

National Bank for Financing Infrastructure and Development

Disclosure Policy

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List of Abbreviations and Acronyms used in the Policy

CFO	Chief Financial Officer
CRO	Chief Risk Officer
EVP	Executive Vice President
ICAI	Institute of Chartered Accountants of India
NaBFID	National Bank for Financing Infrastructure and Development
RBI	Reserve Bank of India
RTI	Right to Information
SEBI	Securities and Exchange Board of India
SOP	Standard Operating Procedure
UPSI	Unpublished Price Sensitive Information
VP	Vice President

1. Introduction

The National Bank for Financing Infrastructure and Development (herein after referred to as “NaBFID” or “the Bank”) was set up in 2021, by an Act of the Parliament (The National Bank for Financing Infrastructure and Development Act, 2021), with the essential objectives of addressing the gaps in long-term non-recourse finance for infrastructure development, strengthening the development of bonds and derivatives markets in India, and sustainably boosting the country’s economy.

As a key financial institution dedicated to promoting infrastructure development in India, NaBFID is committed to transparency, accountability, and accuracy in its communications with stakeholders, including customers, investors, regulators, government bodies, and the general public.

The users of financial statements need information about the financial position and performance of the Bank in making economic decisions. They are interested in its liquidity, solvency and risks related to assets & liabilities recognized both on balance sheet and off-balance sheet items.

In the interest of full and complete disclosure, some useful information is provided by notes to the financial statements. The use of notes and supplementary information provides the means to explain and document certain items, which are either presented in the financial statements or otherwise affect the financial position and performance of the Bank. Market discipline works only if market participants have access to timely and reliable information, which enables them to assess the activities of the Bank and the risks inherent in these activities. Market discipline has been given due importance under Basel III framework on capital adequacy by recognizing it as one of its three Pillars.

The Pillar 3 of New Basel Capital Accord i.e. “Market Discipline” complements the Minimum Capital Requirements (Pillar 1) and the Supervisory Review Process (Pillar 2) by encouraging Market Discipline through enhanced and meaningful public disclosure. These disclosure requirements are intended to allow the market participants such as stakeholders, including customers, investors, regulators, government bodies, and the general public to assess the key information about the Bank’s risk profile and its associated level of capital, financial condition and performance, business activities, etc. in order to enable them to analyse and appraise the Bank qualitatively and quantitatively before taking any business decision.

Proper disclosures leads to enhanced transparency, which helps the stakeholders/market participants to evaluate in a better manner the Bank’s capital structure, risk exposure, risk management performance, earning potential, capital adequacy, financial strength etc.

This Disclosure Policy (herein after referred to as “the Policy”) outlines the types of information that NaBFID will disclose, the processes for disclosure, and the roles and responsibilities associated with ensuring compliance. By providing timely and reliable information on its activities, financial performance, and strategic initiatives, NaBFID aims

to meet regulatory requirements and proactively address the information needs of its stakeholders.

The Policy aligns with NaBFID's commitment to foster trust, support informed decision-making, and uphold ethical standards in all its operations.

1.1 Objectives of the Policy

The objectives of the policy shall be to:

- i. Comply with the continuous disclosure obligations mandated by law / regulators;
- ii. To allow market participants i.e. regulators / investors / other stakeholders to assess and measure the important information on various aspects; and
- iii. To instil confidence in the investors, stakeholders, customers, and the public in general.

1.2 Scope of the Policy

The scope of the Policy shall be to cover all the disclosures that are required to be made by the Bank under legal and regulatory requirements stipulated by the following authorities:

- i. Section 38 of The NaBFID Act relating to Obligations as to fidelity and secrecy
- ii. RBI – Under Banking Regulation Act, Basel III Capital Regulations, etc.
- iii. SEBI & applicable Stock Exchanges
- iv. Accounting Standards of ICAI
- v. Any other disclosure required from time to time as per applicable Domestic and International Regulations/Standards/Statutory Requirements

The Bank shall provide, both Qualitative & Quantitative disclosures, under the Basel III Capital Regulations. Qualitative disclosures provide a general summary of risk management objectives & policies, strategies & processes, reporting/measurement systems etc.

2. Principles of Disclosure

2.1 Guiding Principle

NaBFID aims to be open and transparent with all stakeholders and is committed to disseminating information in a fair, timely and cost-efficient manner. Every officer and employee of the Bank has to bear in mind that he/she is required to keep secret all confidential information of the Bank and not to disclose any such information to any person except in circumstances required by law or with the express consent of the Bank.

2.2 Operational Principles

The Policy applies to all means of communication to the public, inclusive of oral, written or electronic communications. The policy shall cover oral statements made by the spokespersons in group or individual meetings and telephone conversations with the members of investment community (which include analysts, investors, investment advisors, etc) and interview with media as well as news conference and web casts.

Material information shall be disclosed publicly and not selectively to an individual or a limited group. Undisclosed material information shall not be disclosed selectively to an individual or a limited group.

