

IDFC FIRST Bank Limited

Green Fixed Deposits – Impact Assessment Report Financial Year 2025–26

Issued pursuant to RBI Circular No. DOR.SFG.REC.10/30.01.021/2023-24 and SEBI BRSR Core Framework

1. Executive Summary

IDFC FIRST Bank's Green Fixed Deposits Programme has, during Financial Year 2025–26, mobilized and deployed funds raised from depositors towards a diversified portfolio of eligible green and social assets, in alignment with the Reserve Bank of India (Commercial Banks - Climate Finance and Management of Climate Change Risks) Directions, 2025 (Ref: RBI/DOR/2025-26/172 DOR.SFG.REC.No.91/30.01.021/2025-26, dated November 28, 2025). The portfolio for the current year encompasses 3 distinct eligible categories, as defined by RBI:

- I. Renewable Energy which includes financing to solar power generation companies
- II. Clean Transportation which includes electric two-wheeler, four-wheeler and commercial vehicle financing, along with financing to electric vehicle original equipment manufacturers (OEM)
- III. Sustainable Water and Waste Management which includes financing towards construction of sanitation infrastructure.

The aggregate Green Fixed Deposits mobilized during the current financial year amount to INR 1284.98 Crores, the entirety of which has been allocated to eligible categories as detailed in this report. Key environmental and social outcomes for FY 2025–26 include: aggregate attribution-adjusted GHG emissions avoided of 22,154,812 kgCO₂ equivalent across all financed EV assets; solar power generation capacity enabled of 12.27 MW, and sanitation infrastructure benefiting an estimated 488 persons with an overall financial and an economic impact of INR 88.78 Lakhs from construction of toilets and sanitation related facilities. A per-km economic saving of INR 1.24 (2-wheelers) and INR 6.24 (4-wheelers) has been computed for EV borrowers over their respective financing tenures.

This report is prepared in accordance with the Bank's Board-approved Policy on Green Deposits and Green Deposits Financing Framework which are in line with the RBI guidelines, representing recognized best practices for green finance impact reporting.

2. Methodology and Emissions Calculation Framework

2.1 General Approach and Key Parameters

The impact assessment employs a comparative emissions analysis framework that quantifies greenhouse gas (GHG) avoidance attributable to IDFC FIRST Bank's Green Fixed Deposit-financed assets relative to a counterfactual baseline of equivalent conventional fossil-fuel-based (Petrol) vehicles. The methodology is grounded in India-specific emission factors, actual loan portfolio data, and established GHG accounting protocols.

Two distinct but interlinked sub-frameworks are applied for computation of Electric Vehicle assets of the bank: (a) the Avoided Emission Methodology, and (b) the Financial and Economic Analysis.

The key input parameters adopted for FY 2025–26 are as follows:

- CEA Grid Emission Factor: 0.710 kgCO₂e/kWh (FY 2025–26), sourced from the Central Electricity Authority's CO₂ Baseline Database for the Indian Power Sector.
- Benchmark annual distance: 18,000 km (2-wheelers), 21,000 km (4-wheelers), 27,000 km (commercial vehicles)
- ICE fuel efficiency: 50 km/litre (petrol, 2-wheelers), 18 km/litre (petrol, 4-wheelers), 14 km/litre (Petrol, commercial vehicles (3 wheelers)).
- Fossil fuel emission factors: 0.048 kgCO₂e/litre (petrol) and based on IPCC Tier 1 factors and Bureau of Energy Efficiency (BEE) India benchmarks.

- EV energy consumption for all the vehicles is based on the Battery Capacity that has been identified for each vehicle that is financed by the Bank based on the Published information.
- Discounting rate for financial analysis: 6.5% per annum, applied over 5 years (2-wheelers) and 7 years (4-wheelers and commercial vehicles).

2.2 Avoided Emission Methodology

The GHG emission avoidance attributable to each financed electric vehicle is computed through the following seven-step sequential process, applied uniformly across all EV categories:

- **Benchmark Distance:** A standardized annual benchmark distance is assumed for each vehicle category, representing typical Indian consumer and commercial usage patterns. This serves as the uniform basis for all emission and cost computations.
- **ICE Baseline Emissions (Petrol):** Annual CO₂e emissions from the equivalent internal combustion engine (ICE) vehicle are computed as follows: $\text{ICE Emissions (kgCO}_2\text{e)} = (\text{Benchmark Distance} \div \text{ICE Fuel Efficiency}) \times \text{Fuel Emission Factor}$. This captures full combustion-cycle emissions attributable to fuel consumption over the benchmark annual distance.
- **EV Electricity-Based Emissions:** Annual CO₂e emissions from charging the EV are computed as: $\text{EV Emissions (kgCO}_2\text{e)} = (\text{Benchmark Distance} \times \text{EV Energy Consumption per km}) \div \text{Charging Efficiency} \times \text{CEA Grid Emission Factor}$. This reflects India's current electricity generation mix and accounts for charging system losses, providing a realistic upstream emissions estimate.
- **Gross Emissions Differential:** The annual per-vehicle emissions avoidance is computed as: $\text{Emissions Avoided (kgCO}_2\text{e)} = \text{EV Electricity-Based Emissions} - \text{ICE Baseline Emissions}$.
- **Attribution Adjustment - Financing Proportion:** The gross emissions differential is multiplied by the Bank's share in the total vehicle acquisition: $\text{Attributed Emissions Avoided} = \text{Gross Emissions Avoided} \times (\text{Loan Amount Disbursed} \div \text{On-Road Vehicle Cost (Mumbai Prices)})$. This ensures IDFC FIRST Bank claims only the proportion of emission avoidance commensurate with its financing contribution, consistent with the Partnership for Carbon Accounting Financials (PCAF) Standard for Attribution of Financed Emissions.
- **Temporal Adjustment - Active Financing Period:** The attributed emissions avoided are scaled to the active financing period within FY 2025-26: $\text{Time-Adjusted Emissions Avoided} = \text{Attributed Emissions Avoided} \times (\text{Months Active During FY} \div 12)$. Loans disbursed mid-year are apportioned on a pro-rata basis from the date of disbursement to 31 March 2026, ensuring that reported impact reflects the actual duration of green-tagged exposure.
- **Final Reported Emissions Avoided:** The time-adjusted, attribution-adjusted figure constitutes the final reported GHG impact for each vehicle. Portfolio-level avoided emissions are the arithmetic sum of individual vehicle-level figures across all green-tagged assets within a category.

2.3 Financial and Economic Analysis Methodology

The financial and economic analysis quantifies the net present value of economic benefit accruing to EV borrowers relative to equivalent ICE vehicle ownership, through the following five-step process:

- **Annual Fuel Cost (ICE Baseline):** Annual petrol or diesel expenditure is computed as: $\text{Annual Fuel Cost (ICE)} = (\text{Benchmark Distance} \div \text{ICE Fuel Efficiency}) \times \text{Prevailing Fuel Price per Litre}$. This represents the annualised fuel cost burden of the counterfactual ICE vehicle.
- **Annual Electricity Cost (EV):** Annual charging cost for the EV borrower is computed based on benchmark distance, ARAI-certified battery capacity, vehicle range, and applicable electricity tariff: $\text{Annual Electricity Cost (EV)} = (\text{Benchmark Distance} \times \text{EV Energy Consumption per km}) \times \text{Average Electricity Tariff (INR/kWh)}$. Inputs are segment-specific and sourced from the Bank's loan portfolio data, taking into consideration the battery capacity and the make & model name.
- **Annual Maintenance Savings:** Yearly maintenance savings are estimated as the differential between the assumed annual maintenance costs for ICE and EV vehicles: $\text{Maintenance Saving} = \text{ICE Annual Maintenance Cost} - \text{EV}$

Annual Maintenance Cost. Both ICE and EV benchmarks are sourced from industry data and the Bank's portfolio observations.

- Net Lifecycle Economic Benefit (Per-Vehicle): The aggregate discounted cost-of-ownership advantage over the financing period is computed as: Net Benefit = $[\sum (\text{Annual Fuel Savings} + \text{Annual Maintenance Savings})]$, discounted at 6.5% per annum, over 5 years (2-wheelers) or 7 years (4-wheelers and commercial vehicles)] less [Incremental Capital Cost of EV over equivalent ICE vehicle]. The discounting reflects the time value of money, converting projected future savings into present-value terms for comparability.
- Per-Kilometre Savings: The per-kilometre economic saving is derived as: Per-km Saving (INR/km) = Net Lifecycle Benefit $\div$ (Benchmark Annual Distance $\times$ Financing Period in Years). This normalized metric provides a standardised, transparent measure of the economic advantage available to EV borrowers and is used for social impact reporting and depositor communication.

