

- Sale of Fixed Assets:

IDFC FIRST Bharat Limited ₹ 0.47 crore (Previous Year ₹ Nil)

- Investment of the Bank:

IDFC FIRST Bharat Limited ₹ 110.00 crore (Previous Year ₹ Nil)

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2026

The details of the transactions of the Bank with its related party during the year ended March 31, 2026 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	-	1.46	-	0.10	0.20	0.04
Interest income earned	-	-	-	0.20	-	-
Managerial Remuneration ^	-	-	-	11.88	-	-
Receiving of services	-	1,670.77	-	-	-	-
Rendering of services	-	0.37	-	0.01	ß	ß
Operating expenses	-	-	0.87	-	-	-
Sale of fixed assets	-	0.47	-	-	-	-
Investment of the Bank	-	110.00	-	-	-	-
Dividend paid	-	-	-	1.72	ß	0.13

^ Based on the performance evaluation of the Bank and the Managing Director and Chief Executive Officer ("MD & CEO") and the Executive Director ("ED") for FY 2024–25, respectively, and pursuant to the recommendations of the Nomination and Remuneration Committee ("NRC") and the approval of the Board of Directors ("Board"), the Reserve Bank of India ("RBI") approved the grant of variable pay aggregating to ₹ 4.90 crore to the MD & CEO, translating into 2,023,375 stock options, and variable pay aggregating to ₹ 4.54 crore to the ED, comprising a cash component of ₹ 1.51 crore and a non cash component of ₹ 3.03 crore in the form of 1,250,279 stock options. The said RBI approvals were subsequently noted by the NRC and the Board at their respective meetings held on October 18, 2025

The balances payable to / receivable from the related parties of the Bank as on March 31, 2026 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	-	162.54	-	1.52	2.87	1.29
Interest accrued on deposit	-	0.04	-	ß	0.02	ß
Loans & advances including credit card balances	-	-	295.07	3.76	ß	-
Interest accrued on advances	-	-	-	0.01	-	-
Investment of the Bank	-	322.52^	351.08	-	-	-
Investment of related party in the Bank $	-	-	-	-	-	-
Other receivables *	-	29.99	-	-	-	-
Other pyable	-	64.35	-	-	-	-

* Other receivable includes cash with business correspondents.

$ As at March 31, 2026, MD & CEO holds 67,167,414, Executive Director holds 2,305,500, Relatives of KMP holds 189,124 & Entities over which KMP / Relatives of KMP / have control significant influence holds 3,832,860 equity shares in the Bank.

Loans and investments in the Associate company have been technically written off / fully provided.

^ Net of dividend received from pre-acquisition profits reduced from cost of investment as per AS-13 "Accouting for Investments".

The maximum balances payable to / receivable from the related parties of the Bank during the year ended March 31, 2026 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	-	162.54	-	1.85	2.99	4.41
Loans & advances including credit card balances	-	-	295.07	4.09	0.03	-
Investment of the Bank	-	322.52	351.08	-	-	-
Other receivables $	-	44.06	-	0.01	-	-
Other payables	-	64.38	-	ß	0.03	0.02

$ Other receivable includes cash with business correspondents.

Loans and investments in the Associate companies have been technically written off / fully provided.

Note: Maximum balance outstanding during the year based on computation of the total outstanding balances at each quarter end.

Notes
forming part of the Financial Statements as at and for the year ended March 31, 2026

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
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	ß	0.10	-	0.01	ß	ß
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.

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	-	ß	0.03	ß
Loans & advances including credit card balances	-	-	295.07	4.18	ß	-
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 payable	-	20.90	-	-	-	-

* Other receivable includes cash with business correspondents.

$ As at March 31, 2025, MD & CEO holds 64,967,464, Executive 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.

Note: Maximum balance outstanding during the year based on computation of the total outstanding balances at each quarter end.

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, 2026	March 31, 2025
Basic		
Weighted average number of equity shares outstanding (in crore)	791.52	729.55
Net Profit / (Loss) after Tax (₹ in crore)- As reported	**1,636.36**	**1,524.85**
Less : Dividend Paid on CCPS	112.35	-
Net Profit / (Loss) after Tax (₹ in crore) - for EPS Computation	**1,524.01**	**1,524.85**
Basic earnings per share (₹)	1.93	2.09
Diluted		
Weighted average number of equity shares outstanding (in crore)	798.72	733.68
Net Profit / (Loss) after Tax (₹ in crore)- As reported	**1,636.36**	**1,524.85**
Less : Dividend Paid on CCPS	112.35	-
Net Profit / (Loss) after Tax (₹ in crore) - for EPS Computation	**1,524.01**	**1,524.85**
Diluted earnings per share (₹)	1.91	2.08
Nominal value of shares (₹)	10.00	10.00

Notes
forming part of the Financial Statements as at and for the year ended March 31, 2026

Reconciliation between the basic and diluted earnings per equity share:

Particulars	March 31, 2026	March 31, 2025
Basic earnings per share (₹)	1.93	2.09
Add: Effect of potential equity shares (per share) (₹)	(0.02)	(0.01)
Diluted earnings per share (₹)	1.91	2.08

Reconciliation between weighted shares used in computation of basic and diluted earnings per equity share:

Particulars	March 31, 2026	March 31, 2025
Basic weighted average number of equity shares outstanding (in crore)	791.52	729.55
Add: Effect of potential equity shares (in crore)	7.20	4.13
Diluted weighted average number of equity shares outstanding (in crore)	798.72	733.68

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, 2026 , 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 per Reserve Bank of India (Commercial Banks - Governance) Directions, 2025 dated November 28, 2025 (as amended) for remuneration 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, 2026 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	215,719,318	19.25-93.10	57.73	3.79
Granted during the year	51,162,010	10.00-68.45	35.16	4.67
Re-instated during the year	215,528	19.25-83.40	62.56	3.79
Forfeited during the year	(12,746,045)	10.00-88.30	57.57	-
Expired during the year	(1,099,911)	19.25-53.35	45.59	-
Exercised during the year	(29,711,876)	19.25-83.40	41.95	-
Outstanding at the end of the year	**223,539,024**	**10.00-93.10**	**54.74**	**3.45**
Exercisable at the end of the year	**73,360,710**	**19.25-93.10**	**51.42**	**1.50**

The weighted average share price in respect of options exercised during the year was ₹ 72.56.

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.

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, 2026	March 31, 2025
Net Profit / (Loss) after Tax (₹ in crore) - As reported	**1,636.36**	**1,524.85**
Less: Dividend paid on CCPS	112.35	-
Net Profit / (Loss) after Tax (₹ in crore) - for EPS Computation	**1,524.01**	**-**
Add: Stock based employee compensation expense included in net income (₹ in crore)	(0.04)	1.02
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crore) *	17.25	39.46
Net Profit / (Loss) (Proforma) (₹ in crore)	**1,506.72**	**1,486.41**
Earnings per share: Basic (in ₹)		
As reported	1.93	2.09
Proforma	1.90	2.04
Earnings per share: Diluted (in ₹)		
As reported	1.91	2.08
Proforma	1.89	2.03

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* Does not include the fair value of stock based compensation estimated on the date of grant using the Black-Scholes model for Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff in respect of grants after the accounting period ending March 31, 2021, and for all other categories of employees after the accounting period ending March 31, 2024, amounting to ₹ 153.67 crore (Previous Year ₹ 91.47 crore) already accounted under "payment to and provisions for employees".

The weighted average fair value of options granted during the year ended March 31, 2026 was ₹ 45.01 (Previous Year ₹ 33.13)

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, 2026	March 31, 2025
Dividend yield	0.36%	-
Expected life	4.00 years	4.50 years
Risk free interest rate	6.01%	6.98%
Volatility	32.93%	37.41%

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, 2026	March 31, 2025
Future lease rentals payable as at the end of the year :		
Not later than one year	703.84	633.54
Later than one year and not later than five years	1,648.39	1,777.79
Later than five years	417.78	449.10
Total of minimum lease payments recognised in the Profit and Loss Account for the year	776.91	680.93
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, 2026	March 31, 2025
Cost		
At the beginning of the year	2,714.85	2,281.10
Additions during the year	269.21	433.75
Deductions during the year	(6.43)	-
Total (i)	**2,977.63**	**2,714.85**
Depreciation		
Accumulated depreciation at the beginning of the year	1,606.44	1,210.35
Depreciation charge for the year	401.13	396.09
Deductions during the year	(4.49)	-
Total (ii)	**2,003.08**	**1,606.44**
Net Value (i-ii)	**974.55**	**1,108.41**

18.27 Corporate social responsibility (CSR)

i. Amount required to be spent by the Bank on CSR during the year is ₹ 55.50 crore (Previous Year ₹ 42.40 crore).

ii. Amount approved by the Board to be spent during the year ₹ 49.01 crore (Previous Year ₹ 36.75 crore).

iii. Amount spent towards CSR related activities during the year ended March 31, 2026 is ₹ 41.82 crore (Previous Year ₹ 31.86 crore), which comprise of following :

Year ended March 31, 2026

(₹ in crore)

Nature of activities	Amount Spent	Amount Unpaid/ Provision	Total
Construction / acquisition of any asset	2.32	-	2.32
On purpose other than above	39.26	0.24	39.50

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

iv. The Bank in line with Rule 7 (3) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 has ₹ 16.55 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, 2025	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2026
30.23	55.50	41.82	16.55

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forming part of the Financial Statements as at and for the year ended March 31, 2026

18.28 Proposed dividend

The Board of Directors in their meeting held on April 25, 2026 proposed a dividend of ₹ 0.25 per equity share (Previous Year ₹ 0.25 per equity share) amounting to ₹ 215.04 crore, subject to the approval of shareholders at the ensuing Annual General Meeting.

In terms of 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, 2026.

However, effect of the proposed dividend has been reckoned in determining capital funds in computation of the capital adequacy ratio as at March 31, 2026.

During the year ended March 31, 2026, the Bank paid dividend on equity shares amounting to ₹ 183.37 crore pertaining to previous year ended March 31, 2025 and dividend on CCPS amounting to ₹ 112.35 crore.

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	At March 31, 2026		At March 31, 2025	
		Principal	Interest	Principal	Interest
1	The Principal amount and the interest due thereon remaining unpaid to any supplier	15.42	0.09	1.39	0.04
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	147.89	- *	137.49	- *
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;	-	0.85	-	2.05
4	The amount of interest accrued and remaining unpaid	-	0.94	-	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	-	2.16	-	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, 2026, there have been no instances of delay in transferring amounts, as required to be transferred to the Investor Education and Protection Fund ("IEPF"), except for two cases amounting to ₹ 0.44 crore, on account of technical issues faced on the MCA's V3 portal / Bharat Kosh portal.

During the year ended March 31, 2025, transfer of amounts relating to two cases to the IEPF was completed with a delay amounting to ₹ 0.30 crore due to technical issues faced on the MCA's V3 portal.

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.

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 in the same currency. 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 and amount transferred to Depositors Education and Awareness Fund (DEAF).

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

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forming part of the Financial Statements as at and for the year ended March 31, 2026

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, 2026 and March 31, 2025, 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, 2026 and March 31, 2025, 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, 2026 and March 31, 2025, none of the items under Miscellaneous Income of “Schedule 14 - Other Income” have exceeded 1% of total income of the Bank.

Operating Expenses - Other expenditure

During the year ended March 31, 2026, other expenditure under “Schedule 16 - Operating Expenses” includes commission to sales agents/ business correspondents of ₹ 3,894.74 crore (Previous Year - ₹ 3,728.44 crore), expenses for collection activities of ₹ 1,903.00 crore (Previous Year - ₹ 1,526.21 crore), technology support expenses of ₹ 618.15 crore (Previous Year - ₹ 610.80 crore) and fraud loss of ₹ 645.59 crore (Refer Note 18.05 (h)) exceeding 1% of total income of the Bank.

18.34 Comparative figures

Figures for the previous year have been regrouped and reclassified wherever necessary to conform to the current year’s presentation.

18.35 All figures less than or equal to ₹ 50,000 have been represented by ß.

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

Pradeep Natarajan
Executive Director
DIN: 10499651

Sudhanshu Jain
Chief Financial Officer &
Head Corporate Centre

Satish Gaikwad
General Counsel &
Company Secretary

As per our report of even date.

For **M. P. Chitale & Co**
Chartered Accountants
(Firm Registration No: 101851W)

Ashutosh Pednekar
Partner
(Membership No: 041037)

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Registration No: 001076N/ N500013)

Khushroo B. Panthaky
Partner
(Membership No: 042423)

Date : April 25, 2026
Place : Mumbai

Independent Auditor's Report

To the Members of IDFC FIRST Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **IDFC FIRST Bank Limited** ('the Bank' or 'the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), its associate, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2026, the Consolidated Profit and Loss Account, and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate audited financial statements of the subsidiary and financial information certified by the management of the associate as referred to in paragraph 14 and 15 respectively below the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949 as well as Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('the RBI') in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2026, and their consolidated loss, and consolidated cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards 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 Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. 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 our audit addressed the key audit matters
Classification of advances, identification of and provisioning of non-performing advances (NPA) As at 31 March 2026, the Bank reported total loans and advances (net of provisions) of Rs. 2,80,391 crores (2025: Rs. 2,33,113 crores), gross NPAs of Rs. 4,559 crores (2025: Rs. 4,434 crores), and provision for non-performing assets (including claims) of Rs. 3,212 crores (2025: Rs. 3,204 crores). Refer schedule 9 to the Financial Statements and schedule 17.02 for accounting policies. The Reserve Bank of India (Commercial Banks - Income Recognition, Asset Classification and Provisioning) Directions, 2025 ("IRACP norms") and other circulars and directives issued by the Reserve Bank of India ("RBI") from time to time prescribes the norms for identification and classification of performing, non-performing advances and the minimum provisions required for such advances. The classification of advances and identification of NPA involves establishment of proper mechanism and application of judgement to identify and determine the amount of provision required as per the policy approved by the Board of Directors of the Bank and based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under IRACP norms. Similarly, the Bank is also required to make judgements to identify advances which are non-recoverable and therefore determined to be written off. The Bank has written off loans of Rs. 5,852 crores (FY 2025: Rs. 4,860 crores) during the year ended 31 March 2026. The provision for advances is estimated based on their ageing and classification of such advances, recovery estimates, nature of loan product, adequacy and existence of security and other qualitative factors and is subject to the minimum provisioning as per IRACP norms and Board of Directors approved policy in this regard.	**Our key audit procedures included but were not limited to the following:** • Understood and considered the Bank's accounting policies for classification of advances, NPA identification and provisioning and assessing compliance with the IRACP norms prescribed by the RBI including the additional provisions made on advances. • Obtained an understanding of management's process, interpretation, systems and controls implemented in relation to NPA computation. • Assessed the design, implementation and tested the operating effectiveness of key internal financial controls over approval, recording, monitoring and recovery of loans, monitoring overdue / stressed accounts, measurement of provision, valuation of security, assessing the reliability of management information which included testing overdue reports; • Tested key IT system / application controls including automated process, controls and system-based reconciliations pertaining to advances, NPA identification, classification and provision on advances; • Obtained an understanding for contingency / additional provision carried by the Bank and verified the underlying assumptions for such estimate along with events identified by the management for usage for such provision. • Tested review controls over measurement of provisions including documentation of the relevant approvals along with basis and rationale of the provision and disclosures in financial statements. • Performed test of details over calculation of NPA provisions, including provisions on restructured loans for assessing the completeness and accuracy and to ensure that the same is in compliance with the Bank's Board of Directors approved NPA provisioning policy and IRACP norms. • Tested samples of advances (based on quantitative and qualitative thresholds);

Key audit matters	How our audit addressed the key audit matters
The management also makes additional provisions on exposures based on advances lent to certain stressed sectors and 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. The management of the Bank relies on the CBS (Core Banking Solutions) along with other allied IT systems accompanied by various estimates, prudent judgements relating to credit assessment of borrowers, valuation of collateral, asset classification, income recognition and provisioning thereon. 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. We have identified this matter as a key audit matter because of significant level of management judgement in determining the provision required for advances, valuation of underlying security, heightened regulatory compliances and its significance to the overall financial statements of the Bank.	• 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; • On a sample basis, verified the classification of advance including the date of tagging of NPAs; • Evaluated the statement of accounts, credit review of borrowers, review of SMA reports, valuation reports of collaterals for loans and other related documents to assess recoverability and the classification of the advances; • Selected and tested samples for accounts which are restructured as per IRACP norms; • Verified on sample basis whether the loan write-offs during the year is in accordance with Board approved policy. • Sought independent confirmation of account balances for sample borrowers. • Read the minutes of committee meetings including credit committee meetings and performing inquiries with the credit, credit monitoring, risk, compliance and vigilance departments. • Considered key observations arising out of Internal Audits, Systems Audits and Concurrent Audits conducted as per the policies and procedures of the Bank. • Considered the RBI Annual Financial Inspection report on the Bank, the Bank's response to those observations and other communications with RBI and • Assessed disclosures included in the financial statements in respect of asset classification, and provisioning, including specific disclosures required by IRACP norms.

Key audit matters	How our audit addressed the key audit matters
Information Technology (IT) systems and controls over financial reporting The IT environment of the Bank is complex as it involves a number of independent and inter-dependent IT systems which are used in the operations of the Bank for processing and recording a large volume of transactions at numerous locations on a daily basis. As a result, there is a high degree of reliance and dependency on the IT systems for the Bank's financial accounting and reporting processes which impacts key financial accounting and reporting items and thereby there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. We have identified testing of in-scope IT systems and related control environment as key audit matter due to high level of automation, significant number of systems being used by the Bank for processing financial transactions, importance in relation to accurate and timely financial reporting and its impact on the financial records and financial reporting process of the Bank.	**We included IT specialists as part of our audit team to perform audit procedures which included, but were not limited to the following:** • Obtained an understanding of IT applications used by the Bank followed by process understanding, mapping of applications to the processes related to financial reporting. • Based on our understanding, we have scoped in relevant IT general controls and IT application controls on the systems identified as relevant for our audit of the financial statements ('in-scope IT systems'). • On such in-scope IT systems, we have tested key IT general controls with respect to the following domains: a. User access management which included user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and databases in the production environment were granted only to authorized personnel. b. Program change management which included controls on moving program changes to production environment as per defined procedures and with relevant segregation of environments. c. Other areas that were assessed under the IT control environment included backup management and incident management. • Verified the audit trail (edit log) on test check basis for identified accounting applications for compliance with requirements of rule 11 (g) of Companies (Audit and Auditors) Rules 2014. • Evaluated the design and tested the operating effectiveness of key IT application controls in key business processes, which included loan origination, sanctioning, disbursements, repayments and covered automated calculations and automated accounting, as applicable. • Where deficiencies were identified, tested compensating controls or performed alternative procedures.

Key audit matters	How our audit addressed the key audit matters
Unauthorised and fraudulent activities related to deposits of a particular branch Refer note 18.13 (c) in the accompanying consolidated financial statements on fraudulent incident that occurred during the year ended 31 March 2026 relating to embezzlement of deposit balances of certain category of customers by certain employees at a particular branch in Chandigarh in collusion with certain external parties. Pursuant to the above, the Bank has received claims from these entities and paid the principal amount of Rs. 645.59 crores which has been recognised as an expense in the Profit and Loss account for the year ended 31 March 2026. The matter is currently under investigation by various law enforcement agencies and is subject to forensic review being conducted by an external firm appointed by the Bank. Considering the significance of the impact of the aforesaid event on the financial statements, robust discussions required with the management and those charged with governance, and significant auditor's attention required to assess its impact on our audit procedures and conclusions, this matter has been determined as a key audit matter for current year audit. The above matter is also considered to be fundamental to the understanding of the users of the consolidated financial statements.	**Our audit procedures in relation to fraud matter included but were not limited to the following:** • Obtained an understanding of details of the fraud, management's assessment of the modus operandi and the steps taken to identify affected accounts and quantify the financial impact. • Obtained an understanding of management's process, systems and controls implemented in relation to deposits of certain category of customers ('scoped-in deposits'). • Evaluated the design and tested the operating effectiveness of key controls including additional controls relevant to scoped in deposit balances which comprise of transaction processing controls, monitoring controls and branch supervisory controls. • Tested relevant information technology system and application controls including automated process, controls pertaining to scoped in deposits such as fund transfer, logs related to transaction alerts and bank statement sent to the customers etc. • Reviewed reports and updates relating to investigation conducted by the internal functions of the Bank. • Reviewed management's process for obtaining balance confirmation of deposits from certain category of customers. • Held discussions with management and those charged with governance and made our report to the Central Government as required under section 143(12) of the Act. • Read the correspondences between the management and law enforcement agencies in relation to this matter. • Assessed the professional competency and objectivity of the external forensic expert appointed by the Bank; obtained an understanding of the scope of work being done by such expert and discussed interim findings till date. • Involved auditor's forensic expert to assist in assessing adequacy and appropriateness of management actions and impact assessment, and in designing additional audit procedures as required to conclude on the matter.