In the unlikely event of any material UPSI being disclosed selectively, inadvertently or otherwise, at any forum, whether in India or abroad, NaBFID, shall take effective steps to promptly disseminate such UPSI, to the Stock Exchange, for public disclosure.

The Bank shall take all prudent measures while making any disclosure relying on all the available resources in good faith & without any negligence. If the Bank subsequently finds that errors have crept in the information already published, immediate steps shall be taken to rectify the error and publish the correct information.

The website of the Bank shall be used to enhance dissemination of information by posting information periodically and updation of such data.

It shall be the duty of all the Department Heads to inform the Disclosure Committee of any developments related to material information. The members of the Disclosure Committee shall also monitor material developments in the Bank's business and affairs.

The permissible disclosure of non-public information shall be made only to the parties with assigned confidentiality agreement with the Bank or those parties who are subject to professional conduct obligation of confidentiality such as Lawyers, Accountants, Rating Agencies, Regulators, etc.

None of the obligations/stipulations of confidentiality shall bind the Bank from making any disclosure where the same is required to be made under any statute or law of the land; for example: Tax Authorities, Court Orders, etc.

3. Materiality of Information/Event

3.1 Material Information/Event

Material information shall mean any information/event relating to the business and affairs of the Bank, the omission or misstatement of which could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.

The quantitative criteria for determining materiality of any information will be as follows:

An event or information shall be considered material where the omission of an event or information, whose value or the expected impact in terms of value, exceeds the following:

(i) two percent of eligible capital base*, as per the last audited financial statements of the Bank, except in case the arithmetic value of the eligible capital base is negative;

*Eligible Capital Base as per Basel III Framework

3.2 Non – Material Information/Event

The Bank makes many public announcements that do not meet the definition of materiality as given above. Many of these announcements related to the products and services that the Bank provides, shall not be subject to the provisions of disclosures.

4. Disclosure Committee

1. The Disclosure Committee or its delegate(s) is responsible for:
 - i. Managing the Bank's compliance with its continuous disclosure obligations;
 - ii. Guiding the Executive Vice President - Finance, The Executive Vice President – Compliance, The Executive Vice President - Corporate Strategy & Partnership, The Vice President – Treasury, The Vice President – Economist, and The Executive Vice President - Risk Management for liaising with the media, preparing news releases, communicating with stakeholders, dealing with investor and analyst communications and preparing announcements to relevant Stock Exchanges;
 - iii. Ensuing that officers and staff are educated on this Disclosure Policy and the associated internal reporting processes and controls and raising awareness of the principles underlying continuous disclosure;
 - iv. Supervising the implementation of the reporting processes and controls to assist in meeting the Bank's commitments and ensuring consistency in implementing this Disclosure Policy; and
 - v. Guide on the disclosure of any information or event as per the materiality criteria specified.

2. The Disclosure Committee will consist of the following executives as are available within the time required to comply with the Bank's disclosure obligations:
 - * The Deputy Managing Director (CFO) as Chairperson
 - * The Deputy Managing Director (CRO)
 - * The Chief Compliance Officer
 - * The Company Secretary of the Bank, will act as the Convener of the Committee

3. The quorum for the meeting of the Committee shall be three members including the Chairperson of the Committee or the Alternate Chairperson who should be present at the meeting for the quorum to be complete. Based on the requirements, other Executive Vice Presidents and Vice Presidents may be invited for the Disclosure Committee Meeting.

The Deputy Managing Director (CFO) will be the Chairperson of the Disclosure Committee and, in his/her absence, The Deputy Managing Director (CRO) will chair the meeting. The minimum frequency of the meeting of Disclosure Committee shall be once in every quarter or as and when the need arises.

4. The Disclosure Committee may delegate the day-to-day management of its responsibilities to The Executive Vice President - Finance, The Executive Vice President - Corporate Strategy & Partnership, The Vice President – Head Treasury, The Executive Vice President – Compliance, The Vice President – Chief Economist or The Executive Vice President - Risk Management or Company Secretary.

5. In case where the Disclosure Committee has delegated day-to-day management to The Executive Vice President - Finance, The Executive Vice President - Corporate Strategy & Partnership, The Vice President – Head Treasury, The Executive Vice President –

Compliance, The Vice President – Chief Economist and The Executive Vice President - Risk Management or Company Secretary, if he/she considers that:

- Disclosure of a matter is likely to affect the price or value of the Bank's securities materially or
- There is a reasonable doubt as to whether an issue might materially affect the price or value of the Bank's securities or
- The matter has the potential for a material impact on the Bank's credit rating and reputation,

then he/she shall refer the matter to the Disclosure Committee which will assess the situation and take a decision as deemed appropriate.