2.4 Solar Manufacturing - Impact Methodology

For solar manufacturing financing, the downstream emission avoidance is estimated by applying the CEA grid emission factor to the projected annual clean energy generation attributable to the financed production capacity, assuming a standard capacity utilization factor and a defined plant operational life. To compute the overall avoided emissions the bank has referred to the production cost published by Ministry of New and Renewable Energy citing benchmark cost for standalone Solar Power Plant¹. The methodology will be refined in subsequent reporting cycles to incorporate technology-specific performance data as it becomes available.

The Calculation assumes an overall utilization period of 20 years of the solar power plant adjusted to the annual reduction of 0.5% in the Electricity Generation.²

2.5 Sanitation Infrastructure - Impact Methodology

For sanitation infrastructure, the impact has been assessed primarily through social indicators such as the number of beneficiaries reached, and sanitation units constructed. Additionally, drawing on the UNICEF study on the financial and economic impacts of the Swachh Bharat Mission, we have incorporated the cost-benefit ratio referenced in that assessment to estimate the average economic and financial value derived from investments in household toilets and sanitation facilities. The cost benefit ratio considered is 2.3 times which takes into consideration the Household financial perspective and time impacts for a period of 10 years.³ This enables a more robust understanding of the return on funds deployed by the bank for sanitation interventions.

For investments related to household water connections and storage tanks, the beneficiary impact has been calculated based on the number of functional loans provided to the household. In line with sectoral norms and demographic assumptions, an average household size of four individuals has been applied to translate connection-level data into total beneficiary estimates.

2.6 Boundary of Assessment and Limitations

The assessment covers exclusively those assets tagged against Green Fixed Deposits issued during FY 2025–26 maintained in the Bank's internal green deposit register. The analysis pertains to attribution-adjusted financed emissions avoidance for EV financing, financing made to the EV OEMs, indirect enabling avoidance for solar manufacturing and financing made towards building sanitation utilities. Conservative assumptions are adopted throughout, double-counting across categories is explicitly avoided, and assets with incomplete disbursement, specification, or tenure data are excluded. The Bank has cautiously tagged green assets after collecting Green funds

¹Benchmark Cost for off-grid and Decentralized Solar PV Systems - Available at: <https://cdnbbsr.s3waas.gov.in/s3716e1b8c6cd17b771da77391355749f3/uploads/2022/12/2022122159.pdf>

² Photovoltaic Degradation Rates — An Analytical Review Available at: <https://docs.nrel.gov/docs/fy12osti/51664.pdf>

³ Financial and Economic Impacts of the Swachh Bharat Mission in India Available at (Pg. 63): [Financial-and-Economic-Impacts.pdf](#)

in the form of Green Fixed Deposits from its customers. The CEA grid emission factor, which will progressively decline as India's renewable share increases, is considered for FY 2025-26.

3. Portfolio-Level Fund Allocation

The following table presents the allocation of Green Fixed Deposit proceeds across eligible project categories for the current financial year, the previous financial year, and cumulatively, in accordance with the disclosure format prescribed under the RBI Framework for Acceptance of Green Deposits.

(INR In Crs.)

Particulars	Current FY	Previous FY	Cumulative
Total Green Deposits Raised (A)	1,284.98	51.10	1,336.08
Use of Green Deposit Funds**			
(1) Renewable Energy (Other)	103.03	-	103.03
(2) Energy Efficiency	-	-	-
(3) Clean Transportation (2 & 4-Wheeler, Commercial Vehicle, EV OEM Financing)	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 1–8)	1,284.98	51.10	1,336.08
Amount of Green Deposit Funds Not Allocated (C = A – B)	-	-	-

** Allocation categorization is in accordance with the eligible project categories prescribed under the RBI Framework. All allocations are made at the time of disbursement and tracked through the Bank's internal mechanism. There are no unallocated proceeds as at 31 March 2026.

4. Impact Indicators by Eligible Category

The table below provides a category-wise summary of environmental and social impact indicators for assets tagged against Green Fixed Deposits for FY 2025–26. All GHG figures are attribution-adjusted and time-adjusted in accordance with the methodology set out in Section 3. Detailed narrative for each category follows the table.