Key audit matters	How our audit addressed the key audit matters
	• Performed substantive audit procedures including obtaining and analysing account balance confirmations for scoped-in deposits and performing alternative procedures where necessary, to test management's quantification of the financial impact and related accounting treatment in the consolidated financial statements. • Assessed the appropriateness and adequacy of the related disclosures made by the management in the consolidated financial statements.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

5. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report including the Pillar III Disclosure under the New Capital Adequacy Framework (Basel III disclosures) but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' 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 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements 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 Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time. The respective Board of Directors of the companies included in the Group and its associate are responsible for 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 Group 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 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 Board of Directors of the Holding Company, as aforesaid.

7. 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.

8. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

9. 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 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.

10. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, 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 Holding Company has adequate internal financial controls with reference to 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 management;

    - Conclude on the appropriateness of Board of Directors' 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 associates and joint ventures 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 auditors' 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; and

    - 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 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 the 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.

11. 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.

12. 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.

13. 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 of the current period 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

14. The consolidated financial statements include the financial statements of one subsidiary whose financial statements reflects total assets of Rs. 43,129 lakhs as at 31 March 2026, total revenues of Rs. 167,461 lakhs, total net loss after tax of Rs. 2,580 lakhs and net cash inflows of Rs. 9,609 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited solely by Walker Chandiok & Co LLP, Chartered Accountants ("WCC"), one of the joint auditors of the Holding Company and M. P. Chitale & Co., Chartered Accountants' joint opinion on these consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary is based solely on the audit report issued by WCC on the aforementioned financial statements for the year ended 31 March 2026.

    Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the report of the other joint auditor.

15. The consolidated financial statements also include the Group's share of net loss of ₹ NIL for the year ended 31 March 2026 in respect of one associate, whose financial information has not been audited by their auditors. This financial information has been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid 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. 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.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

16. The consolidated financial statements of the Group for the year ended 31 March 2025 were audited by the predecessor auditor, Kalyaniwalla & Mistry LLP, Chartered Accountants and M. P. Chitale & Co., Chartered Accountants, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 26 April 2025. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 14, on separate financial statements of the subsidiary, we report that the subsidiary, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, since the Holding Company is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of the subsidiary, 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 purpose 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 report of the other auditors;

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 Companies (Accounting Standards) Rules, 2021, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary, covered under the Act, none of the directors of the Holding Company and its subsidiary, are disqualified as on 31 March 2026 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 financial statements of the Holding Company, its subsidiary and associate covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of one subsidiary:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate as detailed in Schedule 12, Note 18.03 and 18.14 to the consolidated financial statements;

   ii. Provision has been made in these consolidated financial statements, as required under the applicable law or the Accounting Standards, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in schedule 12 and note 18.14 to the consolidated financial statements;

   iii. The following delays were noted in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2026. Also refer note 18.13 (b) to the consolidated financial statements;

Financial Year	Amount (₹ in crore)	Due date	Date of Payment
2017-18	0.44	3 October 2025	-

   iv. a. The respective managements of the Holding Company and its subsidiary, 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 note 18.15 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any such subsidiary ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 18.15 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any such subsidiary shall, whether 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; and

c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend paid by the Holding Company during the year ended 31 March 2026 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2026 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks and that performed by the respective auditor of the subsidiary of the Holding Company which is a company incorporated in India and audited under the Act, the Holding Company and its subsidiary, in respect of financial year commencing on 1 April 2025, have used accounting softwares for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Furthermore, the audit trails have been preserved by the Holding Company and above referred subsidiary as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI FRN 001076N/N500013

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423
UDIN: 26042423PPMTXG9523

Place: Mumbai
Date: 25 April 2026

For **M. P. Chitale & Co.**
Chartered Accountants
ICAI FRN 101851W

Ashutosh Pednekar
Partner
ICAI Membership No. 041037
UDIN: 26041037OYSHWA9752

Place: Mumbai
Date: 25 April 2026

Annexure 1

List of entities included in the Consolidated Financial Statements

Name	Nature
IDFC FIRST Bharat Limited	Subsidiary
Millennium City Expressways Private Limited	Associate

Annexure A

Independent Auditors' Report on the Internal Financial Controls Over Financial Reporting with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

Opinion

1. We have audited the internal financial controls over financial reporting with reference to consolidated financial statements of IDFC FIRST Bank Limited ('the Bank' or 'the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') as at 31 March 2026 in conjunction with our audit of the consolidated financial statements of the Bank for the year ended on that date.

2. In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, based on the internal control over financial reporting 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI').

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls Over Financial Reporting with reference to Consolidated Financial Statements

3. The respective Management and Board of Directors of the Bank and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ICAI. 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 for the Audit of the Internal Financial Controls Over Financial Reporting with reference to Consolidated Financial Statements

4. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting with reference to consolidated financial statements of the Bank and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be 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 over financial reporting with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to consolidated financial statements included obtaining an understanding of internal financial controls over financial reporting 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

6. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting with reference to consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to Consolidated Financial Statements

7. A Bank's internal financial controls over financial reporting with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting with reference to consolidated financial statements include 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorisations 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to Consolidated Financial Statements

8. Because of the inherent limitations of internal financial controls over financial reporting 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 over financial reporting with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls over financial reporting 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.

Other Matters

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one subsidiary, which is a company covered under the Act, whose financial statements reflect total assets of Rs. 43,129 lakhs as at 31 March 2026, total revenues of Rs. 1,67,461 lakhs and net cash inflows amounting to Rs. 9,609 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company has been audited solely by Walker Chandiok & Co LLP, Chartered Accountants ("WCC"), one of the joint auditors of the Holding Company and M. P. Chitale & Co., Chartered Accountants joint opinion on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Holding Company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report on internal financial controls with reference to financial statements issued by WCC.

   Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and report of the other joint auditor.

10. The consolidated financial statements also include the Group's share of net loss of ₹ Nil for the year ended 31 March 2026 in respect of one associate, which is company covered under the Act, whose adequacy and operating effectiveness of the internal financial controls with reference to financial statements have not been audited by us or by other auditors under Section 143(3)(i). 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. Our opinion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI FRN 001076N/N500013

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423
UDIN: 26042423PPMTXG9523

Place: Mumbai
Date: 25 April 2026

For **M. P. Chitale & Co.**
Chartered Accountants
ICAI FRN 101851W

Ashutosh Pednekar
Partner
ICAI Membership No. 041037
UDIN: 26041037OYSHWA9752

Place: Mumbai
Date: 25 April 2026

Consolidated Balance Sheet
as at March 31, 2026

(₹ in crore)

	Schedule No.	As at March 31, 2026	As at March 31, 2025
CAPITAL AND LIABILITIES			
Capital	1	8,601.70	7,322.11
Employees stock options outstanding		287.87	148.72
Reserves and surplus	2	38,514.24	30,684.95
Minority Interest	2a	-	-
Deposits	3	294,312.16	252,010.23
Borrowings	4	36,632.64	38,983.79
Other liabilities and provisions	5	21,426.03	14,758.94
TOTAL		**399,774.64**	**343,908.74**
ASSETS			
Cash and balances with Reserve Bank of India	6	11,310.97	13,985.47
Balances with banks and money at call and short notice	7	1,455.53	1,113.61
Investments	8	85,645.97	80,505.24
Advances	9	280,390.60	233,112.53
Fixed assets	10	2,626.07	2,736.16
Other assets	11	18,205.84	12,316.07
Goodwill on consolidation		139.66	139.66
TOTAL		**399,774.64**	**343,908.74**
Contingent liabilities	12	545,742.19	438,879.60
Bills for collection		3,991.55	3,770.93
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

Pradeep Natarajan
Executive Director
DIN: 10499651

Sudhanshu Jain
Chief Financial Officer &
Head Corporate Centre

Satish Gaikwad
General Counsel &
Company Secretary

As per our report of even date.

For **M. P. Chitale & Co**
Chartered Accountants
(Firm Registration No: 101851W)

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Registration No: 001076N/ N500013)

Ashutosh Pednekar
Partner
(Membership No: 041037)

Khushroo B. Panthaky
Partner
(Membership No: 042423)

Date : April 25, 2026
Place : Mumbai

Consolidated Profit & Loss Account

for the year ended March 31, 2026

(₹ in crore)

		Schedule No.	Year ended March 31, 2026	Year ended March 31, 2025
I	**INCOME**			
	Interest earned	13	40,548.82	36,501.64
	Other income	14	7,873.57	6,976.66
	TOTAL		**48,422.39**	**43,478.30**
II	**EXPENDITURE**			
	Interest expended	15	19,333.05	17,207.80
	Operating expenses	16	21,903.80	18,891.60
	Provisions and contingencies	18.03	5,574.98	5,888.55
	TOTAL		**46,811.83**	**41,987.95**
	Net Profit / (Loss) before share in Earnings / (Loss) in associates		1,610.56	1,490.35
	Add: Share of Earnings / (Loss) in associates		-	-
	Consolidated Net Profit / (Loss) for the year before deducting Minorities' Interest		1,610.56	1,490.35
	Less: Minorities' Interest		-	-
	CONSOLIDATED PROFIT / (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE GROUP		**1,610.56**	**1,490.35**
	Add: Brought forward consolidated Profit / (Loss) attributable to the group		1,785.33	(575.57)
	Additions on Amalgamation	18.01	-	1,273.55
	AMOUNT AVAILABLE FOR APPROPRIATION		**3,395.89**	**2,188.33**
III	**APPROPRIATIONS :**			
	Transfer to statutory reserve	18.02	409.50	385.00
	Transfer to investment reserve	18.02	-	-
	Transfer to capital reserve	18.02	201.00	88.00
	Transfer to special reserve	18.02	26.00	30.00
	Transfer from investment fluctuation reserve	18.02	(95.00)	(100.00)
	Dividend paid	18.12	295.72	-
	Balance in Profit and Loss Account carried forward		2,558.67	1,785.33
	TOTAL		**3,395.89**	**2,188.33**
IV	**EARNINGS PER SHARE**	18.08		
	(Face value ₹10 per share)			
	Basic (₹)		1.89	2.04
	Diluted (₹)		1.88	2.03
	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

Pradeep Natarajan
Executive Director
DIN: 10499651

Sudhanshu Jain
Chief Financial Officer &
Head Corporate Centre

Satish Gaikwad
General Counsel &
Company Secretary

As per our report of even date.

For **M. P. Chitale & Co**
Chartered Accountants
(Firm Registration No: 101851W)

Ashutosh Pednekar
Partner
(Membership No: 041037)

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Registration No: 001076N/ N500013)

Khushroo B. Panthaky
Partner
(Membership No: 042423)

Date : April 25, 2026
Place : Mumbai

Consolidated Cash Flow Statement
for the year ended March 31, 2026

(₹ in crore)

		Schedule No.	Year ended March 31, 2026	Year ended March 31, 2025
A	**Cash flow from operating activities**			
	Profit after tax		**1,610.56**	**1,490.35**
	Add: Provision for tax		196.44	373.82
	Net profit before taxes		**1,807.00**	**1,864.17**
	Adjustments for:			
	Amortisation of premium / discount on investments		317.16	139.64
	Profit on sale of fixed assets (net)	14 (IV)	(1.42)	(11.03)
	Amortisation of deferred employee compensation		153.63	92.49
	Depreciation on fixed assets	16 (V)	860.77	835.55
	Write back of provision for depreciation in value of investments	18.03	(357.81)	(142.03)
	Provision for non performing advances including write off (net of recoveries)	18.03	5,766.40	5,299.72
	(Write back of provision) / Provision on standard assets and other contingencies	18.03	(30.05)	357.03
	Adjustments for:			
	Decrease / (Increase) in investments (excluding held to maturity investments)		8,322.20	(2,636.19)
	Increase in advances		(52,865.53)	(43,819.89)
	Increase in deposits		42,301.92	51,440.03
	Increase in other assets		(5,936.59)	(672.87)
	Increase in other liabilities and provisions		6,732.54	1,919.71
	Direct taxes paid (net)		(253.58)	(201.24)
	Net cash flow generated from operating activities (A)		**6,816.64**	**14,465.09**
B	**Cash flow from investing activities**			
	Increase in held to maturity investments		(13,394.21)	(2,591.67)
	Purchase of fixed assets		(777.40)	(919.48)
	Proceeds from sale of fixed assets		28.12	33.36
	Net cash flow used in investing activities (B)		**(14,143.49)**	**(3,477.79)**
C	**Cash flow from financing activities**			
	Proceeds from issue of share capital including ESOPs (net of share issue expenses)		7,618.99	3,278.69
	Dividend Paid during the year (includes dividend paid on CCPS)		(295.72)	-
	Net repayments in other borrowings		(2,351.15)	(11,951.95)
	Net cash flow generated from / (used in) financing activities (C)		**4,972.12**	**(8,673.26)**

Consolidated Cash Flow Statement
for the year ended March 31, 2026

(₹ in crore)

		Schedule No.	Year ended March 31, 2026	Year ended March 31, 2025
D	**Effect of fluctuation in foreign currency translation reserve (D)**		**22.15**	4.95
	Net (decrease) / increase in cash and cash equivalents (A+B+C+D)		**(2,332.58)**	**2,318.99**
	Cash and cash equivalents at the beginning of the year		15,099.08	12,481.16
	Cash and cash equivalents acquired on amalgamation	18.01	-	298.93
	Cash and cash equivalents at the end of the year		**12,766.50**	**15,099.08**
	Represented by:			
	Cash and Balances with Reserve Bank of India	6	11,310.97	13,985.47
	Balances with Banks and Money at Call and Short Notice	7	1,455.53	1,113.61
	Cash and cash equivalents at the end of the year		**12,766.50**	**15,099.08**

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

Pradeep Natarajan
Executive Director
DIN: 10499651

Sudhanshu Jain
Chief Financial Officer &
Head Corporate Centre

Satish Gaikwad
General Counsel &
Company Secretary

As per our report of even date.

For **M. P. Chitale & Co**
Chartered Accountants
(Firm Registration No: 101851W)

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Registration No: 001076N/ N500013)

Ashutosh Pednekar
Partner
(Membership No: 041037)

Khushroo B. Panthaky
Partner
(Membership No: 042423)

Date : April 25, 2026
Place : Mumbai

Schedules
forming part of the Consolidated Balance Sheet as at March 31, 2026

SCHEDULE 1 - CAPITAL

(₹ in crore)

	As at March 31, 2026	As at March 31, 2025
Authorised Capital		
12,700,000,000 (Previous Year - 12,962,000,000) equity shares of ₹ 10 each	12,700.00	12,962.00
1,300,000,000 (Previous Year - 103,800,000 of ₹ 100 each) Preference shares of ₹ 10 each	1,300.00	1,038.00
Equity Share Capital		
Issued, Subscribed, Called up and Paid-up capital		
8,601,699,248 (Previous Year - 7,322,106,984) equity shares of ₹ 10 each, fully paid up	8,601.70	7,322.11
TOTAL	**8,601.70**	**7,322.11**

SCHEDULE 2 - RESERVES AND SURPLUS

(₹ in crore)

		As at March 31, 2026	As at March 31, 2025
I	**Statutory reserves**		
	Opening balance	5,173.74	2,319.30
	Additions on amalgamation	-	2,469.44
	Additions during the year (refer note 18.02)	409.49	385.00
	Deduction during the year	-	-
	Closing balance	**5,583.23**	**5,173.74**
II	**Capital reserves**		
	Opening balance	856.18	767.51
	Additions on amalgamation	-	0.67
	Additions during the year (refer note 18.02)	400.04	88.00
	Deduction during the year	-	-
	Closing balance	**1,256.22**	**856.18**
III	**Share premium**		
	Opening balance	16,531.54	20,183.35
	Additions on amalgamation	-	2,522.07
	Additions during the year	6,355.74	2,868.05
	Deduction during the year (share issue expenses)	(4.95)	(13.75)
	Deduction on amalgamation	-	(9,028.18)
	Closing balance	**22,882.33**	**16,531.54**
IV	**General reserve**		
	Opening balance	1,960.02	794.29
	Additions on amalgamation	-	672.97
	Additions during the year (refer note 18.02)	136.99	492.76
	Deduction during the year	-	-
	Closing balance	**2,097.01**	**1,960.02**

(₹ in crore)

		As at March 31, 2026	As at March 31, 2025
V	**Amalgamation reserve**		
	Opening balance	-	(231.80)
	Additions during the year	-	-
	Deduction on amalgamation	-	231.80
	Closing balance	**-**	**-**
VI	**Special reserve**		
	Opening balance	3,375.73	703.50
	Additions on amalgamation	-	2,642.23
	Additions during the year (refer note 18.02)	26.00	30.00
	Deduction during the year	-	-
	Closing balance	**3,401.73**	**3,375.73**
VII	**Investment fluctuation reserve**		
	Opening balance	769.50	488.50
	Additions during the year (refer note 18.02)	50.00	381.00
	Deduction during the year (refer note 18.02)	(145.00)	(100.00)
	Closing balance	**674.50**	**769.50**
VIII	**Investment reserve account**		
	Opening balance	-	662.50
	Additions during the year	-	-
	Deduction during the year (refer note 18.02)	-	(662.50)
	Closing balance	**-**	**-**
IX	**Available for sale reserve**		
	Opening balance	172.73	-
	Additions during the year (refer note 18.02)	-	172.73
	Deduction during the year	(163.54)	-
	Closing balance	**9.19**	**172.73**
X	**Foreign currency translation reserve**		
	Opening balance	4.95	-
	Additions during the year (refer note 18.02)	22.15	4.95
	Deduction during the year	-	-
	Closing balance	**27.10**	**4.95**
XI	**Cash flow hedge reserve**		
	Opening balance	55.23	33.15
	Additions during the year (refer note 18.02)	-	24.16
	Deduction during the year (refer note 18.02)	(30.98)	(2.08)
	Closing balance	**24.25**	**55.23**
XII	**Balance in Profit and Loss Account**	**2,558.68**	**1,785.33**
	GRAND TOTAL	**38,514.24**	**30,684.95**

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2026

SCHEDULE 2a - MINORITY INTEREST

(₹ in crore)

	As at March 31, 2026	As at March 31, 2025
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	-	-

SCHEDULE 3 - DEPOSITS

(₹ in crore)

			As at March 31, 2026	As at March 31, 2025
A	I	**Demand deposits**		
		(i) From banks	189.30	395.40
		(ii) From others	23,159.56	19,342.50
		TOTAL	**23,348.86**	**19,737.90**
	II	**Savings bank deposits**	**123,286.15**	**98,484.22**
	III	**Term deposits**		
		(i) From banks	12,176.94	12,712.31
		(ii) From others	135,500.21	121,075.80
		TOTAL	**147,677.15**	**133,788.11**
		GRAND TOTAL	**294,312.16**	**252,010.23**
B	I	**Deposits of branches in India**	**293,493.44**	**251,919.27**
	II	**Deposits of branches outside India**	**818.72**	**90.96**
		GRAND TOTAL	**294,312.16**	**252,010.23**

Out of total Deposits, ₹ 21,942.98 crore (Previous Year ₹ 19,804.58 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, 2026	As at March 31, 2025
I	**Borrowings in India**		
	(i) Reserve Bank of India	-	5,860.00
	(ii) Other banks	1,825.77	4,126.47
	(iii) Other institutions and agencies	26,378.41	28,222.15
	TOTAL	**28,204.18**	**38,208.62**
II	**Borrowings outside India**	**8,428.46**	**775.17**
	GRAND TOTAL	**36,632.64**	**38,983.79**

Secured borrowings included in I and II above are ₹ Nil (Previous Year: ₹ Nil) except borrowings of ₹ 525.81 crore (Previous Year ₹ 6,803.34 crore) under repurchase transactions (including tri-party repo) and transactions under Liquidity adjustment facility and Marginal standing facility.

