
 <b>IDFC FIRST Bank</b> <small>ALWAYS YOU FIRST</small>	<b>Governance Factsheet</b>	
Category	Governance Indicator	IDFC FIRST Bank (October 2024)
Board Matters	Size of the board	11
	<ul style="list-style-type: none"> <li>Number and % of independent directors</li> </ul>	9 (~81%)
	<ul style="list-style-type: none"> <li>Number and % of women directors</li> </ul>	3 (~27%)
	Separate Board Chair and MD/CEO	Yes
	Independent Board Chair	Yes
	Skill Diversity and Expertise (Independent Directors)	
	<ul style="list-style-type: none"> <li>Climate</li> </ul>	2
	<ul style="list-style-type: none"> <li>Enterprise Risk Management</li> </ul>	2
	<ul style="list-style-type: none"> <li>Financials</li> </ul>	6
	<ul style="list-style-type: none"> <li>Cyber Security</li> </ul>	7
	Separate Meeting of Independent Directors	Yes
	Audit Committee	
	<ul style="list-style-type: none"> <li>Chairperson</li> </ul>	Independent Director
	<ul style="list-style-type: none"> <li>Composition</li> </ul>	4
	<ul style="list-style-type: none"> <li>% of Independent Director</li> </ul>	100%
	<ul style="list-style-type: none"> <li>Number of Financial Experts on Audit Committee</li> </ul>	2
	Nomination & Remuneration Committee	
	<ul style="list-style-type: none"> <li>Chairperson</li> </ul>	Independent Director
	<ul style="list-style-type: none"> <li>Composition</li> </ul>	7
	<ul style="list-style-type: none"> <li>% of Independent Director</li> </ul>	100%
Board evaluation process	Board evaluation – annual	Yes
	Committee evaluation – annual	Yes
	Individual Director evaluation – annual	Yes
	Disclosure – Evaluation results & action taken	Yes
Key Governance roles		
	Chief Risk Officer	Yes
	Chief Information Security Officer	Yes
Corporate Governance	Contributions and Other Spending & Largest Contributions and Expenditures	The Bank does not support political campaigns, political organizations, lobbyists or lobbying organizations and other tax-exempt groups for the purpose of influencing policy.
	Management Ownership requirement	The Bank has no specific stock ownership requirements for the CEO and other members of our executive committee.
Risk Governance	The Bank has established a dedicated and separate Risk Management Function, headed by the Chief Risk Officer, who reports to the Management and the Board. The Bank's Board Committee on Risk Management is headed by an Independent Director. The Risk Management framework aligns with global standards and national regulations.	

Emerging Risks	Climate Change and Environmental Risks	Description	With the growing focus on sustainability, commercial banks face risks related to climate change, such as exposure to industries impacted by climate regulations, physical damage due to extreme weather events, and reputational risks tied to environmental practices.
		Business Impact	Banks with heavy exposure to industries affected by climate regulations (e.g., fossil fuels) could face asset devaluation. Physical damage from climate-related events can impact branches and assets. Reputational damage may arise from perceived inadequate commitment to sustainability.
		Mitigations	Bank assess its portfolios for climate-related risks, consider divesting from high-risk sectors, and invest in green technologies.
	Fintech Disruption	Description	The rise of financial technology (fintech) companies and their innovative services poses a threat to traditional banking models. Banks must adapt to changing customer expectations and competition from digital-first platforms.
		Business Impact	Banks may lose market share to fintech startups offering innovative, user-friendly services. Customer expectations for seamless digital experiences may lead to dissatisfaction with traditional banking services.
		Mitigations	The Bank has collaborated with fintech companies to offer complementary / innovative services. The Bank has also taken up many digital transformation initiatives for enhancing credit decision process and mobile banking capabilities to match customer preferences.
Risk Management	The Bank has established a robust risk governance framework. 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, funding, and reputational profile. The Bank has sound system of risk management and internal controls in place, with a vastly experienced Risk Management Committee of the Board (RMC). Under the guidance of the Board and RMC, the Bank has put in place a comprehensive risk management framework in the Bank including well-articulated risk appetite statement, policies, frameworks, and robust stress testing program. The Bank operates within the elaborate risk appetite framework as approved by the Board. Further, the Bank has also implemented performance evaluation process where in inputs from the risk management department is also considered.		
ESG Framework	UN Global Compact (UNGC)		Member
	Task Force on Climate-Related Financial Disclosures (TCFD)		Supporter
	Partnership for Carbon Accounting Financials (PCAF)		Signatory