RBI Category	Category	Impact Indicator	Unit	Value FY 2025–26
Renewable Energy (Other)	Renewable Energy Solar Manufacturing	Aggregate Disbursement to Solar Mfrs.	INR Crs.	103.03
		Solar Powered Energy Generation Enabled	kWh	174,967
		Estimated CO ₂ Avoidance (downstream)	kgCO ₂ e	124,226.70
Clean Transportation	Clean Transportation 2-Wheeler EVs	GHG Emissions Avoided per Year	kgCO ₂ e	21,817,888
		Number of 2-Wheeler EVs Financed	Units	101,000
		Per-km Economic Saving to Borrower	INR/km	1.24
	Clean Transportation 4-Wheeler EVs	GHG Emissions Avoided per Year	kgCO ₂ e	24,543
		Number of 4-Wheeler EVs Financed	Units	81
		Per-km Economic Saving to Borrower (Other than cars >50 Lakhs)	INR/km	6.44
	Clean Transportation Commercial EVs	GHG Emissions Avoided per Year	kgCO ₂ e	216,933
		Number of Commercial EVs Financed	Units	987
	EV Manufacturing OEM Financing	Aggregate Disbursement to EV OEMs	INR Crs.	0.48
		OEM Entities / Facilities Supported	No.	1
		Estimated Downstream Emissions Avoided	kgCO ₂ e	95,449
Sustainable Water and Waste Management	Social Impact – Sanitation (Toilets and Water Connection)	Units Financed / Constructed	Units	122
		Perceived Benefits from Construction of Toilets and Sanitation Facilities	INR	8,878,000
		Estimated Direct Beneficiary Population	Persons	488
		Aggregate Disbursement	INR	47,60,000
	Total GHG Emissions Avoided (All EV)		kgCO ₂ e	2,21,54,812
	Total Green Deposit Proceeds Allocated		INR Crores	1,284.98

Clean Transportation - Electric Two-Wheeler, Passenger Four-Wheeler, and Commercial Vehicle Financing

IDFC FIRST Bank's Green Deposit-linked financing of electric two-wheelers, passenger four-wheelers, and commercial electric vehicles supports a comprehensive transition away from internal combustion engine (ICE) transportation across personal mobility and urban logistics segments. By enabling the replacement of petrol- and diesel-powered vehicles in high-usage categories, the portfolio contributes materially to lifecycle greenhouse gas emission avoidance, even after considering grid electricity emissions, loan attribution factors, and average financing tenures.

Across all vehicle classes, electric mobility delivers structurally lower operating emissions and significantly reduced reliance on fossil fuels. From a financial perspective, electric vehicles offer borrowers and fleet operators substantial operating cost advantages driven by lower energy costs per kilometre and reduced maintenance intensity over multi-year horizons. For personal mobility users, these savings translate into lower per-kilometre costs over the vehicle life, while for commercial operators particularly in last-mile and urban freight applications electric vehicles provide meaningful reductions in total operating expenditure and improved cost predictability.

In addition to climate mitigation benefits, the financed electric vehicles eliminate local Scope 1 tailpipe emissions, including nitrogen oxides, particulate matter, carbon monoxide, and unburned hydrocarbons. These avoided pollutants deliver tangible urban air quality and public health co-benefits, with particularly high relevance in densely populated city centres and high-traffic corridors where two-wheelers, passenger cars, and commercial delivery vehicles are major contributors to ambient air pollution. The electrification of commercial vehicles further reduces exposure to petrol-related pollutants in last-mile operations, addressing both environmental and health externalities. Collectively, this clean transportation segment is strongly aligned with India's national clean mobility agenda, including the FAME scheme, the EV30@30 vision, and broader decarbonization and urban sustainability objectives. The financing reflects the Bank's integrated approach to supporting inclusive, economically viable, and environmentally sustainable transport solutions across personal and commercial mobility use cases.

EV Manufacturing OEM Financing

Recognizing that supply-side constraints represent a material bottleneck to EV adoption in India, IDFC FIRST Bank has extended financing to electric vehicle original equipment manufacturers (OEMs) during FY 2025–26, with aggregate disbursements of INR 0.48 Crores. The OEM entities supported operate in the 2-wheeler EV segments.

The aggregate production capacity enabled by this financing is estimated at 28 EV units for the year per annum. The impact of OEM financing is assessed on an enabling basis, using a weighted average emission avoidance factor derived from the applicable EV segment mix. Assuming full commercial deployment of the enabled production capacity, the estimated aggregate downstream emissions avoidance attributable to OEM financing is 95.448 tCO₂e for the year.

Renewable Energy - Solar Manufacturing Company Financing

IDFC FIRST Bank has extended financing to solar module and cell manufacturing companies during FY 2025–26, with aggregate disbursements of INR 103 Crores. This financing supports India's domestic solar manufacturing ecosystem, which is critical to the country's targets under the National Solar Mission and India's NDC commitment of 500 GW of non-fossil-fuel-based installed electricity capacity by 2030.