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2026

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in crore)

		As at March 31, 2026	As at March 31, 2025
I	Bills payable	1,430.00	1,399.12
II	Inter-office adjustments (net)	-	-
III	Interest accrued	1,397.95	1,824.57
IV	Contingent provision against standard assets	1,294.31	1,278.46
V	Deferred tax liabilities (net)	-	-
VI	Derivative liability (MTM)	6,243.26	1,592.82
VII	Others (including provisions)	11,060.51	8,663.97
	GRAND TOTAL	**21,426.03**	**14,758.94**

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in crore)

		As at March 31, 2026	As at March 31, 2025
I	Cash in hand (including foreign currency notes)	981.80	724.18
II	Balances with Reserve Bank of India:		
	(i) In current accounts	8,132.17	9,918.29
	(ii) In other accounts	2,197.00	3,343.00
	GRAND TOTAL	**11,310.97**	**13,985.47**

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(₹ in crore)

		As at March 31, 2026	As at March 31, 2025
I	**In India**		
	(i) Balance with banks		
	(a) In current accounts	244.65	285.22
	(b) In other deposit accounts	-	-
	(ii) Money at call and short notice		
	(a) With banks	-	-
	(b) With other institutions	785.77	458.98
	TOTAL	**1,030.42**	**744.20**
II	**Outside India**		
	(i) In current accounts	425.11	326.67
	(ii) In other deposit accounts	-	-
	(iii) Money at call and short notice	-	42.74
	TOTAL	**425.11**	**369.41**
	GRAND TOTAL	**1,455.53**	**1,113.61**

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2026

SCHEDULE 8 - INVESTMENTS

(₹ in crore)

		As at March 31, 2026	As at March 31, 2025
I	**Investments in India in:**		
	(i) Government securities	76,866.10	72,569.52
	(ii) Other approved securities	-	-
	(iii) Shares	444.54	796.14
	(iv) Debentures and bonds	3,560.80	3,195.63
	(v) Associates	-	-
	(vi) Others *	4,770.96	3,941.36
	TOTAL	**85,642.40**	**80,502.65**
II	**Investments outside India in:**		
	(i) Government securities (including local authorities)	-	-
	(ii) Associates	-	-
	(iii) Others investment (Shares)	3.57	2.59
	TOTAL	**3.57**	**2.59**
	GRAND TOTAL	**85,645.97**	**80,505.24**
III	**Investments in India:**		
	(i) Gross value of investments	86,025.25	80,773.92
	(ii) Aggregate of provisions for depreciation	(382.85)	(271.27)
	(iii) Net investment	**85,642.40**	**80,502.65**
IV	**Investments outside India:**		
	(i) Gross value of investments	2.44	2.44
	(ii) Aggregate of provisions for depreciation	1.13	0.15
	(iii) Net investment	**3.57**	**2.59**
	GRAND TOTAL	**85,645.97**	**80,505.24**

* Includes investments in venture capital funds / alternative investment funds, security receipts, certificate of deposits and pass through certificates.

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2026

SCHEDULE 9 - ADVANCES

(₹ in crore)

			As at March 31, 2026	As at March 31, 2025
A	(i)	Bills purchased and discounted	4,434.21	3,406.42
	(ii)	Cash credits, overdrafts and loans repayable on demand	49,906.93	41,033.74
	(iii)	Term loans	226,049.46	188,672.37
		TOTAL	**280,390.60**	**233,112.53**
B	(i)	Secured by tangible assets *	159,949.74	130,194.33
	(ii)	Covered by bank / government guarantees $	5,341.57	5,025.58
	(iii)	Unsecured	115,099.29	97,892.62
		TOTAL	**280,390.60**	**233,112.53**
C **I**	**Advances in India**			
	(i)	Priority sector	84,362.63	71,463.24
	(ii)	Public sector	-	-
	(iii)	Banks	116.61	47.87
	(iv)	Others	194,176.66	161,074.43
		TOTAL	**278,655.90**	**232,585.54**
C **II**	**Advances outside India #**			
	(i)	Due from banks:	-	-
	(ii)	Due from others:	-	-
		(a) Bills purchased and discounted	-	-
		(b) Syndicated loans	723.65	256.43
		(c) Others	1,011.05	270.56
	TOTAL		**1,734.70**	**526.99**
	GRAND TOTAL		**280,390.60**	**233,112.53**

The above advances are net of provisions of ₹ 3,356.40 crore (Previous Year ₹ 3,534.34 crore).

Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹ 5,289.00 crore (Previous Year ₹ 6,050.00 crore).

* Includes advances against book debts

$ Includes advances against LCs issued by banks.

Pertains to advances given from International Banking Unit (IBU) - Gift City.

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2026

SCHEDULE 10 - FIXED ASSETS

(₹ in crore)

		As at March 31, 2026	As at March 31, 2025
I	**Premises (including land)**		
	Gross block		
	At cost at the beginning of the year	29.37	33.25
	Additions during the year	-	-
	Deductions during the year	(0.27)	(3.88)
	TOTAL	**29.10**	**29.37**
	Depreciation		
	As at the beginning of the year	9.57	10.76
	Charge for the year	0.42	0.47
	Deductions during the year	-	(1.66)
	Depreciation to date	**9.99**	**9.57**
	Net block of premises (including land)	**19.11**	**19.80**
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	5,920.19	5,117.97
	Additions during the year	737.91	940.39
	Deductions during the year	(205.51)	(138.17)
	TOTAL	**6,452.59**	**5,920.19**
	Depreciation		
	As at the beginning of the year	3,277.45	2,560.42
	Charge for the year	860.37	835.08
	Deductions during the year	(179.08)	(118.05)
	Depreciation to date	**3,958.74**	**3,277.45**
	Net block of other fixed assets (including furniture and fixtures)	**2,493.85**	**2,642.74**
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**	113.11	73.62
	GRAND TOTAL	**2,626.07**	**2,736.16**

Schedules

forming part of the Consolidated Balance Sheet as at March 31, 2026

SCHEDULE 11 - OTHER ASSETS

(₹ in crore)

		As at March 31, 2026	As at March 31, 2025
I	Inter-office adjustments (net)	-	-
II	Interest accrued	4,182.88	3,698.29
III	Tax paid in advance / tax deducted at source (net of provisions)	436.69	543.40
IV	Stationery and stamps	0.03	0.02
V	Non banking assets acquired in satisfaction of claims	-	-
VI	Deferred tax assets (net)	1,014.55	888.33
VII	Derivative assets (MTM)	6,281.33	1,591.20
VIII	Others *	6,290.36	5,594.83
	GRAND TOTAL	**18,205.84**	**12,316.07**

* Includes Rural Infrastructure Development Fund of ₹ 354.99 crore (Previous Year ₹ 736.69 crore)

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ in crore)

		As at March 31, 2026	As at March 31, 2025
I	Claims against the Group not acknowledged as debts	140.05	113.94
II	Liability for partly paid investments	68.78	15.92
III	Liability on account of outstanding forward contracts	304,319.94	232,783.42
IV	Liability on account of outstanding derivative contracts:		
	(a) Interest rate swaps, currency swaps, forward rate agreement and interest rate futures	195,462.51	173,349.04
	(b) Foreign currency options	4,556.97	3,301.36
	TOTAL (a+b)	**200,019.48**	**176,650.40**
V	Guarantees given on behalf of constituents		
	(a) In India	28,268.65	20,424.13
	(b) Outside India	-	-
VI	Acceptances, endorsements and other obligations	11,077.54	7,236.36
VII	Other items for which the Group is contingently liable	1,84 7.75	1,655.43
	GRAND TOTAL	**545,742.19**	**438,879.60**

Schedules

forming part of Consolidated Profit and Loss Account for the year ended March 31, 2026

SCHEDULE 13 - INTEREST EARNED

(₹ in crore)

		Year ended March 31, 2026	Year ended March 31, 2025
I	Interest / discount on advances / bills	34,198.63	30,834.52
II	Income on investments	5,949.65	5,317.39
III	Interest on balances with Reserve Bank of India and other inter-bank funds	130.96	114.70
IV	Others	269.58	235.03
	GRAND TOTAL	**40,548.82**	**36,501.64**

SCHEDULE 14 - OTHER INCOME

(₹ in crore)

		Year ended March 31, 2026	Year ended March 31, 2025
I	Commission, exchange and brokerage	7,231.94	6,206.89
II	Profit / (loss) on sale of investments (net)	427.01	316.41
III	Profit / (loss) on revaluation of investments (net)	(206.91)	164.22
IV	Profit / (loss) on sale of land, buildings and other assets (net)	1.42	11.03
V	Profit / (loss) on exchange / derivative transactions (net)	398.64	201.76
VI	Income earned by way of lease finance, lease management fee, overdue charges and interest on lease rent receivables	-	-
VIII	Miscellaneous income	21.47	76.35
	GRAND TOTAL	**7,873.57**	**6,976.66**

SCHEDULE 15 - INTEREST EXPENDED

(₹ in crore)

		Year ended March 31, 2026	Year ended March 31, 2025
I	Interest on deposits	16,773.61	13,997.36
II	Interest on borrowings from Reserve Bank of India / inter-bank borrowings	326.54	620.13
III	Others	2,232.90	2,590.31
	GRAND TOTAL	**19,333.05**	**17,207.80**

Schedules

forming part of Consolidated Profit and Loss Account for the year ended March 31, 2026

SCHEDULE 16 - OPERATING EXPENSES

(₹ in crore)

		Year ended March 31, 2026	Year ended March 31, 2025
I	Payments to and provisions for employees	7,685.95	6,501.81
II	Rent, taxes and lighting	933.38	817.68
III	Printing and stationery	137.00	122.73
IV	Advertisement and publicity	278.23	303.25
V	(a) Depreciation on Group's property other than leased assets	860.77	835.55
	(b) Depreciation on leased assets	-	-
VI	Directors' fees, allowance and expenses	5.81	5.50
VII	Auditors' fees and expenses	4.97	4.08
VIII	Law charges	72.71	84.59
IX	Postage, telegrams, telephones etc.	194.55	178.06
X	Repairs and maintenance	241.34	235.92
XI	Insurance	360.56	281.07
XII	Amortisation of Goodwill, If any	-	-
XIII	Other expenditure	11,128.53	9,521.36
	GRAND TOTAL	**21,903.80**	**18,891.60**

Schedules

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2026

17 Significant accounting policies forming part of the consolidated financial statements for the year ended March 31, 2026

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. The Bank has an 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.

The financial accounting systems of the Bank are centralised and, therefore, accounting returns are not required to be submitted by branches of the Bank.

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 (as amended) 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 (as amended) to the extent applicable and practices generally prevalent in the banking industry in India. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year except stated otherwise.

Cash flows are reported using the indirect method.

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, 2026	March 31, 2025
IDFC FIRST Bharat Limited (formerly IDFC Bharat Limited)	Subsidiary	India	100.00%	100.00%

Name	Relation	Country of Incorporation	Ownership Interest	
			March 31, 2026	March 31, 2025
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, 2026.

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 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 ('India 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 (including 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 from the period of change.

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 investments.

Purchase and sale transactions in securities are recorded under settlement date of accounting, except in the case of equity shares where trade date accounting is followed.

Basis of classification and accounting:

HTM:

- 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) on specified dates then it shall be classified under HTM.

Schedules

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2026

AFS:

- 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.

FVTPL:

- Securities that are not classified as HTM or AFS are classified as FVTPL. The Bank classifies investments in FVTPL category as either FVTPL-HFT or FVTPL Non-HFT. 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.
- Investments in listed equities are classified in FVTPL- HFT category, while unlisted equities are classified in FVTPL Non-HFT, unless designated under AFS category at initial recognition.
- All other securities that do not qualify for inclusion in HTM, AFS or FVTPL-HFT shall be classified under FVTPL-Non – HFT subject to RBI Guidelines.

Investments in Subsidiaries, Associates and Joint Ventures:

- All investments in subsidiaries, associates, and joint ventures are 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 is 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 Gain / Loss:

Day-1 gain / loss arising due to difference between fair value and acquisition cost on the date of initial recognition are accounted for under:

- Day-1 gain / loss on level 1 / level 2 instruments are recognized in the Profit and Loss Account under Schedule 14 - Other Income within the subhead ‘Profit / (loss) on revaluation of investments (net)’.
- Day-1 gain on level 3 instruments are deferred. In the case of debt instruments, the Day-1 gains are amortized 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 derecognized.
- Day-1 loss on level 3 instruments is recognized immediately in the Profit and Loss Account.

The investment portfolio is categorised into three fair value hierarchies viz. Level 1, Level 2 and Level 3:

- Level 1 Financial Instruments are valued with inputs such as quoted prices in active markets for identical instruments.
- Level 2 Financial Instruments are valued with inputs other than quoted prices, that are observable for asset or liability either directly or indirectly.
- Level 3 Financial Instruments are valued using unobservable inputs.

Transfer of security between categories:

- Transfer of securities between categories of investments is accounted as per the RBI guidelines. The 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.
- 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.

Subsequent measurement:

Investments classified under HTM category are carried at cost and are 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 life 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.

Valuation:

- The fair value of quoted government securities 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). For securities whose prices are not published by FBIL, fair value of the securities is based upon quoted price as available from the trades / quotes on recognised stock exchanges, reporting platforms or trading platforms authorized by RBI / SEBI or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).
- The fair value of unquoted central and state government securities which are in the nature of Statutory Liquidity Ratio (‘SLR’) securities forming part of AFS and FVTPL-HFT categories are computed as per the Price / Yield to maturity (YTM) rates published by 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.
- Quoted Non SLR Bond investments are valued based on the Security Level Valuation (SLV) / price published by FIMMDA. The valuation of unquoted Non SLR fixed income securities is done considering the YTM curve, as applicable. The YTM rate would consist of FBIL par yield and credit spread published by FIMMDA corresponding to the residual tenor, rating and industry classification of the security.
- 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, 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 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.

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- Security receipts ('SR') are valued at the lower of realisation value and NAV considering as per the NAV provided by the Asset Reconstruction Companies (ARCs). However, the Valuation (i.e. Market Value) for Security Receipts shall be capped to its Book Value, considering the nature of instruments. Further, if the investment by the transferor in SRs issued against loans transferred by it is more than 10 percent of all SRs issued against the transferred asset, then the valuation of the SRs in the books of the transferor shall be carried out as per extant RBI guideline.

- Units of Venture Capital Funds ('VCF') and Unquoted Alternative Investment Fund (AIFs) are valued at NAV declared by the funds. Where an AIF fails to carry out and disclose the valuation of its investments by an independent valuer as per the frequency mandated by SEBI (Alternative Investment Fund) Regulations, 2012, the value of its units shall be treated as ₹1. In case AIF is not registered under SEBI (Alternative Investment Fund) Regulations, 2012 and the latest disclosed valuation of its investments by an independent valuer precedes the date of valuation by more than 18 months, the value of its units shall be treated as ₹1.

- The Bank may invest in Category I and Category II AIFs in accordance with the RBI (Commercial Banks – Undertaking of Financial Services) Directions, 2025. The Bank's investment in any single AIF scheme shall not exceed 10 percent of the total corpus of that scheme. Further, the aggregate investment by all banks in any single AIF scheme shall not exceed 20 percent of the corpus of that scheme. Where the Bank's investment in an AIF scheme exceeds 5 percent of the corpus, and the AIF has made a downstream investment (other than equity instruments) in a company which is also a borrower of the Bank, the Bank shall make a 100 percent provision. Such provision shall be limited to the Bank's proportionate exposure to the borrower through the AIF scheme and shall be capped at the amount of the Bank's direct loan and /or investment exposure to that borrower.If the Bank's investment in an AIF scheme is in the form of subordinated units, the entire investment amount shall be regarded as high risk and shall be fully deducted from the Bank's capital funds. The deduction shall be made proportionately from Tier 1 and Tier 2 capital, wherever applicable.

- Pass Through Certificates ('PTCs') including 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 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. Mark-to-Market appreciation in the security is ignored.

Once an investment is classified as an NPI, these securities are segregated from rest of the portfolio and are 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 is 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 FIMMDA / 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 recognised in the Profit and Loss Account as per the relevant RBI guidelines for valuation of Investments. 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 transactions (Repo) and Reverse repurchase transactions (Reverse Repo) in government securities, Municipal Debt Securities, Commercial Papers, Certificate of Deposits, Units of Debt ETFs 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 is 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. Reverse repos with banks and other institutions having original tenors up to and inclusive of 14 days are classified under Schedule 7 – Balances with Banks and Money at Call and Short Notice.

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 Asset Classification and Provisioning ('IRACP'). 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, Interest in suspense for NPAs, 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

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against standard advances (other than provision against identified advances) is shown separately as "Contingent Provisions against Standard Assets" under Schedule 5 - Other Liabilities and Provision.

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.

The RBI has issued Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 with a view to provide 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 365 days from the commencement 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 the asset classification status of the borrower account

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 identified as fraudulent are classified as Loss Assets. In accordance with RBI guidelines, the Bank is required immediately to create a full provision for the entire amount due to the Bank or for which the Bank is liable, without considering the value of any underlying 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. Further, the provision for UFCE is considered for inclusion in Tier 2 Capital.

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 funded) 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 unrealized 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 realization, by debiting the sundry liabilities account.

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 life of the security on a straight line method basis. STRIPS are amortised on a constant yield basis. Interest income on investments in PTCs is recognised at their contractual rate.

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 / processing 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 and commission on renegotiations or rescheduling of outstanding debt is recognised over 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.

Penal charge is recognised as income on realisation basis.

Annual / renewal fee on cards and locker rent are amortised on a straight-line basis over period of one year.

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.

Sale of investments:

Profit / loss on sale of investments under the HTM categories is 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 FVTPL including HFT categories is 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 recognized 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').

Securitisation transactions:

The Bank enters into sale of 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".

The Bank invests in PTCs issued by SPVs. These are accounted for at the deal value and are classified as investments.

In accordance with the Reserve Bank of India (Commercial Banks – Securitisation Transactions)

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Directions, 2025 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') at a price below the Net Book Value (NBV) at the time of transfer, Bank debits the shortfall to the Profit and Loss Account for the year in which the transfer has taken place.

On the other hand, when the stressed loan is transferred to an ARC for a value higher than the NBV at the time of transfer, the Bank shall reverse the excess provision on transfer to the Profit and Loss Account in the year the amounts are received and only when the sum of cash received by way of initial consideration and / or redemption or transfer of Security Receipts (SR) / Pass Through Certificates (PTCs) / other securities issued by ARCs is higher than the NBV of the loan at the time of transfer. Further, such reversal shall be limited to the extent to which cash received exceeds the NBV of the loan at the time of transfer.

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 lower of provisioning rate required in terms of net asset value declared by the SCs / RCs or face value of the SRs reduced by the notional provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books.

In case of stressed loans are taken over by ARCs as agents for recovery in exchange for a fee, the loans will not be removed from the books of the transferors but realisations as and when received shall be credited to the loan accounts. The Bank is required to continue provisions for the loan in the normal course.

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.

Any profit or loss arising on account of sale is recognised in the Profit and Loss Account in the year in which the sale occurs. However, unrealised profits, if any, arising out of such transfers, shall be deducted from CET 1 capital for meeting regulatory capital adequacy requirements till the maturity of such loans. 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 and rates published by approved external market data service providers in case where FEDAI rates are not available. 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 recognized 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 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, Forward rate agreements (FRAs), Futures, Bond forwards, Swaps and Options. The Bank undertakes derivative transactions for trading and hedging Balance Sheet assets and liabilities.

Trading Derivatives:

All trading transactions are marked to market and resultant gain or loss is recognized 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) under Schedule 11 - Other assets or as liabilities when the fair value is negative (negative marked to market value) under Schedule 5 - Other liabilities and provision.

The amounts received / paid on cancellation of option contracts are recognized as realized gain / loss on options. Charges receivable / payable on cancellation / termination of foreign exchange forward contracts are recognized as income / expense on the date of cancellation / termination under 'Other Income'.

Premium in option transaction is recognized as income / expense on expiry or early termination of the transaction.

