

March 02, 2026

## IDFC First Bank Limited: Update on Material Event

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Basel III Tier II bonds	3,000.00	3,000.00	[ICRA]AA+ (Stable)
NCD**	3,883.70	3,883.70	[ICRA]AA+ (Stable)
NCD^	9,520.00	9,520.00	[ICRA]AA+ (Stable)
<b>Total</b>	<b>16,403.70</b>	<b>16,403.70</b>	

\*Instrument details are provided in Annexure-I; \*\*Non-convertible debentures (NCDs) of erstwhile IDFC Limited reassigned to erstwhile IDFC Bank Limited (now IDFC FIRST Bank Limited) following the transfer of business with effect from October 1, 2015; ^ Infrastructure bonds

### Rationale

#### Material event

IDFC FIRST Bank Limited (IDFC FIRST), vide its stock exchange filing dated [February 22, 2026](#), disclosed that it had identified an incident involving unauthorised and fraudulent activities by some of its employees at a specific branch, when the bank received a request from a particular Department of the Haryana Government for the closure of its account and transfer of funds. Several other Haryana Government entities engaged with IDFC FIRST and overall discrepancies across the identified accounts aggregated ~Rs. 590 crore.

The bank subsequently suspended four suspected employees at this branch, pending investigation. It also appointed an independent external agency to conduct an independent forensic audit apart from filing a complaint with law enforcement agencies. Moreover, it has sent a recall request to certain beneficiary banks to lien mark the balances held in these suspicious accounts.

On [February 24, 2026](#), IDFC FIRST informed that even though the matter is being investigated, it has repaid 100% of the principal and interest, amounting to Rs. 583 crore, to the relevant departments of the Haryana Government.

#### Impact of material event

As per ICRA's assessment, while the bank has a strong capital position and will absorb the impact of the fraud-driven provisioning requirement, the impact of the event on its deposit base and liquidity profile will remain monitorable. IDFC FIRST had reported CET-I ratio of 14.2% and CRAR of 16.2% as on December 31, 2025 (including profits for 9M FY2026) and the impact on its capital is likely to be limited to ~19 basis points (bps). Further, the bank had reported a liquidity coverage ratio of 115% for the quarter ended December 31, 2025, which shall help it navigate higher liquidity requirements in the near term. ICRA will continue to monitor further developments and IDFC FIRST's ability to maintain sufficient liquidity on an ongoing basis.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities: [Click here](#)

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Banks and Financial Institutions</a>
Parent/group Support	Not Applicable
Consolidation/standalone	For arriving at the rating, ICRA has considered the standalone financials of IDFC FIRST. However, in line with ICRA's consolidation approach, the standalone assessment of the bank factors in the ordinary and extraordinary support that it is expected to extend to its subsidiary.

## About the company

IDFC Bank Limited was set up after IDFC Limited received a banking licence from the Reserve Bank of India (RBI) in 2014. IDFC Limited's infrastructure assets and liabilities were demerged into IDFC Bank Limited. Apart from the Government of India (GoI), the leading shareholders of IDFC Limited included foreign financial institutions involved in infrastructure development worldwide. IDFC Limited was classified as an infrastructure finance company by the RBI in June 2010. It was granted in-principle approval by the RBI in April 2014 for undertaking banking business in India. IDFC Bank Limited started operations on October 1, 2015, after receiving the final licence from the RBI in July 2015.

Capital FIRST Limited, a non-deposit taking, systemically important, non-banking financial company (NBFC-ND-SI) registered with the RBI, was founded in 2012 by Mr. Vaidyanathan through a management buyout of an existing listed NBFC. The company specialised in providing finance to Indian consumers in the form of home loans and other consumption loans and to small businesses for working capital, business expansion, plant and machinery purchase, office automation and other such purposes. Following the receipt of approval from the National Company Law Tribunal (NCLT) for the merger of Capital FIRST Limited and its two subsidiaries with IDFC Bank Limited, which became effective on December 18, 2018, the merged entity was named IDFC FIRST Bank Limited.