The financed manufacturing entities have an aggregate enabled production capacity of 12.26 MWp per annum. The downstream emission avoidance potential is estimated at 124.23 tCO₂e over a lifespan of 20 years, derived by applying the CEA grid emission factor to the projected annual clean energy generation from the enabled capacity.

In addition to carbon avoidance, this financing contributes to India's energy security through import substitution, supports the Atmanirbhar Bharat initiative, and aligns with the PLI Scheme for Solar PV Modules (Tranche II).

Social Impact - Sanitation Infrastructure (Water Storage / Connection and toilet Construction Financing)

IDFC FIRST Bank has provided financing for the construction of 99 toilet units during FY 2025–26 under the social category of the Green Deposits' portfolio, with aggregate disbursements of INR 47.60 Lakhs for water storage and sanitation related activities. This financing is aligned with the Swachh Bharat Mission (Grameen and Urban), the National Rural Livelihoods Mission, and India's commitment to SDG Goal 6 (Clean Water and Sanitation) and SDG Goal 3 (Good Health and Well-Being).

The financed sanitation infrastructure is estimated to benefit 488 persons directly, based on average household occupancy norms for the project geographies of 4 per household.

Environmental co-benefits include reduced groundwater contamination and, where applicable, reduced methane generation from open-field sanitation practices. The Bank will incorporate quantitative metrics as standardized methodologies become available. This category's inclusion is consistent with the social project provisions of the RBI Green Deposits Framework, which is subject to the same ring-fencing, tracking, and reporting disciplines as environmental categories.

5. Regulatory Compliance and Disclosures

IDFC FIRST Bank confirms that the Green Fixed Deposits programme for FY 2025–26 is in full compliance with the requirements of the RBI Framework for Acceptance of Green Deposits. The following specific confirmations are made:

- Complete Allocation: 100% of the mobilized green deposit proceeds have been allocated to eligible categories as defined under the RBI Framework, with a nil unallocated balance as at 31 March 2026.
- The Bank's Policy on Green Deposits, which governs the issuance, allocation, monitoring, and reporting of Green Deposit proceeds, has been reviewed and ratified by the Board's Risk Management Committee and is available on the Bank's website.

6. Way Forward

Portfolio Expansion

Building on the positive outcomes demonstrated by the FY 2025–26 Green Deposits portfolio, IDFC FIRST Bank plans to progressively expand the scope of its Green Deposits programme in FY 2026–27. The Bank will explore opportunities to support a broader set of environmentally sustainable activities, including low-emission transport solutions, clean mobility infrastructure, energy-efficient buildings, and initiatives that promote improved resource efficiency. This expansion will be guided by national priorities and will remain aligned with the evolving regulatory framework, including directions issued by the Reserve Bank of India, enhanced disclosure expectations under SEBI's BRSR Core framework, and India's updated Nationally Determined Contribution (NDC) commitments.

Methodology Enhancement

IDFC FIRST Bank is committed to continuous improvement in the robustness and credibility of its impact reporting. In future reporting cycles, the Bank will further strengthen its measurement and reporting approach by incorporating regularly updated, authoritative emission benchmarks, broadening the coverage of financed emissions in line with emerging global good practice, and refining methodologies as guidance for new asset classes matures. The Bank will also seek to align its frameworks with internationally recognized climate and sustainability standards applicable to the financial sector, ensuring consistency, comparability, and long-term relevance.

Stakeholder Communication

The Bank will continue to prioritise transparent and timely communication of the outcomes of its green deposits programme. This report will be made publicly available on the Bank's website and shared with relevant regulators and stock exchanges in line with applicable disclosure requirements. IDFC FIRST Bank remains committed to open engagement with stakeholders including depositors, regulators, investors, and civil society and to providing clear, credible, and accountable information on the environmental impact of its green finance initiatives.

Disclaimer

This Impact Assessment Report has been prepared by IDFC FIRST Bank Limited solely for the purposes of regulatory compliance and stakeholder communication in relation to its Green Fixed Deposits programme for FY 2025–26. The impact calculations and projections contained herein are based on the data, assumptions, and methodologies described in this report and are subject to inherent uncertainties. Actual outcomes may differ from the estimates presented. This report does not constitute financial, investment, or legal advice. IDFC FIRST Bank does not warrant the completeness or accuracy of third-party data sources referenced herein.