Mark to market gain / loss (adjusted for premium received / paid on options contracts) is recorded as other income.

Hedging derivatives including funding swaps:

Hedge transactions after June 26, 2019 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 amortized over the life of the swap or underlying whichever is shorter. Upon ineffectiveness of hedge on re-assessment or termination of underlying, the Bank shall de-designate the derivative as trade.

Funding swaps are accounted in accordance with FEDAI guidelines / AS-11 "The Effects of Changes in Foreign Exchange Rates".

The forward exchange contracts and principal only swaps (POS) that are not intended for trading (including funding swaps / swaps cost) that are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction, and are outstanding at the Balance Sheet date are accounted in accordance with AS-11. Accordingly, such contracts are not marked to market and valued at closing spot rate. The premium / discount arising on inception of such forward exchange contracts is amortised over the life of the contract as interest income / expense. The interest income / expense on such POS transaction is accounted on accrual basis.

Provisioning:

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 counter parties are reversed in Profit and Loss Account and held in a 'Suspense Account-Crystallised Receivables'.

Further, derivative contract is not terminated on the overdue receivable remaining unpaid for 90 days. In addition to reversing the crystallised receivable from Profit and Loss Account as stipulated above, the positive MTM pertaining to future receivables shall also be reversed from Profit and Loss Account to another account styled as 'Suspense Account – Positive MTM'.

The subsequent positive changes in the MTM value shall be credited to the 'Suspense Account – Positive MTM', not to Profit and Loss Account. The subsequent decline in MTM value shall be adjusted against the balance in 'Suspense Account – Positive MTM'. If the balance in this account is not sufficient, the remaining amount may be debited to the Profit and Loss Account.

On payment of the overdue in cash, the balance in the 'Suspense Account-Crystallised Receivables' are transferred to the 'Profit and Loss Account', to the extent payment is received.

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

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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 or an extension which becomes an integral part of the asset.

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	5 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.

During FY 2025–26, the useful life of vehicles was reassessed by management and revised from 4 years to 5 years.

Fixed assets individually costing less than ₹ 5,000 are fully depreciated in the year of installation.

Depreciation on assets sold during the year is recognized 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 recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization 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 realized. 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] (as amended). 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 to Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff after the accounting period ending March 31, 2021 as required as per Reserve Bank of India (Commercial Banks - Governance) Directions, 2025 dated November 28, 2025 (as amended). 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 ending 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 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.

17.10 Employee benefits

Short-term employee benefits:

Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered during the period. These are recognized at the undiscounted amount in the Profit and Loss Account.

Provident 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 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. Vested past service cost is

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recognised in Profit and loss account immediately. However, unvested past services cost is amortised over the vesting period as an expense in Profit and Loss Account.

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

In accordance with AS-29 "Provisions, contingent liabilities, and contingent Assets" 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. Amounts due under the operating leases, including escalation cost, are charged on a straight line method over the lease term in the Profit and Loss Account in accordance with the AS-19 "Leases". 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 selected 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.

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

The disclosure relating to segment information is in accordance with AS-17 “Segment Reporting” and as per guidelines issued by RBI. Holding company 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 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 “Contingencies and Events Occurring After the Balance Sheet Date”, 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.

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2026

18 Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2026

Amounts in notes forming part of the consolidated financial statements for the year ended March 31, 2026 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 had 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 was October 01, 2024, being opening of business hours on the Effective Date.

In terms of the Scheme, the Bank had 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 had 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 had been approved by the shareholders of the Bank through Postal Ballot on March 19, 2025.

The amalgamation had 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 had 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 had been adjusted against the corresponding share capital of amalgamating company (eIDFC Limited) of ₹ 1,599.98 crore and the difference had 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 had been debited to Merger Adjustment Account. Further, to bring the uniformity in accounting policies, the Bank had debited an amount of ₹ 12.07 crore to Merger Adjustment Account. Consequently, as a result of these adjustments, the Bank had 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) had been reduced against negative balance in Amalgamation Reserve of ₹ 231.80 crore and debit balance in Merger Adjustment Account of ₹ 8,796.38 crore.

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 Draw down from reserves

During the year ended March 31, 2026, the Bank has drawn net amount of ₹ 95.00 crore (Previous Year ₹ 100.00 crore) from Investment Fluctuation Reserve, being excess of 2% of its AFS and FVTPL (Including HFT) portfolio.

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 ₹ 409.50 crore (Previous Year ₹ 385.00 crore) to Statutory Reserve Account.

ii Investment Reserve Account (IRA)

During the previous year ended March 31, 2025, the Bank had implemented the Master Direction on Investment. Pursuant to the transition provisions, the requirement for maintaining the IRA was discontinued. As a result, ₹381.00 crore was transferred to the Investment Fluctuation Reserve and ₹ 281.50 crore to the General Reserve.

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. During the year ended March 31, 2026, the Bank has drawn down net amount of ₹ 95.00 crore from IFR.

During the year ended March 31, 2025, consequent to transition, the Bank had transferred ₹ 381.00 crore from IRA to the IFR and subsequently drawn an amount of ₹ 100.00 crore.

iv Capital Reserve

As per the 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. Further, as per the RBI guidelines, any gain or loss on sale of equity instruments designated under AFS at the time of initial recognition, shall not be transferred from AFS Reserve to the Profit and Loss Account, instead such gain or loss shall be transferred from AFS Reserve to the Capital Reserve. During the year ended March 31, 2026, the Bank has appropriated ₹ 201.00 crore (Previous Year ₹ 88.00 crore) and transferred an amount of ₹ 199.04 (post tax) on sale of equity shares designated under AFS and to Capital Reserve.

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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 per cent 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 ₹ 26.00 crore (Previous Year ₹ 30.00 crore) to Special Reserve.

vi Cash Flow Hedge Reserve

During the year ended March 31, 2026, an amount of ₹ 30.98 crore (Previous Year ₹ 2.08 crore) has been released to Profit and Loss Account, and balance of ₹ 24.25 crore is held in Cash Flow Hedge Reserve (Previous Year ₹ 55.23 crore).

vii General Reserve

During the year ended March 31, 2026, the Bank has transferred ₹ 136.99 crores. The Bank reversed provision on loan of one corporate borrower amounting to ₹ 133.91 crore (post tax) which has been transferred to General Reserve.

During the previous year ended March 31, 2025, the Bank had implemented the Master Direction on Investments. Pursuant to the transition provisions, the Bank had 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, 2026, the Bank has recognized net gain of ₹ 9.19 crore (post tax) (Previous Year ₹ 172.73 crore (post tax)) to Available for Sale Reserve (AFS).

ix Foreign Currency Translation Reserve (FCTR)

As at March 31, 2026, the Bank has recognised ₹ 22.15 crore (Previous Year ₹ 4.95 crore) 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, 2026	March 31, 2025
Provision made towards income tax		
- Current tax	332.56	480.81
- Deferred tax	(136.12)	(106.99)
Provisions for depreciation on investment *	(357.81)	(142.03)
Provision on non-performing advances ^	5,766.40	5,299.72
Provision and other contingencies #	(30.05)	357.04
Total	**5,574.98**	**5,888.55**

* Including specific provision/(write back of provision) against identified investments and write-offs (net of recoveries).

^ Including bad debts written-off (net of recoveries) and specific provision/(write back of provision) against identified advances.

Including provision on restructured assets/(write back of provision) 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, 2026	March 31, 2025
Provident fund	246.82	197.31
Pension fund	17.89	12.69

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,which is as per AS-15 Employee Benefits:

Profit and Loss Account

Net employee benefit expenses:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Current service cost	65.72	47.04
Interest on defined benefit obligation	22.12	16.32
Expected return on plan assets	(13.58)	(10.22)
Net actuarial losses / (gains) recognised in the year	(23.84)	14.09
Past service cost	93.01	-
Total included in “Payments to and provisions for employees” [Schedule 16(I)]	**143.43**	**67.23**
Actual return on plan assets	1.31	11.84

Balance Sheet

Details of provision for gratuity:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Present value of funded obligations	427.84	255.47
Fair value of plan assets	(272.67)	(190.02)
Unrecognised past service cost	(52.08)	-
Net Liability included under Schedule 5 - Other Liabilities	**103.09**	**65.45**

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Opening defined benefit obligation	255.47	191.15
Current service cost	65.72	47.04
Interest cost	22.12	16.32
Actuarial losses / (gains)	(36.10)	15.73
Past service cost	145.09	-
Liabilities assumed on acquisition / (settled on divestiture)	0.47	-
Benefits paid	(24.93)	(14.77)
Closing defined benefit obligation	**427.84**	**255.47**

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Changes in the fair value of plan assets are as follows:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Opening fair value of plan assets	190.02	139.95
Expected return on plan assets	13.58	10.22
Actuarial gains / (losses)	(12.27)	1.62
Contributions by employer	105.80	53.00
Assets acquired on acquisition / (distributed on divestiture)	0.47	-
Benefits paid	(24.93)	(14.77)
Closing fair value of plan assets	**272.67**	**190.02**
Expected employers contribution next year	45.79	55.00

Experience adjustments:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022
Defined benefit obligations	427.84	255.47	191.15	135.55	101.79
Plan assets	272.67	190.02	139.95	96.51	82.23
Surplus / (deficit)	(155.17)	(65.45)	(51.20)	(39.04)	(19.56)
Experience adjustments on plan liabilities	3.36	6.63	8.51	3.77	2.47
Experience adjustments on plan assets	(12.27)	1.63	2.58	(2.05)	(0.16)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets (Holding Company):

Particulars	March 31, 2026	March 31, 2025
Government securities	33.24%	54.11%
Bonds, debentures and other fixed income instruments	32.98%	23.93%
Deposits and money market instruments	13.15%	6.19%
Equity shares	20.63%	15.77%

Principal actuarial assumptions at the Balance Sheet date (Holding Company):

Particulars	March 31, 2026	March 31, 2025
Discount rate (p.a.)	6.60%	6.65%
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, 2026	March 31, 2025
Discount rate (p.a.)	5.75%	6.55%
Expected rate of return on plan assets (p.a.)	7.00%	7.00%
Salary escalation rate (p.a.)	8.00%	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.

Provision towards probable impact on account of Code of Social Security 2020

Pursuant to the notification issued by the Ministry of Labour and Employment, the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes") became effective from November 21, 2025. The Bank had reassessed its employee benefit obligations based on certain estimates and assumptions, pursuant to issuance of the new Labour Codes. Accordingly, an incremental impact on account of past service cost in accordance with AS - 15 "Employee Benefits" amounting to ₹ 93.01 crore has been recognised in the Profit and Loss Account during the year ended March 31, 2026. The supporting rules and certain key clarifications are awaited, and the interpretations and industry practices are still developing. The above impact estimates will be re-assessed and finalised based on the final rules, industry practices and any revisions to the Bank's staff emoluments from time to time.

18.05 Segment reporting

Business Segments:

The business of the Group 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 Group's investment portfolio, money market borrowing and lending, investment operations and foreign exchange and derivative portfolio of the Group. 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 Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 , the Bank has presented 'Digital Banking' as a sub-segment of the Retail Banking segment.
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.

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Segmental reporting for the year ended March 31, 2026 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)	28,426.89	11,165.81	9,235.67	44,647.73	53,883.40	1,026.74	94,502.84
Add: Unallocated revenue (ii)							165.07
Less: inter segment revenue (iii)							(46,245.52)
Total Revenue (i+ii-iii)							**48,422.39**
Segment Results before tax (iv)	522.10	1,089.86	(169.50)	403.78	234.28	486.96	2,333.20
Less: Unallocated expenses (net of revenue) (v)							(526.20)
Operating Profit before earnings from Associate (iv-v)							**1,807.00**
Less: Provision for tax							(196.44)
Net Profit / (Loss) before earnings from Associate							**1,610.56**
Add: Share of profit / (loss) in Associate							-
Net Profit							**1,610.56**
Segment assets	107,235.92	56,436.04	22,185.88	211,125.59	233,311.47	80.38	397,063.81
Add: Unallocated assets							2,710.83
Total Segment Assets							**399,774.64**
Segment liabilities	32,586.30	84,242.04	63,740.93	170,590.09	234,331.02	66.74	351,226.10
Add: Unallocated liabilities							1,144.73
Total Segment Liabilities							**352,370.83**
Capital Employed (Segment Assets - Segment Liabilities)	74,649.62	(27,806.00)	(41,555.05)	40,535.50	(1,019.55)	13.64	45,837.71
Add: Unallocated capital employed							1,566.10
Total Capital Employed							**47,403.81**
Capital expenditure for the year	2.85	45.81	34.19	635.77	669.96	9.18	727.80
Add: Unallocated capital expenditure							10.11
Total Capital Expenditure							**737.91**
Depreciation on fixed assets for the year	4.44	49.84	39.63	752.39	792.02	7.47	853.77
Add: Unallocated depreciation							7.00
Total Depreciation							**860.77**

The above Segmental Reporting includes revenue and other income earned from Insurance Companies as under:

a. Commission income from sale of insurance policies of ₹ 894.21 crore.

b. Others of ₹ 15.40 crore.

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:

a. Commission income from sale of insurance policies of ₹ 809.02 crore.

b. Others of ₹ 28.33 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, 2026	March 31, 2025
Deferred tax assets on account of provisions for loan losses	1,183.19	1,123.32
Deferred tax assets on account of provision for diminution in value of investments	11.06	70.80
Deferred tax assets on account of long term capital loss	2.96	4.91
Deferred tax assets on account of other contingencies	74.85	-
Deferred tax assets (A)	**1,272.06**	**1,199.03**
Deferred tax liabilities on account of depreciation on fixed assets (Including intangible assets)	54.15	69.52
Deferred tax liabilities on special reserve under section 36(1)(viii) of Income Tax Act, 1961	119.55	115.31
Deferred tax liabilities on account of other contingencies	-	13.35
Deferred tax liabilities on account of RBI Circular on investment accounting *	62.80	91.51
Balance transfer from eIDFC Ltd to the Bank under merger	21.01	21.01
Deferred tax liabilities (B)	**257.51**	**310.70**
Net Deferred tax assets (A-B)	**1,014.55**	**888.33**

* Previous year includes 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, 2026 are disclosed below:

a. Associates

Millennium City Expressways Private Limited

Jetpur Somnath Tollways Private Limited

b. Key Management Personnel

Mr. V. Vaidyanathan - (MD & CEO)

Mr. Pradeep Natarajan - Executive Director **(w.e.f. June 01, 2024)**

c. 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

Mrs. Deepa Pradeep, Mr. Natarajan Pookote , Mrs. Parakkat Nirmaladevi , Mr. Aadi Pradeep Menon , Ms. Anuradha Srinivasa , Mr. Dhruv Pradeep Menon

d. Enterprises over which KMP / Relatives of KMP have control / significant influence

Rukmani Social Welfare Trust, V Satyamurthy Security Agency, Chanakya Talent, The Mixed Wardrobe, The Mixed Wardrobe Private Limited

The significant transactions between the Bank and related parties for the year ended March 31, 2026 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:

  Mr. V. Vaidyanathan ₹ 0.03 crore (Previous Year ₹ 0.02 crore)

  Mr. Pradeep Natarajan ₹ 0.07 crore (Previous Year ₹ 0.05 crore)

- Interest Income earned:

  Mr. Pradeep Natarajan ₹ 0.20 crore (Previous Year ₹ 0.31 crore)

- Managerial Remuneration:

  Mr. V. Vaidyanathan ₹ 5.59 crore (Previous Year ₹ 5.55 crore)

  Mr. Pradeep Natarajan ₹ 6.29 crore (Previous Year ₹ 3.41 crore) [includes cash variable pay pertaining to previous financial years, which became payable and was paid during FY 2025-26 upon completion of the prescribed deferral period]

- Rendering of services:

  Mr. V. Vaidyanathan ₹ 0.01 crore (Previous Year ₹ 0.01 crore)

  Mr. Pradeep Natarajan ß (Previous Year ß)

- Operating expenses:

  Millennium City Expressways Private Limited ₹ 0.87 crore (Previous Year ₹ 0.24 crore)

- Dividend Paid:

  Mr. V. Vaidyanathan ₹ 1.66 crore (Previous Year ₹ Nil)

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The details of the transactions of the Group with its related party during the year ended March 31, 2026 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	-	-	0.10	0.20	0.04
Interest income earned	-	-	0.20	-	-
Managerial Remuneration ^	-	-	11.88	-	-
Rendering of services	-	-	0.01	ß	ß
Operating expenses	-	0.87	-	-	-
Dividend Paid	-	-	1.72	ß	0.13

^ Based on the performance evaluation of the Bank and its senior management for FY 2024–25, and considering the recommendations of the Nomination and Remuneration Committee ("NRC") and the Board of Directors ("Board"), the Reserve Bank of India approved the grant of variable pay to Mr. V. Vaidyanathan, MD & CEO and Mr. Pradeep Natarajan, Executive Director. The variable pay approved for the MD & CEO aggregates to ₹ 4.90 crore for FY 2024–25, which converts into 2,023,375 stock options. Further, based on the performance evaluation of the Bank and Mr. Pradeep Natarajan, Executive Director, the RBI approved variable pay aggregating to ₹ 4.54 crore, comprising a cash component of ₹ 1.51 crore and a non-cash component of ₹ 3.03 crore in the form of 1,250,279 stock options. The said RBI approvals were subsequently noted by the NRC and the Board at their respective meetings held on October 18, 2025.

The balances payable to / receivable from the related parties of the Group as on March 31, 2026 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	-	-	1.52	2.87	1.26
Interest accrued on deposit	-	-	ß	0.02	ß
Loans & advances including credit card balances	-	295.07	3.76	ß	-
Interest accrued on advances	-	-	0.01	-	-
Investment of the Bank	-	351.08	-	-	-
Investment of related party in the Bank $	-	-	-	-	-

$ As at March 31, 2026, MD & CEO holds 67,167,414, Executive Director holds 2,305,500, Relatives of KMP holds 189,124 & Entities over which KMP / Relatives of KMP / have control significant influence holds 3,832,860 equity shares in the Bank.

Loans and investments in the Associate company 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, 2026 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	-	-	1.85	2.99	4.41
Loans & advances including credit card balances	-	295.07	4.09	0.03	-
Investment of the Bank	-	351.08	-	-	-
Other receivables	-	-	0.01	-	-
Other payables	-	-	ß	0.03	0.02

Loans and investments in the Associate company have been technically written off / fully provided.

Note: Maximum balance outstanding during the year based on computation of the total outstanding balances at each quarter end.

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	ß	-	0.01	ß	ß
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	-	-	ß	0.03	ß
Loans & advances including credit card balances	-	295.07	4.18	ß	-
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, Executive 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 company have been technically written off / fully provided.

Note: Maximum balance outstanding during the year based on computation of the total outstanding balances at each quarter end.

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18.08 Earning 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, 2026	March 31, 2025
Basic		
Weighted average number of equity shares outstanding (in crore)	791.52	729.55
Net Profit / (Loss) after Tax (₹ in crore) - As reported	**1,610.56**	**1490.35**
Less : Dividend Paid on CCPS	112.35	-
Net Profit / (Loss) after Tax (₹ in crore) - for EPS Computation	**1,498.21**	**1490.35**
Basic earnings per share (₹)	1.89	2.04
Diluted		
Weighted average number of equity shares outstanding (in crore)	798.72	733.68
Net Profit / (Loss) after Tax (₹ in crore) - As reported	**1,610.56**	**1490.35**
Less : Dividend Paid on CCPS	112.35	-
Net Profit / (Loss) after Tax (₹ in crore) - for EPS Computation	**1,498.21**	**1490.35**
Diluted earnings per share (₹)	1.88	2.03
Nominal value of shares (₹)	10.00	10.00

Reconciliation between the basic and diluted earnings per equity share:

Particulars	March 31, 2026	March 31, 2025
Basic earnings per share (₹)	1.89	2.04
Add: Effect of potential equity shares (per share) (₹)	(0.01)	(0.01)
Diluted earnings per share (₹)	1.88	2.03

Reconciliation between weighted shares used in computation of basic and diluted earnings per equity share:

Particulars	March 31, 2026	March 31, 2025
Basic weighted average number of equity shares outstanding (in crore)	791.52	729.55
Add: Effect of potential equity shares (in crore)	7.20	4.13
Diluted weighted average number of equity shares outstanding (in crore)	798.72	733.68

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, 2026	March 31, 2025
Future lease rentals payable as at the end of the year:		
Not later than one year	730.30	657.10
Later than one year and not later than five years	1,710.85	1,857.13
Later than five years	432.85	463.14
Total of minimum lease payments recognised in the Profit and Loss Account for the year	820.05	720.69
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	-	-

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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.