Post receipt of all regulatory and shareholder approvals, the amalgamation of IDFC Limited (promoter; 35.37% stake in the bank as on September 30, 2024) with IDFC FIRST was completed under a reverse merger process on October 01, 2024.

## Key financial indicators (audited)

IDFC FIRST Bank Limited	FY2024	FY2025	9M FY2026
Total income	22,245	26,107	21,134
Profit after tax	2,957	1,525	1,317
Total assets (Rs. lakh crore)	2.96	3.44	3.93
CET I	13.36%	13.17%	14.23%*
CRAR	16.11%	15.48%	16.22%*
PAT/ATA	1.10%	0.48%	0.48%
Gross NPAs	1.88%	1.87%	1.69%
Net NPAs	0.60%	0.53%	0.53%

Source: IDFC FIRST Bank Limited, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore unless mentioned otherwise  
Total income = Net interest income + Non-interest income (excluding trading income); \* including interim period profits

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: Not applicable**

## Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current (FY2026)			Chronology of rating history for the past 3 years					
			March 02, 2026	Date	Rating	FY2025		FY2024		FY2023	
						Date	Rating	Date	Rating	Date	Rating
<b>Non-convertible debenture programme<sup>^</sup></b>	Long term	9,520.00	[ICRA]AA+ (Stable)	May-16-2025	[ICRA]AA+ (Stable)	May-17-2024	[ICRA]AA+ (Stable)	May-23-2023	[ICRA]AA+ (Stable)	Jun-28-2022	[ICRA]AA (Stable)
<b>Non-convertible debenture programme<sup>^</sup></b>	Long term	-	-	May-16-2025	-	May-17-2024	[ICRA]AA+ (Stable); withdrawn	May-23-2023	[ICRA]AA+ (Stable)	Jun-28-2022	[ICRA]AA (Stable)
<b>Non-convertible debenture programme<sup>**</sup></b>	Long term	3,883.70	[ICRA]AA+ (Stable)	May-16-2025	[ICRA]AA+ (Stable)	May-17-2024	[ICRA]AA+ (Stable)	May-23-2023	[ICRA]AA+ (Stable)	Jun-28-2022	[ICRA]AA (Stable)
<b>Non-convertible debenture programme<sup>**</sup></b>	Long term	-	-	May-16-2025	[ICRA]AA+ (Stable); withdrawn	May-17-2024	[ICRA]AA+ (Stable)	May-23-2023	[ICRA]AA+ (Stable)	Jun-28-2022	[ICRA]AA (Stable)
<b>Non-convertible debenture programme</b>	Long term	-	-	May-16-2025	-	May-17-2024	[ICRA]AA+ (Stable); withdrawn	May-23-2023	[ICRA]AA+ (Stable)	Jun-28-2022	[ICRA]AA (Stable)
<b>Basel III Tier II bonds</b>	Long term	3,000.00	[ICRA]AA+ (Stable)	May-16-2025	[ICRA]AA+ (Stable)	May-17-2024	[ICRA]AA+ (Stable)	-	-	-	-

*\*\*Non-convertible debentures (NCDs) of erstwhile IDFC Limited reassigned to erstwhile IDFC Bank Limited (now IDFC FIRST Bank Limited) following the transfer of business with effect from October 1, 2015 <sup>^</sup>Infrastructure bonds*

## Complexity level of the rated instruments

Instrument	Complexity indicator
Basel III Tier II Bonds	Highly Complex
NCD	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

## Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE092T08469	NCD	May 13, 2010	8.95%	May 13, 2025	500.00	[ICRA]AA+ (Stable)
INE092T08BU0	NCD	May 20, 2015	8.70%	May 20, 2025	741.00	[ICRA]AA+ (Stable)
INE092T08485	NCD	May 28, 2010	8.84%	May 28, 2025	200.00	[ICRA]AA+ (Stable)
INE092T08493	NCD	Jun 15, 2010	8.80%	Jun 15, 2025	200.00	[ICRA]AA+ (Stable)
INE092T08BY2	NCD	Jun 23, 2015	8.70%	Jun 23, 2025	395.00	[ICRA]AA+ (Stable)
INE092T08501	NCD	Jul 08, 2010	8.80%	Jul 08, 2025	200.00	[ICRA]AA+ (Stable)
INE092T08519	NCD	Jul 21, 2010	8.80%	Jul 21, 2025	300.00	[ICRA]AA+ (Stable)
INE092T08527	NCD	Aug 06, 2010	8.95%	Aug 06, 2025	200.00	[ICRA]AA+ (Stable)
INE092T08543	NCD	Sep 15, 2010	8.89%	Sep 15, 2025	100.00	[ICRA]AA+ (Stable)
INE092T08568	NCD	Sep 20, 2010	8.86%	Sep 20, 2025	120.00	[ICRA]AA+ (Stable)
INE092T08584	NCD	Sep 29, 2010	8.82%	Sep 29, 2025	260.00	[ICRA]AA+ (Stable)
INE092T08592	NCD	Nov 19, 2010	8.90%	Nov 19, 2025	260.00	[ICRA]AA+ (Stable)
INE092T08626	NCD	Jan 06, 2011	9.15%	Jan 06, 2026	208.00	[ICRA]AA+ (Stable)
INE092T08014	NCD	Jan 17, 2006	7.75%	Jan 17, 2026	199.70	[ICRA]AA+ (Stable)
NA	NCD		Not placed		9,520.00	[ICRA]AA+ (Stable)
NA	Basel III Tier II bonds		Not placed		3,000.00	[ICRA]AA+ (Stable)

Source: IDFC First Bank Limited

## Annexure II: List of entities considered for consolidated analysis

Company name	IDFC FIRST ownership	Consolidation approach
IDFC FIRST Bharat Limited	100%	Full consolidation

Source: IDFC FIRST Bank Limited as on December 31, 2025

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## ICRA Limited

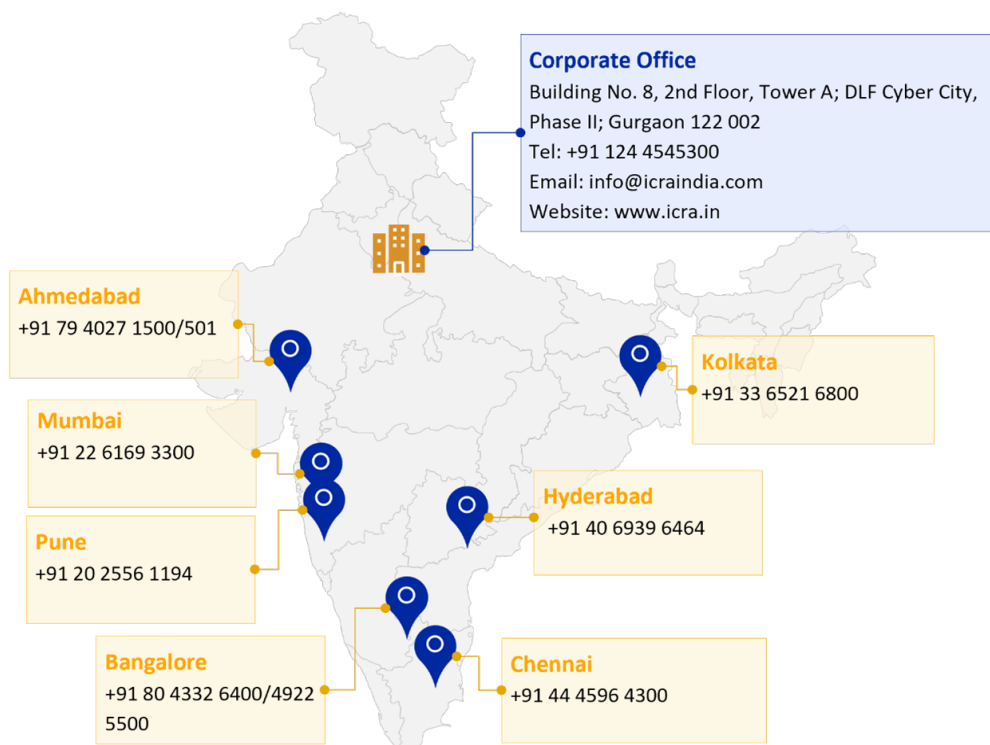


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