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, 2026	March 31, 2025
Cost		
At the beginning of the year	2,725.96	2,291.83
Additions during the year	269.21	434.13
Deductions during the year	(6.43)	-
Total (i)	**2,988.74**	**2,725.96**
Depreciation		
Accumulated depreciation at the beginning of the year	1,616.07	1,219.31
Depreciation charge for the year	401.68	396.76
Deductions during the year	(4.49)	-
Total (ii)	**2,013.26**	**1,616.07**
Net Value (i-ii)	**975.48**	**1,109.89**

18.11 Corporate Social Responsibility (CSR)

i. Amount required to be spent by the Group on CSR during the year is ₹ 56.42 crore (Previous Year ₹ 43.60 crore)

ii. Amount approved by the Board to be spent during the year ₹ 50.61 crore (Previous Year ₹ 38.40 crore).

iii. Amount spent towards CSR related activities during the year is ₹ 42.77 crore (Previous Year ₹ 33.53 crore), which comprise of following:

Year ended March 31, 2026

(₹ in crore)

Nature of activities	Amount Spent	Amount Unpaid / Provision	Total
Construction / acquisition of any asset	2.32	-	2.32
On purpose other than above	40.21	0.24	40.45

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

iv. The Bank in line with Rule 7 (3) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 has ₹ 16.55 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, 2025	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2026
30.23	55.50	41.82	16.55

18.12 Proposed Dividend

The Board of Directors in their meeting held on April 25, 2026 proposed a dividend of ₹ 0.25 per equity share (Previous Year ₹ 0.25 per equity share) amounting to ₹ 215.04 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, 2026.

However, effect of the proposed dividend has been reckoned in determining capital funds in computation of the capital adequacy ratio as at March 31, 2026.

During the year ended March 31, 2026, the Bank paid dividend on equity shares amounting to ₹ 183.37 crore pertaining to previous year ended March 31, 2025 and dividend on CCPS amounting to ₹ 112.35 crore.

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, 2026		At March 31, 2025	
		Principal	Interest	Principal	Interest
1	The Principal amount and the interest due thereon remaining unpaid to any supplier	15.42	0.09	1.39	0.04
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	147.89	- *	137.49	- *
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;	-	0.85	-	2.05
4	The amount of interest accrued and remaining unpaid	-	0.94	-	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	-	2.16	-	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, 2026, there have been no instances of delay in transferring amounts, as required to be transferred to the Investor Education and Protection Fund ("IEPF"), except for two cases amounting to ₹ 0.44 crore, on account of technical issues faced on the MCA's V3 portal / Bharat Kosh portal.

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During the year ended March 31, 2025, transfer of amounts relating to two cases to the IEPF was completed with a delay amounting to ₹ 0.30 crore due to technical issues faced on the MCA's V3 portal.

(c) During the quarter ended March 31, 2026, the Bank had identified an incident involving unauthorized and fraudulent activities by certain employees at a particular branch in Chandigarh in collusion with certain external parties. The Bank received a request from one of its customers, a particular Department of Haryana Government, for closure of its account and transfer of funds to another bank. In the process, certain discrepancies were observed in the amount mentioned vis-à-vis the balance in the account. Subsequently, certain other customers / entities engaged with the Bank regarding their respective accounts with the Bank. During this process, similar differences were observed between the balances in the account and the balances as mentioned by the said entities holding accounts with the Bank.

Pursuant to the above, the Bank has received claims from these entities and paid the principal amount of ₹ 645.59 crore. The Bank has recognised the amount paid as an expense in the books for the quarter and year ended March 31, 2026. The matter is currently under investigation by various law enforcement agencies and subject to forensic review being conducted by an external firm appointed by the Bank.

Based on the assessment done by the Bank, the management is reasonably certain that there will be no further material adjustments to the financial results/statements other than those already accounted for.

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 in the same currency. 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 and amount transferred to Depositors Education and Awareness Fund (DEAF).

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 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, 2026 and March 31, 2025, 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, 2026 and March 31, 2025, 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, 2026 and March 31, 2025, 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, 2026, other expenditure of "Schedule 16 - Operating Expenses" includes commission to sales agents / business correspondents of ₹ 2,223.98 crore (Previous Year ₹ 2,726.28 crore), expenses for collection activities of ₹ 1,903.00 crore (Previous Year ₹ 1,526.21 crore), technology support expenses of ₹ 618.15 crore (Previous Year ₹ 610.80 crore) and fraud loss of ₹ 645.59 crore (Refer Note 18.13 (c)) exceeding 1% of total income of the Group.

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18.17 Statement of Net Assets as per Schedule III to the Companies Act, 2013

Year ended March 31, 2026

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	99.89	47,351.84	101.60	1,636.36
Subsidiary				
IDFC FIRST Bharat Limited	0.49	232.57	(1.60)	(25.80)
Associate				
Millennium City Expressways Private Limited	-	-	-	-
Inter - company adjustments	(0.38)	(180.60)	-	-
Total Net Assets / Net Profit	**100.00**	**47,403.81**	**100.00**	**1,610.56**

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**

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

Figures for the previous year have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

18.20 All figures less than or equal to ₹ 50,000 have been represented by ß.

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

Pradeep Natarajan
Executive Director
DIN: 10499651

Sudhanshu Jain
Chief Financial Officer &
Head Corporate Centre

Satish Gaikwad
General Counsel &
Company Secretary

As per our report of even date.

For **M. P. Chitale & Co**
Chartered Accountants
(Firm Registration No: 101851W)

Ashutosh Pednekar
Partner
(Membership No: 041037)

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Registration No: 001076N/ N500013)

Khushroo B. Panthaky
Partner
(Membership No: 042423)

Date : April 25, 2026
Place : Mumbai

Basel Pillar III Disclosures
as at March 31, 2026

Pillar 3 disclosures as at March 31, 2026 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, 2026**
    - 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, 2026**
3. **Reconciliation of leverage ratio exposure under common disclosure template as at March 31, 2026**
4. **Liquidity Coverage Ratio as at March 31, 2026**
5. **Disclosure on NSFR as at March 31, 2026**
6. **Capital Disclosure**
    - Composition of Capital & reconciliation requirements
    - Main Features of Regulatory Capital Instruments March 31, 2026
    - Terms and Conditions of Equity Shares

The link to this section is https://www.idfcfirst.bank.in/investors/regulatory-disclosures

IDFC FIRST Bank Limited

CIN: L65110TN2014PLC097792

Corporate Office

IDFC FIRST Bank Tower, (The Square),
C-61, G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051,
Maharashtra.
Tel: +91 22 7132 5500

Registered Office

KRM Towers, 7th Floor, No.1,
Harrington Road, Chetpet,
Chennai - 600 031, Tamil Nadu.
Tel: +91 44 4571 6477

Email: bank.info@idfcfirstbank.com
Website: www.idfcfirst.bank.in

Notice

IDFC FIRST BANK LIMITED

CIN: L65110TN2014PLC097792
Registered Office: KRM Tower, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai 600 031, Tamil Nadu, India.
Tel: + 91 44 4571 6477
Corporate Office: 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
Website: www.idfcfirst.bank.in | **E-mail:** bank.info@idfcfirstbank.com

NOTICE is hereby given that the Twelfth (12th) Annual General Meeting ("**AGM**") of the Members of IDFC FIRST Bank Limited (**"IDFC FIRST Bank"** or the **"Bank**") will be held on **Monday, August 31, 2026,** at **2:00 p.m.** Indian Standard Time through Video Conferencing ("**VC**")/ Other Audio-Visual Means ("**OAVM**"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, to transact the following businesses:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Standalone Financial Statements of the Bank for the Financial Year ended March 31, 2026, together with the Report of the Board of Directors and the Auditors thereon.**

2. **To receive, consider and adopt the Audited Consolidated Financial Statements of the Bank for the Financial Year ended March 31, 2026, together with the Report of the Auditors thereon.**

3. **To re-appoint Mr. Pradeep Natarajan (DIN: 10499651) as a Director, who retires by rotation and being eligible, offers himself for re-appointment for the remaining tenure.**

4. **To declare dividend on equity shares of the Bank, for the financial year ended March 31, 2026. *(Refer note no. 20 for details)***

SPECIAL BUSINESS

5. **Enabling Approval for raising funds through issuance of Equity Securities of the Bank.**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 23, 41, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended, read with the relevant rules made thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendment(s), modification(s), variation(s) or reenactment(s) thereto, for the time being in force) ("**Companies Act**"), the relevant provisions of the Banking Regulation Act, 1949, and the rules, regulations, directions, guidelines and circulars issued by the Reserve Bank of India ("**RBI**") in this regard, from time to time, the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended from time to time ("**FEMA**"), the Foreign Exchange Management (Non - Debt Instruments) Rules, 2019, as amended, the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), Ministry of Commerce and Industry, Government of India ("**GOI**"), as amended from time to time, the Reserve Bank of India (Commercial Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025, the rules, the regulations, guidelines, notifications and circulars, if any, prescribed by the GOI, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), as amended and subject to all other applicable laws and such other applicable rules, regulations, circulars, notifications, clarifications and guidelines issued thereon, from time to time, by the GOI, the Ministry of Corporate Affairs ("**MCA**"), the RBI, the Securities and Exchange Board of India ("**SEBI**") and the Stock Exchanges where the Equity Shares of IDFC FIRST Bank Limited ("**Bank**") are listed ("**Equity Shares**") and the enabling provisions of the Memorandum of Association and Articles of Association of the Bank and subject to receipt of requisite approvals, consents, permissions and/or sanctions, if any, from any other appropriate governmental/ statutory/ regulatory authorities and subject to such other conditions and modifications as may be prescribed, stipulated or imposed upon by any of the said governmental/ statutory/ regulatory authorities, while granting such approvals, consents, permissions, and/or sanctions, which may be agreed to by the Board of Directors of the Bank ("**Board**"), which term shall be deemed to include any Committee(s) of Directors constituted/ to be constituted by the Board, from time to time, to exercise its powers conferred herein ("**Committee**"), approval of the Members of the Bank be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm allotment and/or on competitive basis, of such part of issue and for such categories of persons as may be prescribed and permitted by the law), such number of Equity Shares, and/or securities linked to Equity Shares, and/or any other permitted instrument or securities representing Equity Shares and/ or convertible securities linked to Equity Shares (all of which are hereinafter collectively referred to as "**Securities**") or any combination of Securities, in one or more tranches, by way of private placement and/ or preferential allotment and/or qualified institutions placement or any combination thereof, through issue of placement document or other permissible/ requisite offer document to any eligible person, including Qualified Institutional Buyers ("**QIB**"), in accordance with Chapter VI of the SEBI ICDR Regulations, foreign/ resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors other than individuals, corporate bodies and family offices, qualified foreign investors, Indian and/ or multilateral financial institutions, mutual funds, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of Equity Shares of the Bank or not (collectively called the "**Investors**") as may be decided by the Board, at its sole and absolute discretion and permitted under the applicable laws and regulations, in one or more tranches, for an aggregate amount not exceeding ₹ 7,500 crore (Rupees Seven Thousand Five Hundred Crore) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities) ("**Offering**"), for a period of next one (1) year from the date of 12th Annual General Meeting ("**AGM**") of the Bank, by offering the Securities at such time or times, at such price or prices, at a discount or premium to market price or at prices as permitted under the applicable laws, in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its sole and absolute discretion, including the discretion, to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment of Equity Shares of the Bank, considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/ or underwriter(s) and/or other advisor(s) as the Board may at its sole and absolute discretion deem fit and appropriate.

RESOLVED FURTHER THAT in case of issuance of Securities by way of a Qualified Institutions Placements ("**QIP**"), under Chapter VI of SEBI ICDR Regulations ("**Eligible Securities**"):

a. The Relevant Date for determination of the price of the Equity Shares shall be the date of the meeting at which the Board (which term shall be deemed to include any Committee thereof), decides to open the proposed QIP, in terms of the provisions of the Companies Act, the SEBI ICDR Regulations and other applicable laws, rules, regulations;

b. The price of the Eligible Securities shall not be less than the price as may be determined, in accordance with the pricing formula prescribed under Part IV of Chapter VI of the SEBI ICDR Regulations;

c. The Board may at its sole and absolute discretion, issue Eligible Securities at a discount of not more than five per cent (5 %) on the price so calculated or such other discount as may be permitted to the 'Floor Price' as may be determined, in accordance with the pricing formula prescribed under Part IV of Chapter VI of the SEBI ICDR Regulations;

d. The 'Issue Price' shall be subject to appropriate adjustments, if the Bank:

   i. makes an issue of equity shares by way of capitalization of profits or reserves, other than by way of dividend on shares;

   ii. makes a rights issue of equity shares;

   iii. consolidates its outstanding equity shares into a smaller number of shares;

   iv. divides its outstanding equity shares including by way of stock split;

   v. re-classifies any of its equity shares into other securities; or

   vi. is involve in such other similar events or circumstances, which in the opinion of the concerned stock exchange, requires adjustments.

e. The allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution of the shareholders of the Bank or such other time as may be allowed under the SEBI ICDR Regulations;

f. A minimum of 10% of the Securities to be issued and allotted pursuant to Chapter VI of ICDR Regulations shall be allotted to Mutual Fund(s) and if the Mutual Fund(s) do not subscribe to said minimum percentage or any part thereof, such minimum portion or part thereof may be allotted to other QIBs;

g. The Equity Shares shall only be allotted as fully paid-up Equity Shares;

h. the Equity Shares allotted in the QIP shall not be eligible for sale by the respective allottees, for a period of one year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations;

i. the Bank shall not undertake any subsequent QIP until the expiry of two weeks or such other time as may be prescribed in the SEBI ICDR Regulations, from the date of the QIP.

RESOLVED FURTHER THAT the Preferential issuance and allotment of Securities (other than as issued and allotted to QIBs by way of QIP) shall be subject to the requirements prescribed under the Companies Act and Chapter V of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approvals, consents, permissions, if any, of any governmental/ statutory/ regulatory authority including any conditions as may be prescribed in granting such approvals or permissions by such governmental/ statutory/ regulatory authority, the aforesaid issue of Securities may have all or any terms or combination of terms, in accordance with prevalent market practices or as the Board may at its sole and absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create, issue, offer and allot such number of equity shares as may be required to be issued and allotted, including other securities referred to above or as may be necessary in accordance with the terms of the offer **AND THAT** all such equity shares shall rank pari-passu inter-se and with the then existing equity shares of the Bank in all respects, including dividend and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Bank.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolutions described above, the Board or the Committee duly authorised by the Board, in this regard, be and is hereby authorised for and on behalf of the Bank to do all such acts, deeds, matters and things including but not limited to finalisation and approval of the relevant offering documents, determining the form and manner of the issue, the nature and number of Securities to be allotted, timing of Offering, determination of person(s) to whom the Securities will be offered and allotted, in accordance with applicable laws, the issue price, face value, discounts permitted under applicable laws (now or hereafter), premium amount on issue/ conversion of the Securities, if any, rate of interest, execution of various agreements, deeds, instruments and other documents, as it may at its sole and absolute discretion deem fit, necessary, proper or appropriate, and to give instructions or directions and to settle all questions, difficulties or doubts that may arise with regard to the issue, offer or allotment of Securities (including in relation to issue of such Securities in one or more tranches from time to time) and utilisation of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the Registrar of Companies, the lead manager(s), or other authorities or agencies involved in or concerned with the issue of Securities and as the Board or the Committee duly authorised by the Board, in this regard, may at its sole and absolute discretion deem fit and appropriate in the best interest of the Bank, without being required to seek any further consent or approval of the Members of the Bank or otherwise **AND THAT** all or any of the powers conferred herein on the Bank and the Board pursuant to this Special Resolution may be exercised by the Board or the Committee duly authorised by the Board, in this regard, to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Special Resolution, and all actions taken by the Board or the Committee duly authorised by the Board, in this regard, to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed, in all respects.

RESOLVED FURTHER THAT the Board or the Committee duly authorised by the Board, in this regard, be and is hereby authorised to engage/ appoint lead managers, underwriters, depositories, custodians, registrars, stabilising agents, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board or the Committee duly authorised by the Board, in this regard, be and is hereby authorised for and on behalf of the Bank to negotiate, modify, sign, execute, register, deliver including sign any declarations or Notice required in connection with the private placement offer letter, information memorandum, the draft offer document, offer letter, offer document, offer circular or placement document for issue of the Securities, term sheet, issue agreement, registrar agreement, escrow agreement, underwriting agreement, placement agreement, consortium agreement, trustee agreement, trust deed, subscription agreement, purchase agreement, agency agreement, agreements with the depositories, security documents, and other necessary agreements, memorandum of understanding, deeds, general undertaking/ indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the Regulatory Authorities, if any) (the "**Transaction Documents**") (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents (the "**Ancillary Documents**") as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which it is a party as well as to accept and execute any amendments to the Transaction Documents and the Ancillary Documents and further to do all such other acts, deeds, matters and things, mentioned herein as they may deem necessary in connection with the issue of the Securities, in one or more tranches, from time to time and matters connected therewith.

RESOLVED FURTHER THAT in respect of the Offering, the Board or the Committee duly authorised by the Board, in this regard, be and is hereby severally authorised to do all such acts, deeds, matters and things as it may at its sole and absolute discretion consider necessary, desirable or appropriate, including submitting the relevant application to the Stock Exchange(s), for obtaining in-principle approval for listing of Securities, filing of requisite documents/ making declarations with the MCA, RBI, SEBI and any other Statutory / Regulatory Authority(ies), including filing of form FC-GPR, and any other deed(s), document(s), declaration(s) as may be required under the applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee thereof, *inter alia*, the power to determine the form, terms and timing of the issue(s)/ offering(s), issue price (including discount, if any), the quantum of Securities to be issued, including selection of Investors to whom Securities are proposed to be offered, issued and allotted and matters related thereto, as it may, at its sole and absolute discretion, deem fit and appropriate.

RESOLVED FURTHER THAT the Board or the Committee duly authorised by the Board, in this regard, be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Officer(s) of the Bank and to generally do all such acts, deeds, matters and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the Stock Exchange(s), with any other governmental/ statutory/ regulatory authorities and execution of any deeds and documents for and on behalf of the Bank and to represent the Bank before any governmental/ statutory/ regulatory authorities, to give effect to this resolution."

6. Enabling Approval for Issuance of Debt Securities on a Private Placement Basis.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 23, 42, 71, 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other relevant provisions or rules notified thereunder ("**Companies Act**"), read with relevant circulars issued by the Ministry of Corporate Affairs from time to time, applicable provisions of Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Master Circular for issue and listing of Non-Convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper issued by SEBI dated October 15, 2025 (as may be amended from time to time) and other applicable rules, regulations, circulars, guidelines and directions issued by the SEBI, the applicable provisions of the Banking Regulation Act, 1949, the Reserve Bank of India Act, 1934, Foreign Exchange Management Act, 1999, the rules, regulations, circulars, directions and guidelines issued by the Reserve Bank of India ("**RBI**") from time to time and all other relevant provisions of applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the provisions of the Memorandum and Articles of Association of the Bank and subject to receipt of such approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as "**Board**" and which term shall be deemed to include any Committee or any other persons to whom powers are delegated by the Board as permitted under the Companies Act) for borrowing/ raising funds, from time to time, in Indian Rupees and/or permitted foreign currencies, by issuing or making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures/ Bonds/ Notes/ other Debt Securities to eligible investors including, but not limited to, Subordinated, Unsecured, Rated/Unrated, Listed, Redeemable fully paid-up Basel III Compliant Tier-II Bonds/ Non-Convertible Debentures, Medium Term Notes, Perpetual Debt Instruments (part of Additional Tier I Capital), Tier II Capital Bonds, Long Term Bonds (financing of infrastructure and affordable housing) and such other securities as may be permitted by the RBI and under applicable laws from time to time (hereinafter referred to as the "**debt securities**"), on private placement basis, up to an amount not exceeding ₹ 12,500 crore (Rupees Twelve Thousand Five Hundred Crore only) over and above the outstanding debt securities issued by the Bank, in one or more tranches, series and/or in the form of separately transferable redeemable principal parts (if required), in such classes and with such rights or terms as may be considered necessary, under one or more information memorandum, offering circular, disclosure document, or general/key information document and/ or under one or more letter of offers as may be issued by the Bank, in domestic and/ or overseas market, either out of Bank's domestic location or out of the Banks' International Financial Services Centre ("**IFSC**") Banking Unit ("**IBU**") situated in GIFT City , as per the agreed structure and within the limits permitted by RBI and other regulatory authorities, to eligible investors, during a period of one (1) year from the conclusion of the Twelfth (12^{th}) Annual General Meeting of the Bank, which limit is within the overall borrowing limit of ₹ 1,50,000 crore (Rupees One Lakh Fifty Thousand Crore only), as approved by the Members of the Bank at the first (1^{st}) Annual General Meeting held on September 29, 2015 under Section 180(1)(c) of the Companies Act and on such terms and conditions as may be approved by the Board, from time to time.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "**Board**", which term shall include any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, including but not limited to seeking approvals from RBI, Government of India or any other authority, filing necessary applications, returns and documents, with power to settle all questions, difficulties or doubts that may arise in regard to the above resolution as it may in its absolute discretion, deem necessary or desirable and to delegate all or any of its powers conferred herein to any Committee, Director(s) and/or Officer(s) of the Bank to give effect to this resolution."

7. Amendment to the Articles of Association of the Bank

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 5, 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014, and other applicable rules made thereunder (the "**Companies Act**"), the applicable provisions of the Banking Regulation Act, 1949 (the "**BR Act**") read with the rules, circulars and guidelines issued by the Reserve Bank of India ("**RBI**") from time to time, and any other applicable laws (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), and in accordance with the provisions of the Memorandum of Association and the Articles of Association of the Bank, and pursuant to the recommendation of the Board of Directors ("**Board**") of the Bank, and subject to the approval of RBI, and such other approvals, consents, permissions and sanctions as may be required from any statutory or regulatory authority, the consent of the Members of the Bank be and is hereby accorded to amend the Articles of Association of the Bank by modifying the existing Article 101A and inserting a new Article 101B immediately after Article 101A ('**Appointment of Nominee Director**'), which inter-alia is an enabling provision that facilitates the nomination of a non-executive, non-independent director by eligible investor(s) (the "**Investor Director(s)**"), in accordance with the terms of the applicable investment agreement(s) entered/ to be entered with the Bank.

Appointment of Nominee Director

<u>Amendment of existing Article: Article 101A</u>

"Notwithstanding anything contained in these Articles and subject to the applicable law, the Board shall have power to appoint a Director, nominated by Debenture Trustee(s) ~~or investor(s), as applicable~~, on occurrence of any event specified under the applicable laws/ Rules, Regulations, Circulars, as amended from time to time, or by virtue of any Agreement, Deed, Indenture, etc."

Proposed Deletion - 'or investor(s), as applicable,'

<u>Insertion of new Article: Article 101B</u>

(a) *"Notwithstanding anything contained in these Articles and subject to applicable laws/ Rules, Regulations, Circulars, as amended from time to time, the Board shall have the power to appoint non-executive, non-independent director(s), liable to retire by rotation, on the Board of the Bank ("Investor Director"), nominated by an Investor(s) by virtue of agreement(s) with the Bank, subject to the approval of the shareholders.*

(b) *The right of the Investor to nominate Investor Director(s) under Clause (a) shall fall away upon the Investor ceasing to hold at least 5% (five percent) of the Bank's total paid up share capital."*

RESOLVED FURTHER THAT pursuant to Regulation 31B and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), as amended from time to time, any special right granted to the shareholders of a listed entity shall be subject to the approval by the shareholders in a general meeting by way of a special resolution once in every five years starting from the date of grant of such special right.

RESOLVED FURTHER THAT the Board (which shall include duly authorised Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required with power to settle all questions, difficulties or doubts that may arise in regard to the above resolution as it may in its absolute discretion, deem necessary or desirable and to delegate all or any of its powers conferred herein to any Committee, Director(s) and/ or Officer(s) of the Bank to give effect to this resolution."

By order of the Board of Directors of
IDFC FIRST Bank Limited

Satish Gaikwad
General Counsel & Company Secretary
FCS 6494

Date: July 25, 2026
Place: Mumbai

Registered Office:
KRM Tower, 7th Floor, No. 1 Harrington Road, Chetpet,
Chennai 600 031, Tamil Nadu, India

NOTES:

1. The Ministry of Corporate Affairs ("**MCA**") has, vide its General Circular No. 03/2025 dated September 22, 2025 and other applicable and related circulars has, permitted convening the Annual General Meeting ("**AGM**"/"**Meeting**") through Video Conferencing ("**VC**") or Other Audio Visual Means ("**OAVM**"), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 ("**Companies Act**") read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), the AGM of the Bank is being held through VC / OAVM.

2. In compliance with the provisions of the Companies Act, SEBI Listing Regulations, MCA Circulars and SEBI Circulars, the Twelfth (12th) AGM of the Bank is being held through VC/ OAVM. Hence, the Members can attend and participate in the ensuing AGM through VC/ OAVM only. The proceedings of the AGM of the Bank will be deemed to be conducted at the registered office of the Bank which shall be the deemed venue of the AGM.

3. In compliance with the MCA Circulars and Regulation 36(1)(a) of the SEBI Listing Regulations, Notice of the Twelfth (12th) AGM along with the Annual Report for the FY 2025-26 is being sent only through electronic mode to those members of the Bank whose e-mail address is registered with the Bank / Registrar and Transfer Agent ("**RTA**") i.e., KFin Technologies Limited ("**KFintech**") or with Depository Participants ("**DPs**"). Further, in compliance with Regulation 36(1)(b) of the SEBI Listing Regulations, a letter providing the web-link, including the exact path, where Annual Report for the FY 2025-26 is available, is being sent to those members whose e-mail address is not registered with the Bank / RTA / DPs.

   The Members of the Bank will be entitled to get a physical copy of the Annual Report for the FY 2025-26, free of cost, upon sending a request to the Bank on secretarial@idfcfirstbank.com. The Members may note that the Notice of Twelfth (12th) AGM and the Annual Report of the Bank is also available on the Bank's website at www.idfcfirst.bank.in and on the websites of Stock Exchanges i.e., BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The Bank has appointed National Securities Depository Limited ("**NSDL**") for facilitating electronic voting system to enable the Members of the Bank to cast their votes electronically ("**e-voting**"). The Notice of Twelfth (12th) AGM and the Annual Report of the Bank is also available on website of NSDL at www.evoting.nsdl.com.

4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The Bank has enabled the Members to participate at its Twelfth (12th) AGM through the VC/ OAVM facility provided by NSDL. The instructions for participation by Members are given in the subsequent paragraphs.

6. **PROXIES**:

   Pursuant to the provisions of the Companies Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Bank. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

7. The Institutional/ Corporate Members intending their authorised representatives to attend the AGM of the Bank through VC/ OAVM on its behalf and to vote are requested to send scanned certified true copy (PDF/ JPEG Format) of the Board Resolution along with any other document as may be required in relation to this, to the Scrutinizer by e-mail from its registered e-mail address to bhandariandassociates@gmail.com with a copy marked to evoting@nsdl.com or secretarial@idfcfirstbank.com.

   The Institutional/ Corporate Members can also upload the aforesaid documents by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-voting" tab in their login.

8. In case of joint holders, only such joint holder who is higher in the order of names as per the Register of Members of the Bank will be entitled to vote.

9. The Members attending the AGM of the Bank through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.

10. The statement pursuant to Section 102(1) of the Companies Act, read with the relevant rules made thereunder, the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("**SS-2**") and the SEBI Listing Regulations, in respect of item nos. 5 to 7 of this notice, is annexed herewith.

11. All the documents referred to in this Notice along with relevant statement setting out the material facts and reasons and the Statutory Registers along with the necessary certificates, as may be applicable, will be made available by the Bank for inspection, on the request of the Members of the Bank. The Members who wish to inspect the documents or Registers are requested to send an e-mail from their e-mail id registered with the RTA/ Bank on secretarial@idfcfirstbank.com mentioning their name, Folio no./ Client ID and DP ID, and the documents or registers they wish to inspect.

12. The Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Bank on secretarial@idfcfirstbank.com from their e-mail ID registered with the RTA/ Bank mentioning their name, Folio no./ Client ID and DP ID. The same will be replied by the Bank suitably.

13. The details of directors seeking appointment/ re-appointment, pertaining to the item No. 3 of this Notice, pursuant to Regulation 36(3) of the SEBI Listing Regulations and SS-2 is also forming part of this Notice as **EXHIBIT A**.

SHAREHOLDERS RELATED MATTERS:

14. The Members who have either not received or have not encashed their dividend warrant(s) pertaining to previous years are requested to write to RTA, mentioning the relevant Folio Number(s)/ DP ID and Client ID. The Members are requested to note that dividends which are not claimed/ not paid within seven (7) years from the date of transfer to the Bank's Unpaid Dividend Account, will, as per the provisions of Section 124 of the Companies Act and the rules made thereunder, be transferred to the Investor Education and Protection Fund ("**IEPF**"). Pursuant to the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Bank would upload the details of unpaid and unclaimed amounts lying with the Bank on the Bank's website www.idfcfirst.bank.in and also on the website of the MCA, from time to time.

    Pursuant to the provisions of Section 124(6) of the Companies Act, read with IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, ("**IEPF Rules**") the equity shares of the Bank, in respect of which the dividend(s) remained unpaid or unclaimed for a period of seven (7) consecutive years, are liable to be transferred to the IEPF Authority. As per the IEPF Rules, as amended, the Shareholder may lodge the claim to the IEPF Authority for such dividends and shares by submitting an online application in e-Form IEPF-5 available on the website www.mca.gov.in/content/mca/global/en/mca/iepf-related-services.html.in accordance with applicable provisions. In case you have any queries or issues regarding unclaimed dividends or shares, you may please contact KFintech on 1800 309 4001 or send an e-mail on einward.ris@kfintech.com. For details, kindly refer Corporate Governance Report forming part of Annual Report.

    To prevent fraudulent transactions, the Members are advised to exercise due diligence and notify KFintech/ Bank of any change in address or demise of any Member, as soon as possible. The Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ("**DP**") and holdings should be verified from time to time.

15. Members holding shares in demat mode, who have not registered their e-mail addresses are requested to register their e-mail addresses with their respective DP, and members holding shares in physical mode are requested to update their e-mail addresses with KFintech at einward.ris@kfintech.com. Members may follow the process detailed below for registration of e-mail ID, update of bank account details etc.

PROCESS TO BE FOLLOWED	
Physical Shareholder	
For availing the following investor services, send a written request in the prescribed forms (to be e-signed) to KFintech by sending an e-mail to einward.ris@kfintech.com or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032, Telangana.	
Form to register/ change/ update PAN, bank details, signature, mobile number, e-mail ID and address.	Form ISR-1
Form for confirmation of signature of securities holder by the Banker.	Form ISR-2
Form for nomination pursuant to Section 72 of the Companies Act.	Form SH-13
Form for declaration to opt-out of nomination.	Form ISR-3
Form for cancellation or variation of nomination.	Form SH-14
Form for requesting issue of duplicate certificate and other service requests for shares/ debentures/ bonds, etc., held in physical form.	Form ISR-4

The forms for updating the above details are available at https://www.idfcfirst.bank.in/investors under the head "Common and Simplified Norms for processing investor's service request".
Demat Shareholder
Please contact your DP to register/ update your email address, bank account details, address etc. in your demat account, as per the process advised by your DP.

16. In terms of the provision of the SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialized form.

Further, SEBI vide Circular Ref. No. HO/38/13(3)2026-MIRSDPOD/1/3763/2026 dated January 30, 2026 has simplified investor service requests by eliminating the requirement of issuing a Letter of Confirmation (LOC) and enabling direct credit of securities to investors' demat accounts. The revised framework covers services such as issuance of duplicate certificates, transmission, transposition, corporate actions and unclaimed suspense accounts, with an objective to reduce processing time and enhance investor convenience. SEBI has mandated that securities of listed companies can be transferred only in dematerialized form with effect from April 2, 2026.

Accordingly, the Members are required to make a request for such services or to claim securities from 'suspense escrow demat account' by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Bank's website at https://www.idfcfirst.bank.in/content/dam/idfcfirstbank/pdf/investors/Form-ISR-4.pdf

SEBI vide its master circular dated 6 February, 2026 has mandated that holders of physical securities, whose folio(s) are not updated with any of the KYC details viz., PAN, contact details (postal address with PIN code and mobile number), bank account details and specimen signature, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode. Accordingly, dividend payable to members holding shares in physical mode, whose KYC details are not updated shall be withheld by the Bank. Members are therefore advised to update their KYC details on priority, if not done already.

17. Pursuant to SEBI Circular No: HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated January 30, 2026, SEBI opened a special window from February 05, 2026 to February 04, 2027 to facilitate for transfer cum-dematerialization of physical securities that were purchased or sold prior to April 01, 2019, including cases that were previously rejected or remained pending due to deficiencies. Shares dematerialized through this facility shall be subject to a lock-in period of one year. This initiative aims to facilitate ease of investment & safeguard of investor interest. The members who are eligible for this are requested to take advantage of this special window and have the shares transferred in their name(s).

18. The procedure and instructions for e-voting and joining the AGM of the Bank through VC/ OAVM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS:

[a] In terms of Section 108 and other applicable provisions, if any, of the Companies Act, read with the Companies (Management and Administration) Rules, 2014 and other relevant rules made thereunder, as amended, Regulation 44 of the SEBI Listing Regulations and MCA Circulars read with SEBI Circulars, the Bank is pleased to provide the facility of remote e-voting and e-voting during the AGM to its Members holding shares in physical or dematerialized form, as on **Monday, August 24, 2026 ("cut-off date")**, to exercise their right to vote through electronic means on any or all of the businesses specified in this Notice. The Bank has engaged the services and made necessary arrangements with NSDL for facilitating voting through electronic means, as an authorized e-voting agency.

[b] The remote e-voting period commences on **Wednesday, August 26, 2026** at 9:00 a.m. Indian Standard Time ("**IST**") and ends on **Sunday, August 30, 2026** at 5:00 p.m. IST. The e-voting module shall be disabled by NSDL for voting thereafter.

[c] A person who is not a Member of the Bank as on the cut-off date should treat this Notice for information purposes only.

Those Members, who will be present in the AGM through VC/ OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

[d] The Members who have cast their vote by remote e-voting prior to the AGM, may attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

[e] The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Bank as on the cut-off date, subject to Section 12 and other applicable provisions, if any, of the Banking Regulation Act, 1949 and Reserve Bank of India (Commercial Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025.

[f] Only a person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the RTA of Bank as on the cut-off date, shall be entitled to avail the facility of remote e-voting

or casting vote through e-voting system during the AGM.

[g] As the e-voting does not require a person to attend the meeting physically, the Members are strongly advised to use the e-voting procedure by themselves and not through any other person.

[h] The Board of Directors has appointed Ms. Manisha Maheshwari, Practicing Company Secretary [Membership No. FCS: 13272 and CP: 11031], Partner of M/s. Bhandari & Associates, Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process and the e-voting process during the AGM, in a fair and transparent manner and in accordance with the provisions of the Companies Act and the rules made thereunder. In case of any failure/ inability to scrutinize e-voting by Ms. Manisha Maheshwari for any reason, Mr. Saurabh Somani, Practicing Company Secretary [Membership No. ACS: 69826 and CP: 26495], Partner of M/s. Bhandari & Associates, Company Secretaries, shall be alternate Scrutinizer to her.

The details of the process and the way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step 1: Access to NSDL e-voting system.

[A] Login method for e-voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.

In terms of the SEBI circular dated December 09, 2020 on the e-voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-voting process has been enabled for all individual Shareholders holding securities in demat mode to vote through their demat account maintained with depositories/ websites of depositories/ depository participants. The Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility.

Any person holding shares in physical form and non-individual Shareholders, who acquires shares of the Bank and becomes a Member after this Notice is sent and holds shares as on the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.com. However, if you are already registered with NSDL for Remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you could reset your password by using the "Forgot User Details/ Password" or "Physical User Reset Password" options available on www.evoting.nsdl.com or call on 022-4886 7000. Further, any Individual Shareholder holding securities in demat mode who acquires shares of the Bank and becomes a Member after the sending of this Notice and holds shares as on the cut-off date, may follow steps mentioned hereinafter.

Login method for Individual Shareholders holding securities in demat mode is given below:

LOGIN METHOD	
NSDL: Individual Shareholders holding securities in demat mode with NSDL	
1.	For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2.	Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
3.	If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
4.	Visit the e-Voting website of NSDL. Open web browser by typing the following URL: www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on

App Store   Google Play

CDSL: Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.

2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use 'Forget User ID' and 'Forget Password' option available at above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022-4886 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

[B] Login method for e-voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: www.evoting.nsdl.com. either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e., IDeAS, you can log-in at https://eservices.nsdl.com with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e., cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a] For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.

b] For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c] For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Bank. For example, if folio number is 001*** and EVEN Number is 140738 then user ID is 140738001***

5. Password details for Shareholders other than Individual Shareholders are given below:

   a] If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b] If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c] How to retrieve your 'initial password'?

      (i) If your e-mail ID is registered in your demat account or with the Bank, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your e-mail ID is not registered, please follow steps mentioned below in process for those Shareholders whose e-mail ids are not registered.

6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on the 'Login' button.

9. After you click on the 'Login' button, the Home page of e-voting will open.

STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN THE GENERAL MEETING ON NSDL E-VOTING SYSTEM.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select EVEN '**140738**' of the Bank during the Remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on 'VC/ OAVM' link placed under 'Join Meeting'.

3. Now you are ready for e-voting as the voting page opens.

4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

5. Upon confirmation, the message 'Vote cast successfully' will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhandariandassociates@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions ("**FAQs**") for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022-4886 7000 or send a request at evoting@nsdl.com.

4. In case of any grievances connected with the facility of e-voting, please contact Ms. Pallavi Mhatre, Deputy Vice President, NSDL, T301, 3rd Floor, Naman Chambers, G Block, Plot No- C-32, Bandra Kurla Complex, Bandra East, Mumbai- 400051 or write on evoting@nsdl.com.

Process for those shareholders whose email-ids are not registered with the depositories for procuring user ID and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to einward.ris@kfintech.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to einward.ris@kfintech.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e., Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, Shareholder/ Members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020, on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

B. INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE BANK'S AGM ARE AS UNDER:

[a] The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

[b] Only those Members/ shareholders, who will be present in the AGM through VC/ OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

[c] Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

[d] The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

C. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE BANK'S AGM THROUGH VC/ OAVM ARE AS UNDER:

[a] The Member will be provided with a facility to attend the AGM through VC/ OAVM through the NSDL e-voting system. The Members may access by following the steps mentioned above for 'Access to NSDL e-voting system'. After successful login, you can see link of "VC/ OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/ OAVM will be available in Shareholder/ Member login where the EVEN '**140738**' of the Bank will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the Remote e-voting instructions mentioned in the Notice to avoid last minute rush.

[b] The link for joining the AGM through VC/ OAVM will be activated 30 minutes before the time scheduled for commencement of the AGM and will be closed 30 minutes after conclusion of the AGM. The Members may join the AGM by following the procedure mentioned in this Notice. The participation at the AGM through VC/ OAVM shall be allowed on a first-come-first-served basis.

[c] The Members are encouraged to join the Meeting through Laptops for a better experience. Further, the Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

[d] The Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.com or 022-4886 7000 or contact Ms. Pallavi Mhatre, Deputy Vice President, NSDL, T301, 3rd Floor, Naman Chambers, G Block, Plot No- C-32, Bandra Kurla Complex, Bandra East, Mumbai- 400051.

[e] The Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending request from their registered e-mail ID mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at agmspeaker@idfcfirstbank.com in advance i.e., at least seven (7) days prior to date of AGM. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Bank reserves the right to restrict the number of questions and number of speakers depending on the availability of time for the AGM.

19. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during

the AGM, thereafter, unblock the votes cast through Remote e-voting and submit a Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson of the Bank or a person authorised by him, who will announce the results of the e-voting latest by September 02, 2026 in accordance with the applicable provisions of law.

The result declared along with the Scrutinizer's Report will be available on the Bank's website www.idfcfirst.bank.in, on the e-voting agency's website i.e., NSDL at https://www.evoting.nsdl.com and communication of the same will be sent to the BSE Limited and the National Stock Exchange of India Limited. The Bank will also display the results of the AGM at its registered office and the corporate office.

20. Dividend Related Information

The Board of Directors of the Bank at their meeting held on April 25, 2026, has recommended a dividend of ₹ 0.25/- per equity share of face value of ₹ 10/- each for the FY 2025-26, subject to approval of members at the ensuing AGM. The record date to determine eligibility of members for payment of dividend, if approved at the AGM, is **Friday, August 7, 2026**. Dividend will be paid within thirty days from the date of the AGM, electronically through various online transfer modes to those members who have updated their bank account details

Pursuant to the provisions of Section 393(1) [Sr.No.7] read with section 393 (4) (Table: SI. No. 10) of the Income Tax Act, 2025, ("**the IT Act**") dividend paid or distributed by the Bank shall be taxable in the hands of the shareholders. Accordingly, the Bank is required to deduct tax at source ("**TDS**") at the time of payment of dividend in accordance with the applicable provisions of the IT Act. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Bank.

In order to enable the Bank to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, in accordance with the provisions of the IT Act:

A. For Resident Shareholders

1. Where the shareholder holds a valid Permanent Account Number ("**PAN**"):
    a. TDS under section 393(1) of the IT Act @ 10% on the amount of dividend.
    b. No tax shall be deducted in the case of a resident individual shareholder, if:
        (i) the total amount of dividend during the Tax Year ("**TY**") 2026-27 does not exceed ₹ 10,000/- or
        (ii) the individual shareholder submits a duly signed Form 121 - Part A (applicable to individual shareholders below and above the age of 60 years) provided that all the prescribed eligibility conditions are met. Please note that all fields are mandatory to be filled up and Bank may at its sole discretion reject the form, if the prescribed requirements under the IT Act are not fulfilled.
2. In case, shareholders do not have PAN/ have invalid PAN/ PAN is not linked with Aadhar (inoperative PAN)/not registered their valid PAN details in their account, TDS at a higher rate of 20% shall be applicable as per section 397(2) of the IT Act, irrespective of threshold of ₹ 10,000/.

    Members are required to link Aadhaar number with PAN as required under Section 262[6(a) & (b)] of the IT Act, read with rule 162 of the Income Tax Rules, 2026. If any PAN is found to have not been linked with Aadhaar within the stipulated timelines, then such PAN shall be deemed inoperative, and TDS will be deducted at a higher rate under Section 397(2) of the IT Act. The Bank reserves its right to recover any demand raised subsequently on the Bank by the Income-tax Department for not informing or providing wrong information to the Bank on the applicability of Section 397(2) of the IT Act.

    Shareholders may visit https://www.incometax.gov.in/iec/foportal/help/e-filing-link-aadhaar-faq for FAQs issued by Government on PAN Aadhaar linking.
3. No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide details and documents to the Bank's Registrar and Share Transfer Agents ("**RTA**") viz., KFin Technologies Limited:

    Insurance companies: Declaration that it qualifies as 'Insurer' as per Section 2(7A) of the Insurance Act, 1938 and that its income is exempt under Schedule VII of the IT Act and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/LIC/GIC;

    Mutual Funds: Declaration by Mutual Fund shareholder as specified at Schedule VII [Table: Sl. Nos. 20 or 21] of Section 11 the IT Act along with self-attested copy of PAN card along with certificate of registration with the Securities and Exchange Board of India ("**SEBI**") (self-attested);

    Alternative Investment Fund ("AIF") established in India: A declaration that its income is exempt under Schedule V [Table Sl. No. 1] to section 11 of the IT Act and they are established as Category I or Category II AIF under the SEBI Regulations. Copy of registration documents should be provided (self-attested) along with self-attested copy of PAN card;

    New Pension System (NPS) Trust: Self-declaration that it qualifies as NPS trust and income is eligible for exemption under Schedule VII [Table: Sl. No. 40] to section 11 of the IT Act and being regulated by the provisions of the Indian

Trusts Act, 1882 along with self-attested copy of the PAN card.

Other Non-Individual shareholders: Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.

In case shareholders provide certificate under section 395(1) of the IT Act for lower/NIL withholding of taxes, rate specified in the said certificate shall be considered on submission of self-attested copy of certificate to the Bank.

B. For Non-Resident Shareholders

1. Taxes are required to be withheld in accordance with the provisions of Section 393(2)] read with section 207(1) of the IT Act. TDS will be applicable at 20% (plus applicable surcharge and cess) on the amount of dividend payable.

2. As per Section 159 of the IT Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("**DTAA**") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e., to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:

   i. Self-attested copy of PAN card, allotted by the Indian Income Tax Authorities. In case, PAN is not available, the non-resident shareholder shall furnish (a) Name, (b) email ID (c) Contact number, (d) address in Tax residency country, (e) Tax Identification Number of Tax residency country;

   ii. Self-attested copy of Tax Residency Certificate ("TRC") (for TY 2026-27 or calendar year 2026) obtained from the tax authorities of the country of which the shareholder is resident;

   iii. Self-declaration in Form 41, filed acknowledgement copy online on Income Tax Portal;

   iv. Self-declaration by the non-resident shareholder as to:

      - Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
      - No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty;
      - Shareholder being the beneficial owner of the dividend income.

   v. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

Shareholders willing to obtain certificate under Section 395 of the IT Act

Shareholders (resident/ non-resident) who wish to obtain certificate for lower/ NIL TDS deduction under section 395 of the IT Act on dividend receipt are requested to apply for the same by stating the Bank's TAN No. as MUMI19551A

Shareholders having multiple accounts under different status / category

Shareholders holding shares in multiple accounts under different status / category under a single PAN, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

Apart from the above, since the TDS/ Withholding rates are different for Resident and Non-Resident Shareholders, you are requested to update your Residential Status with the RTA or your Depository Participant(s) ("**DPs**") for the FY 2026-27, which will be considered for determining tax rates as per the provisions of the Act. No subsequent requests for any change in the Residential Status as available on the Cut-off Date, will be entertained by the Bank.

Please note that in terms of Rule 203 of the Income Tax Rules, 2026, if the dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file a declaration with the Bank and its RTA in the manner prescribed in the Rules. Such declaration should contain the name, address, PAN, of the person to whom such credit is to be granted and the reasons for granting credit to such person. No request in this regard would be accepted by Bank/RTA after the said date.

Kindly note that in order to enable the Bank to determine and deduct appropriate TDS/withholding tax, the scanned copy of the duly filled and signed documents as mentioned above are required to be uploaded online on https://ris.kfintech.com/form15/ or emailed to RTA of the Bank, at einward.ris@kfintech.com on or before August 13, 2026. No communication on the tax determination/ deduction shall be entertained thereafter.

The Bank shall arrange to e-mail the soft copy of the TDS certificate at the registered e-mail address of members post payment and filing of TDS return with respect to dividend.

Updation of PAN, e-mail address, Bank account and other details:

Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, PAN, registered e-mail addresses, mobile numbers and other details with their relevant depositories through their DPs. Shareholders holding shares in physical mode are requested to update their KYC and furnish details to the Bank's RTA to avail uninterrupted service requests as well as dividend credit in bank account, as no dividend will be paid by way of issuance of physical warrants as per SEBI guidelines. The Bank is obligated to deduct TDS based on the records available with RTA and no request will be entertained for revision of TDS return.

Pursuant to Regulation 12 of the SEBI Listing Regulation and vide SEBI Notification dated November 18, 2025, and the Master Circular for Registrars to an Issue and Share Transfer Agents dated February 6, 2026, dividends are required to be paid to shareholders only through electronic modes permitted by the Reserve Bank of India. Accordingly, dividends will be withheld by the Bank where bank details are inadequate or not registered for electronic remittance. The shareholders holding shares in physical form are requested to register their PAN and KYC details with the RTA for release of outstanding dividend(s), while the shareholders holding shares in demat form are requested to update their bank details with their DPs.

The prescribed forms for updating KYC details are available on website of the Bank at www.idfcfirst.bank.in/investors.

The Government has made it mandatory for all taxpayers having a PAN to link it with their Aadhaar. Shareholders are requested to ensure to link PAN with their Aadhar No. For any query pertaining to above TDS, please mail to einward.ris@kfintech.com.

For withholding of taxes, the residential status of the shareholders will be considered as per the data available with the Bank/RTA/the Depository Participants ("DPs"). In case there is change in their status, then the shareholders are requested to update their current status with the Company/RTA/the DPs on or before August 13, 2026.

You may kindly note that in case the tax on the dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

Kindly note that no claim shall lie against the Bank for tax deducted at source/withheld at source.

For Information on tax deducted the shareholders can check Form 168 from their e-filing account https://www.incometax.gov.in/iec/foportal/. Please note, the credit in Form 168/ AIS/ TIS would be reflected after the TDS Return is filed by the Bank, and the same is processed by the Income Tax Department.

21. Since the Twelfth (12th) AGM of the Bank is being held through VC/ OAVM, the route map is not annexed to this Notice.

By order of the Board of Directors of
IDFC FIRST Bank Limited

Satish Gaikwad
General Counsel & Company Secretary
FCS 6494

Date: July 25, 2026
Place: Mumbai

Registered Office:
KRM Tower, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai 600 031, Tamil Nadu, India

ANNEXURE TO NOTICE

Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out all material facts and reasons relating to item no. 5 to 7 of this notice

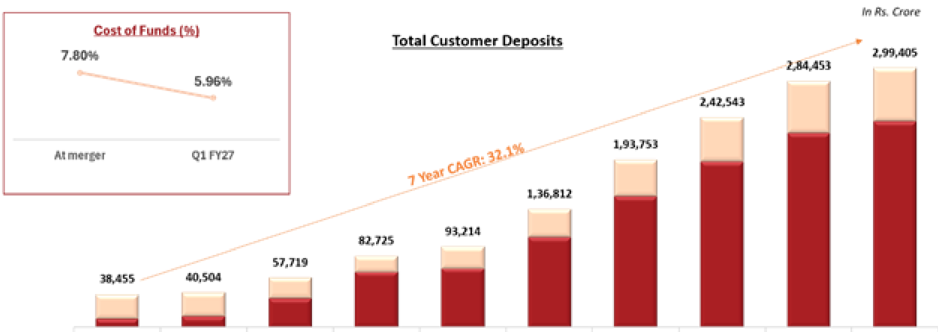
ITEM NO. 5

Enabling Approval for raising funds through issuance of Equity Securities of the Bank:

Introduction: IDFC FIRST Bank is a new-age private sector bank with a vision to build a world-class institution in India, guided by the principles of Ethical, Digital and Social Good Banking. The Bank has a pan-India presence across more than 60,000 locations, including cities, towns and villages. Since December 2018, the Bank has successfully transformed from its legacy as an infrastructure Development Financial Institution ("DFI") into a modern universal bank with a diversified business model.

1. Since the merger in 2018, the Bank built a high-quality franchise. The Bank has built a reputation as an ethical institution with high standards of transparency, governance and regulatory compliance. We have created customer-first products that customers actively seek out, backed by a strong focus on service, simple customer journeys and continuous improvement. We are committed to doing what is right for customers, avoiding practices that may disadvantage them, and embedding ethical conduct and customer-centricity into the Bank's culture and way of working.
2. **Tech First:** Our growth is powered by a modern technology stack and advanced analytics capabilities. We run over 150 machine learning models across underwriting, credit monitoring, fraud and mule detection. Built on cloud, microservices and API-led architecture, we operate digital workflows deeply integrated with India's digital public infrastructure.
3. **Universal Banking Capabilities:** IDFC FIRST Bank has built a full-service universal banking franchise serving Retail, MSME, Rural, Agriculture, Startup and Corporate customers across lending, deposits, transaction banking, wealth management and treasury.

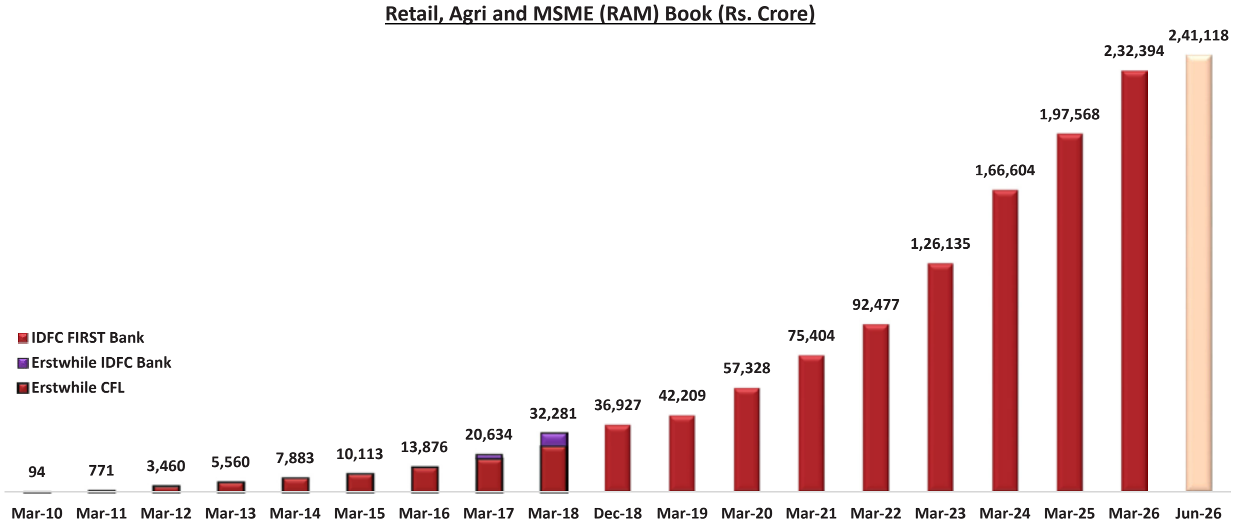
4. **Total Customer Deposits (Retail + Wholesale):** Total customer deposits grew at a CAGR of 32.1%, from ₹ 38,455 crore in December 2018 to ₹ 2,99,405 crore in June 2026, significantly ahead of system deposit growth of 11-12%. Within this, retail deposits grew from ₹ 10,400 crore to ₹ 2,38,090 crore. Notably, the Bank achieved this growth while reducing its cost of funds by 184 bps, from 7.8% at merger to 5.96%. We believe this momentum can sustain in the years ahead.



	Dec-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Jun-26
Wholesale	28,055	27,289	23,795	18,831	25,180	32,942	42,410	51,275	60,554	61,316
Retail	10,400	13,214	33,924	63,894	68,035	1,03,870	1,51,343	1,91,268	2,23,899	2,38,090

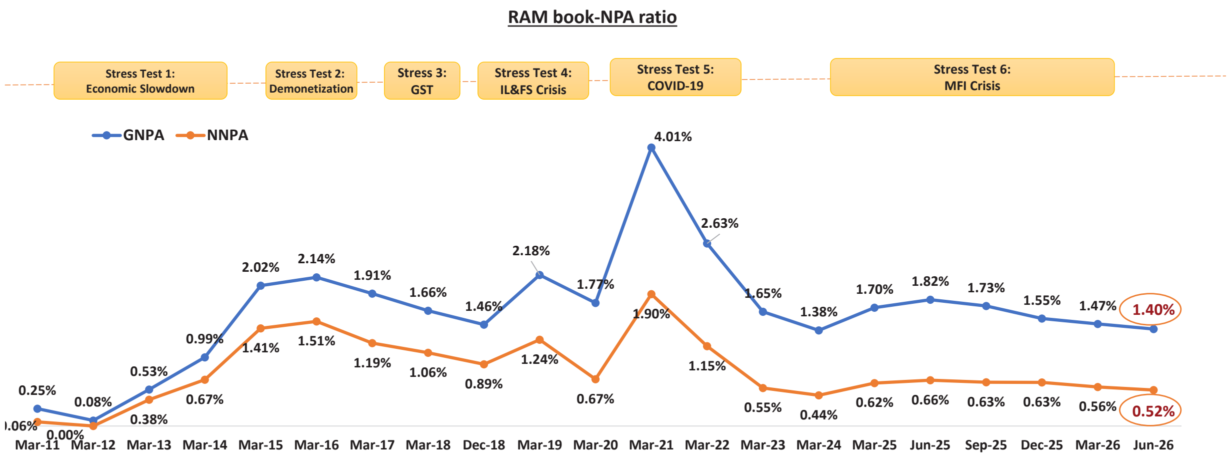
CASA ratio reached 50.8%, while CASA deposits increased from ₹ 5,274 crore in December 2018 to ₹ 1,58,492 crore in June 2026.

5. **Loan Book Growth:** The Bank's loan book stood at ₹ 3,05,370 crore as of June 30, 2026, up 20.6% year-on-year. Retail, Agri and MSME (RAM) businesses contribute 79% of the overall loan book across more than 25 product segments serving urban and rural consumers, entrepreneurs and MSMEs. The Bank has built strong capabilities in these businesses over 15 years, including the combined experience of Capital First in these businesses from 2010 to December 2018 and IDFC FIRST Bank from December 2018 to June 2026. The businesses, portfolios, processes and underwriting capabilities of Capital First were fully integrated into the merged entity and continue as part of IDFC FIRST Bank. The Bank believes they offer significant opportunities for continued growth over the next decade.



Wholesale Banking: Following the merger, the Bank has grown its Wholesale Banking business in a calibrated manner. In addition to lending, the business generates fee and operating income through transaction banking, trade finance, foreign exchange and cash management services. It is also an important pillar of our strategy to build a full-service universal bank and serve a broader range of banking needs across customer segments.

6. **Asset Quality:** The Bank has maintained strong asset quality through a technology-led and cash flow-based underwriting approach, with Gross NPA and Net NPA broadly around 2% and below 1% respectively across multiple credit cycles. In the Retail, Agri and MSME (RAM) book, which constitutes 79% of the overall loan book, the asset quality has improved over the last five quarters, with GNPA and NNPA improving to 1.47% and 0.56% as of March 31, 2026 from 1.70% and 0.62% respectively as of March 31, 2025. GNPA and NNPA of this segment further improved to 1.40% and 0.52% respectively as of June 30, 2026.



At the overall Bank level, GNPA and NNPA were 1.61% and 0.48% respectively as of March 31, 2026, improved from 1.87% and 0.53% respectively as of March 31, 2025. The Bank level GNPA and NNPA further improved to 1.51% and 0.44% as of June 30, 2026. We expect credit costs to remain below 1.6% in FY27, lower than the historical level of around 2%.

7. **Market Opportunity for Growth:** The Indian credit market has grown steadily over the last decade, driven by economic growth, rising incomes, greater formalisation and rapid digitisation. As India progresses towards becoming a developed nation, we believe demand for credit across retail, MSME, rural and corporate segments will remain strong for many years ahead.

8. **IDFC FIRST Bank is Well Positioned to Capitalise on this Opportunity:** The Bank has built strong capabilities across technology, customer journeys and credit underwriting, supported by deep integration with India's digital ecosystem. With over 150 machine learning scorecards and a mobile banking app ranked #1 in India and #2 globally by Forrester, we believe we are well positioned to sustain growth of around 20% for many years ahead.

9. **Profitability:** The Bank's business model delivers a strong risk-adjusted Net Interest Margin of over 4.5% (Net Interest Income less credit costs as a percentage of average assets), resulting in healthy profitability in the lending business.

   However, as an early-stage bank, we reinvested much of our lending profits into building long-term capabilities, including a nationwide network of 1,155 branches and 1,110 ATMs, a modern technology and analytics platform, strong control systems, a leading mobile banking app, a Priority Sector Lending franchise of about ₹ 1 lakh crore across 60,000 villages, multiple new lending businesses, a credit card portfolio with 4.8 million cards in force, a FASTag business over 18 million active FasTags, and fee-based wholesale banking capabilities to build a diversified universal banking franchise.

   Investments Approaching Breakeven: Many of the investments made to build future capabilities are now approaching breakeven and beginning to contribute meaningfully to profitability. The Bank has demonstrated a turnaround in profitability in its recent financial results, and we expect this trend to continue with growth in the balance sheet and scale-up of these businesses.

10. **Need for Capital to Support Growth Aspirations:**

    In the first phase after the merger, the Bank increased its Return on Equity from 0% to 9% in its recent financial results even while investing to build capabilities of a full-service universal bank.

    The Bank expects Return on Equity to increase from 9% to 15% over time through continued growth and operating leverage, based on the earning power of the underlying business model.

    As part of this process, to support this growth, the Bank proposes to raise additional equity capital.

    As of June 30, 2026, the Bank's Capital Adequacy Ratio stood at 15.05% and CET-I ratio at 13.33%.

    Hence the Bank is proposing to raise capital of ₹ 7,500 crores through Issuance of equity securities.

Members may note that this Special Resolution is intended to enable the Bank to create, offer, issue and allot such number of Equity Shares and/or securities linked to Equity Shares and/ or any other permitted instruments or securities representing Equity Shares and/or convertible securities linked to Equity Shares (collectively referred to as the "Securities"), or any combination thereof, in one or more permissible modes, by way of private placement, including through a Qualified Institutions Placement ("**QIP**"), in accordance with Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**").

Accordingly, the Board of Directors of the Bank, at its meeting held on July 25, 2026, approved, subject to the approval of the Members, an enabling resolution for the issuance of Securities, at such price or prices, including at a discount or premium to the market price, and on such terms and conditions as may be determined by the Board, in its sole and absolute discretion, having regard to prevailing market conditions and other relevant factors and, wherever necessary, in consultation with the book running lead manager(s) and/or other advisors appointed in relation to the proposed issue, in accordance with applicable laws. The Bank proposes to issue Securities for an aggregate amount not exceeding ₹ 7,500 crore (Rupees Seven Thousand Five Hundred Crore only), within a period of One (1) year from the conclusion of the 12th Annual General Meeting ("**AGM**") of the Bank.

The pricing of the Securities shall be determined in accordance with the applicable provisions of the Companies Act, 2013 ("Act"), the SEBI ICDR Regulations and other applicable laws.

The "Relevant Date" for the purpose of the proposed issuance shall be determined in accordance with the applicable provisions of the SEBI ICDR Regulations.

The Securities proposed to be offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Bank. The Equity Shares that may be issued and allotted pursuant to the proposed issuance shall rank pari passu in all respects with the existing Equity Shares of the Bank, including with respect to dividend, and shall be subject to the Memorandum of Association and Articles of Association of the Bank.

Pursuant to Section 62(1)(c) of the Companies Act, 2013, further equity shares may be issued to persons other than the existing Members of the Bank, provided that the Members approve such issuance by way of a Special Resolution. Further, in terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company may make a private placement of securities only after obtaining prior approval of its members by way of a Special Resolution.

Accordingly, the consent of the Members is being sought pursuant to Sections 42 and 62(1)(c) of the Act, read with the applicable provisions of the SEBI ICDR Regulations and the SEBI Listing Regulations, for the issuance of Securities.

The approval of the Members is being sought to enable the Board, including any Committee duly authorised by it, to undertake the proposed issuance of Securities in the manner and to the extent set out in the Special Resolution under Item No. 5 of this Notice, and to exercise all such powers and authorities as may be necessary in connection therewith, without requiring any further approval of the Members.

The proposed Special Resolution further seeks to authorise the Board, including any Committee duly authorised by it, to determine, finalise and vary the terms of the proposed issuance, including its timing, size, structure, proportion, pricing and identification of eligible investors, and to take all such actions and decisions as may be necessary or expedient for giving effect to the proposed issuance, subject to applicable laws, regulatory approvals and prevailing market conditions. The detailed terms and conditions of the proposed issuance shall be determined by the Board or such authorised Committee in accordance with applicable law.

None of the Directors, Key Managerial Personnel of the Bank and/or their relatives are, in any way, financially or otherwise, concerned or interested in the proposed resolution.

The Board recommends passing of the Special Resolution as set out in Item No. 5 of this Notice, for approval of the Members of the Bank.

ITEM NO. 6

Enabling Approval for Issuance of Debt Securities on a Private Placement Basis

Members are informed that the Board of Directors of the Bank, at its meeting held on July 25, 2026, approved, subject to the approval of the Members, an enabling resolution for raising funds, from time to time, through the issuance of debt instruments and/ or other eligible instruments, for an aggregate amount not exceeding ₹ 12,500 crore (Rupees Twelve Thousand Five Hundred Crore only).

Members may note that the justification, purpose and business rationale for the proposed fund raise through issuance of debt securities under this Item are set out in the Explanatory Statement to Item No. 5. Accordingly, Members are requested to read this Explanatory Statement in conjunction with the Explanatory Statement to Item No. 5, the contents of which shall apply, mutatis mutandis, to this Item, to the extent relevant and applicable.

Members may further note that the approval sought under this Item is enabling in nature and is intended to provide the Bank with the flexibility to access domestic and/or overseas debt capital markets, as and when required, in accordance with applicable laws, regulatory requirements and prevailing market conditions.

Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("**Companies Act**"), provides that a company can make private placement of securities subject to the condition that such subscription of securities has been previously approved by the Members of the company, by a Special Resolution, for each of the offers or invitations/ subscriptions. In case of offer or invitation for subscription of Non-Convertible Debentures ("**NCDs**"), it shall be sufficient if the company passes a Special Resolution only once in a year for all the offers or invitations for subscriptions of such debentures during a period of one (1) year from the date of passing of this Special Resolution.

Accordingly, in order to facilitate the raising of funds by way of issue of debt securities during a period of one (1) year from the conclusion of Twelfth (12^{th}) Annual General Meeting ("**AGM**") of the Bank, it would be necessary to have fresh approval of Members in place, as may be required.

Considering the aforesaid, the Board of Directors of the Bank at their meeting held on July 25, 2026, have proposed to obtain the consent of the Members of the Bank for borrowing/ raising funds, from time to time, through the issuance of debt instruments and/or other eligible instruments, including but not limited to Subordinated, Unsecured, Rated, Listed, Redeemable fully paid-up Basel III Compliant Tier-II Bonds, Non-Convertible Debentures, Medium Term Notes (MTN), Perpetual Debt Instruments (part of Additional Tier I Capital), Tier II Capital Bonds, Long Term Infrastructure Bonds (financing of infrastructure and affordable housing) and such other securities as may be permitted by the RBI and under applicable laws, denominated in Indian Rupees and/or permitted foreign currencies, on private placement basis, for an aggregate amount not exceeding ₹ 12,500 crore (Rupees Twelve Thousand Five Hundred crore only), over and above the outstanding debt securities issued by the Bank, in one or more tranches, series, in such classes and with such rights or terms as may be considered necessary, under one or more information memorandum, offering circular, disclosure document, or general/key information document and/ or under one or more letter of offers as may be issued by the Bank, in domestic and/ or overseas market, including issuance through its IBU situated in GIFT City, as per the agreed structure and within the limits permitted by RBI and other regulatory authorities and pursuant to relevant provisions of the applicable circulars, directions or guidelines issued by RBI and such other regulatory authorities.

The pricing of the debt securities referred above depends on various factors which may include prevailing risk-free rates, competitor rates of similar rating and tenor in the domestic or overseas markets, investor appetite for such instruments and prevailing investor regulations. Further, the debt securities may be issued on such terms and conditions including the price, coupon, par/ premium/ discount, tenor etc., as may be determined by the Board (includes a duly authorized Committee), in the prevailing market conditions as permitted by the relevant applicable regulations.

The said incremental limit of ₹ 12,500 crore (Rupees Twelve Thousand Five Hundred crore only) is over and above the outstanding debt securities issued by the Bank, which shall be within the overall borrowing limit of ₹ 1,50,000 crore (Rupees One Lakh Fifty Thousand Crore only) approved under Section 180(1)(c) of the Companies Act, by the Members of the Bank at the first (1st) AGM held on September 29, 2015.

The proposed resolution under Section 42 of the Companies Act, shall be valid for a period of one (1) year from the date of passing of this resolution and the offer shall be made to such persons as identified ("**Eligible Investors**") pursuant to Section 42(2) of the Companies Act.

None of the Directors, Key Managerial Personnel of the Bank and/ or their relatives are, in any way, financially or otherwise, concerned or interested in the passing of this resolution.

The Board recommends passing of the Special Resolution as set out in Item No. 6 of this Notice, for approval of the Members of the Bank.

ITEM NO. 7

Amendment to the Articles of Association of the Bank

The Board of Directors of the Bank, at its meeting held on July 25, 2026, approved amendments to the Articles of Association ("**AoA**") of the Bank by modifying the existing Article 101A and inserting a new Article 101B, subject to the approval of the shareholders, the Reserve Bank of India ("**RBI**") and such other approvals as may be required under applicable laws and regulations.

Pursuant to guidance received from the RBI, the Bank proposes to amend the AoA to separately set out and provide greater clarity on the provisions relating to the appointment of nominee director(s).

Amendment of existing Article: Article 101A

"Notwithstanding anything contained in these Articles and subject to the applicable law, the Board shall have power to appoint a Director, nominated by Debenture Trustee(s) ~~or investor(s), as applicable~~, on occurrence of any event specified under the applicable laws/ Rules, Regulations, Circulars, as amended from time to time, or by virtue of any Agreement, Deed, Indenture, etc."

Proposed Deletion - 'or investor(s), as applicable,'

Insertion of new Article: Article 101B

(a) "Notwithstanding anything contained in these Articles and subject to applicable laws/ Rules, Regulations, Circulars, as amended from time to time, the Board shall have the power to appoint non-executive, non-independent director(s), liable to retire by rotation, on the Board of the Bank ("Investor Director"), nominated by an Investor(s) by virtue of agreement(s) with the Bank, subject to the approval of the shareholders.

(b) The right of the Investor to nominate Investor Director(s) under Clause (a) shall fall away upon the Investor ceasing to hold at least 5% (five percent) of the Bank's total paid up share capital."

The proposed Article 101B is an enabling provision to facilitate the nomination of non-executive, non-independent director(s) by eligible investor(s) in accordance with the terms of the applicable investment agreement(s) entered into with the Bank. The amendment is intended to provide clarity on the provisions relating to the appointment of nominee director(s), including the following:

(i) The proposed amendment does not confer any automatic right of appointment, and any such nomination shall be subject to applicable legal, regulatory and corporate governance requirements, including the approvals of the Nomination and Remuneration Committee ("**NRC**"), the Board, the shareholders and such regulatory authorities as may be required.

(ii) The investor's nomination right shall cease upon its shareholding falling below 5% of the paid-up share capital of the Bank.

(iii) Any director appointed pursuant to such nomination right shall be liable to retire by rotation in accordance with the provisions of the Companies Act, 2013.

(iv) Any proposed appointee shall be required to satisfy the RBI's prescribed 'fit and proper' criteria and such other requirements as may be stipulated by the NRC or under applicable law.

(v) The right of an investor to nominate a director to the Board shall be subject to further approval of the shareholders by way of a special resolution at least once every five years from the date of grant of such right, in accordance with Regulation 31B of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Members may further note that the proposed nomination right shall not in any manner fetter the role of the NRC, the Board or the shareholders in evaluating the suitability of the nominee director.

In view of the above, the proposed resolution for alteration of the Articles of Association of the Bank is placed before the Members for their consideration and approval.

None of the Directors, Key Managerial Personnel of the Bank and/ or their relatives are, in any way, financially or otherwise, concerned or interested in the passing of this resolution.

The Board recommends passing of the Special Resolution as set out in Item No. 7 of this Notice, for approval of the Members of the Bank.

EXHIBIT A

The details of Mr. Pradeep Natarajan seeking re-appointment as Director liable to retire by rotation, pertaining to the item No. 3 of the Notice, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India is as follows:

Name of the Director and Designation	**Mr. Pradeep Natarajan** **Executive Director**
DIN	10499651
Age (as on June 30, 2026)	53 years 10 months
Date of first appointment on the Board	June 01, 2024
Brief Resume, Qualification and Experience	Mr. Pradeep Natarajan has been in a leadership role with IDFC FIRST Bank since December 2018 and currently serves as Head of Retail Banking. He is deeply committed to the Bank's vision of building a world-class bank in India, guided by ethics, powered by technology, and serving as a force for social good. Mr. Natarajan is a customer-focused and respected industry leader with broad expertise across Business Development, Technology, Risk Analytics, Debt Management, Project Management, Customer Service, Marketing, and Retail Banking. Prior to joining the Bank, he held leadership positions at Standard Chartered Bank, Dell India, Religare Macquarie Wealth Management, and Capital First Limited. He is a management graduate from Sydenham Institute of Management Studies (Class of 1998) and holds a bachelor's degree in Mechanical Engineering. His professional experience spans Banking, Technology, and Wealth Management and he has played an important role in building and scaling the Bank's retail franchise.
Nature of Expertise in specific functional areas	Mr. Pradeep Natarajan has special knowledge and practical experience in the matters of Banking, Co-Operation, Information Technology, Payment & Settlement Systems, Human Resources and Risk Management, as required under Section 10A of the Banking Regulation Act, 1949.
Directorships held in other companies (Except Section 8 and Foreign Companies) (as on June 30, 2026)	IDFC FIRST Bharat Limited (Wholly-Owned Subsidiary of the Bank) (Non-Executive Non-Independent Director)
Chairmanships/ Memberships of Committees of other Boards (Only Audit and Stakeholders' Relationship Committee of Indian Public Limited Companies as on June 30, 2026, have been considered)	IDFC FIRST Bharat Limited (Wholly-Owned Subsidiary of the Bank) Member – Audit Committee
Listed entities from which the person has resigned from the directorship in the past three years (as on June 30, 2026)	None
Number of Board Meetings attended during the financial year 2025-26 and till June 30, 2026	For FY 2025-26: 12/13 From April 01 to June 30, 2026: 3/3

Name of the Director and Designation	Mr. Pradeep Natarajan Executive Director
Remuneration last drawn from Bank (upto June 30, 2026) and Stock Options granted, if any	**FY 2025-26:** ₹ 6,28,97,465 **From April 01 to June 30, 2026**: ₹ 2,08,68,372 **Stock Options** The Bank has granted 13,80,125 stock options for FY 2025-26, subject to approval from the RBI.
Justification for re-appointment and skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The Board of Directors of the Bank is of the opinion that Mr. Pradeep Natarajan is a person of integrity and considering his qualifications, extensive knowledge and rich experience in the matters of Banking, Co-Operation, Information Technology, Payment & Settlement Systems, Human Resources and Risk Management, the re-appointment of Mr. Pradeep Natarajan is in the interest of the Bank. His continued association would be of immense benefit and value to the Bank and, therefore, the Board recommends his reappointment as Executive Director of the Bank, to the Members.
Terms and conditions of re-appointment including remuneration sought to be paid	In terms of Section 152(6) of the Companies Act, 2013, on account of being longest in office since last appointment, Mr. Pradeep is liable to retire by rotation at the 12th Annual General Meeting of the Bank and being eligible has offered himself for re-appointment. In this regard, based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on April 25, 2026, approved his re-appointment, subject to the approval of the Members of the Bank. Mr. Pradeep Natarajan, being the Executive Director of the Bank, will be entitled to a fixed remuneration including perquisites as may be approved by the RBI every year, based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Bank. For FY 2026-27 the Board, in its meeting held on April 25, 2026, has proposed to pay fixed remuneration of ₹ 4,57,37,740 along with Target Variable Pay of upto 200% which shall be decided basis the performance evaluation at the end of the financial year. The said remuneration shall be subject to approval of the RBI.
Number of Equity Shares held in IDFC FIRST Bank, including shareholding as a beneficial Owner (As on June 30, 2026)	30,99,361
Relationship with other Directors, Manager & Key Managerial Personnel of the Bank	None

GO - GREEN INITIATIVE AND INVESTOR EDUCATION PROTECTION FUND ("IEPF")

Dear Shareholder(s),

Go Green Initiative - Electronic Mode of service of documents:

The Ministry of Corporate Affairs ("**MCA**") has taken a "Go Green Initiative in the Corporate Governance" by allowing paperless compliances by companies. The applicable provisions of Companies Act, 2013 read with rules made thereunder permits circulation of financial statements, notices etc. to Shareholders through electronic mode as per the records of the Company/ Registrar and Share Transfer Agent ("**RTA**") or as provided by the Depositories.

In this regard, we seek your whole-hearted support for this initiative. We would request you to register your e-mail ID with your Depository Participant ("**DP**"), to get Annual Reports and other communications through e-mail instead of paper mode.

In case, you are holding shares in physical mode, you may kindly update your e-mail ID by submitting duly filled Form ISR-1 and such other documents as prescribed in the form either through physical mode with self-attestation and date at KFin Technologies Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, Telangana, India or through e-mail at einward.ris@kfintech.com with e-sign. Form ISR-1 is available on the website of the Bank at https://www.idfcfirst.bank.in/investors. In case, you are holding shares of the Bank in demat mode, you are requested to contact your DP and update your e-mail address.

Pursuant to the guidelines and notifications/ circulars issued by the MCA and Securities and Exchange Board of India ("**SEBI**"), the Annual Report for FY 2025-26 along with the Notice of the Twelfth (12th) Annual General Meeting ("**AGM**") is being sent only through electronic mode.

The Notice and Annual Report of the Bank is also made available on the Bank's website at www.idfcfirst.bank.in and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

You may kindly note that as a Member of the Bank, you are entitled to be furnished free of cost, a printed copy of the Annual Report of the Bank, upon receipt of a requisition from you at any time at secretarial@idfcfirstbank.com.

Payment of Dividend through electronic mode:

As a measure to use electronic method of payment for making cash payments (such as dividends) to the investors, we would request you to do the following:

i. In case of shares held in Demat form, update your Bank account details with your Depository Participant ("**DP**").

ii. In case of shares held in physical form, provide the Bank account details to our RTA in the manner as mentioned in this Notice.

This process will also help you to get all your future dividends immediately on the payment date.

We are sure that as a responsible citizen, you would appreciate the 'Green Initiative' taken by MCA and your Bank's desire to participate in such initiatives and will whole-heartedly support the same.

Transfer of Unpaid/ Unclaimed Dividend & Shares Underlying Unclaimed Dividends to the IEPF

We wish to draw your kind attention to the provisions of Section 124 and 125 of the Companies Act, 2013 read with rules made thereunder and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, ("**IEPF Rules**") and other applicable provisions, pursuant to which the dividend amounts remaining unpaid or unclaimed for a period of seven (7) years from the date of its transfer to 'Unpaid Dividend Account' will be transferred to the 'INVESTOR EDUCATION AND PROTECTION FUND' ("**IEPF**") established by the Central Government. Further, all shares on which dividend has not been paid or claimed for seven (7) consecutive years or more will also be transferred to the IEPF after complying with the procedure laid down under the 'IEPF Rules' and no claim shall lie against the Bank for the amount of dividend(s) and shares so transferred.

However, you can claim both the unclaimed dividends and the shares transferred to the IEPF by making an online application in Form IEPF-5 and following the procedure as mentioned therein. The procedure for claiming the dividend/ shares from the IEPF is available on the website of the IEPF https://www.iepf.gov.in/IEPF/refund.html.

The amount of the interim dividend declared for FY 2019-20 by erstwhile IDFC Limited and the shares corresponding to the unpaid or unclaimed dividends for seven (7) consecutive years or more are due for transfer to the IEPF. Request you to also refer to the Corporate Governance Report forming part of the Annual Report for details on IEPF.

Transfer of Unpaid/ Unclaimed interest/ principal amount pertaining to matured bonds/ debentures to the IEPF:

Further, in accordance with the provisions of the Companies Act, 2013 and IEPF rules, the Bank will also transfer interest/ principal amount of the matured bonds/ debentures which has remained unclaimed/ unpaid for a period of seven (7) years from the date it became due for payment.

The Shareholders are requested to support the Bank in its Green Initiative.

For **IDFC FIRST Bank Limited**

Satish Gaikwad
General Counsel & Company Secretary
FCS 6494

Date: July 25, 2026
Place: Mumbai

Registered Office:
KRM Tower, 7th Floor, No. 1 Harrington Road, Chetpet,
Chennai 600 031, Tamil Nadu, India

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