6. Every Executive Vice President and in his/her absence the Vice President of the Business Unit/Department would be personally accountable for monitoring the activities of their respective areas to assess if any matter arises that may require disclosure and for bringing forward matters to the attention of either The EVP - Finance, the EVP - Corporate Strategy & Partnership, the VP -Head Treasury, the EVP – Compliance, the VP – Economist, the EVP - Risk Management or the Company Secretary who will then determine if the matter is to be disclosed or referred to the Disclosure Committee in accordance with the procedures outlined in this Disclosure Policy.

4.1 Authorized Spokespersons

The Bank designates a limited number of spokespersons responsible for communication with the media, investors and analysts. These spokespersons are the Chairman, Managing Director and Deputy Managing Director(s). The Managing Director, from time-to-time may designate others in writing, to speak on behalf of the Bank or respond to specific enquiries from the investment community or media.

The Disclosure Committee may also authorize other persons who may communicate with the media on topics pertaining to the economy or capital market in general or on limited topics pertaining to specific operating areas and business lines. However, they are not authorized to engage in discussion about the Bank with analysts and investment community or comment on Bank's financial results.

Employees who are not authorized spokespersons are not to respond to enquiries from the investment community or media unless specifically asked to do so by an authorized spokesperson. All such enquiries are to be referred to authorized spokesperson.

5. Validation and Procedures for Disclosure

5.1 Validation of Disclosures

The Disclosures made in the financial statements and the stand-alone reports made available on the website shall be audited by the external auditors wherever mandatory.

Since annual financial statements are audited it will be ensured that disclosures are consistent with it. However, Pillar 3 disclosures are not required to be audited by external auditor, unless specified.

The information relating to each functional area will be provided and validated by the respective Department Head(s) handling the related area of information.

5.2 Procedure for Disclosure

Most of the required disclosures covered in the Policy shall be made periodically, while disclosing the periodical financial results. Any other news/press release, including but not limited to release of information/event by any Department of the Bank, shall be reviewed by the Disclosure Committee, prior to their release.

Standard Operating Procedures shall be designed for compilation, validation and disclosure/reporting as per the Basel III, RBI, SEBI, ICAI guidelines, other applicable statutory and regulatory requirements by the respective departments. A list of current disclosures is enclosed as Annexure 1 to the Policy.

6. Miscellaneous Matters

6.1 Quiet Period/Closed Trading Window

In order to avoid any potential or the perception or appearance of selective disclosure, the Bank shall observe a “Quiet Period”. The Quiet Period/Closed Trading Window period shall commence from the end of every quarter till 48 hours after the declaration of the results. During the Quiet Period/Closed Trading Window period, Authorized Spokespersons or any other designated personnel shall not communicate with analysts, investors or media with respect to matters related to earnings and financial performance.

6.2 Speculations, Rumors & False Market

The Bank shall not respond to market speculation or rumours unless a response is required by law or pursuant from a request from relevant Stock Exchange(s) or Regulator(s).

A false market may arise, for example when there is a specific rumour or media comment in relation to the Bank that has not been confirmed or classified by an announcement to the market. In the event of a false market, the Bank shall disclose to the Stock Exchange the information needed to correct or prevent that false market. The Bank shall also take corrective steps by making announcement through appropriate media, subject to the permission from the Disclosure Committee.

6.3 Communication with the Stock Exchange

The Company Secretary shall be responsible for all communications/disclosures with all relevant Stock Exchanges. It shall be ensured that all such communications/disclosures shall be disclosed with the prior written approval of the relevant authority as per the respective SOPs.

6.4 Disclosures under the Right to Information (RTI) Act

The Bank has put in place a process/sop for handling requests for Right to Information (RTI) under the RTI Act, 2005.

The Bank is committed to provide access to all permissible information/ document/ record/ notes to the general public, except under certain categories of information covered under section 8 & 9 of the RTI Act, which are exempt from disclosure to the public. The Bank has nominated Central Public Information Officer and First Appellate Authority, and details of these officers are made available on the website of the Bank, who may be contacted by the public for any disclosure permissible under RTI Act.

6.5 Maintaining Confidentiality and Restrictions on Trading

In order to ensure maintaining of confidential information and restrictions on trading in securities, the NaBFID’s Code on Prohibition of Insider Trading as approved by the Board of Directors from time to time, shall be adhered to.

7. Review and Validity of the Policy

7.1 Review of the Policy

Improvements to risk management processes and internal reporting systems provide opportunities to significantly improve public disclosure over time. Hence there is a need to regularly review public disclosures and enhance disclosures wherever appropriate, to clearly identify all significant risk exposures, processes, controls, etc. and their effects on the Bank's financial condition and performance, cash flow & earnings potential.

The Disclosure Policy shall be reviewed annually. The Policy shall be reviewed and approved by the Board of Directors.

Any additional disclosures mandated as per the guidelines of the RBI, SEBI, other regulators or any amendments/modifications to the existing disclosure requirements that are communicated subsequent to the adoption of this Policy shall automatically form the part and parcel of this Policy and the Bank shall comply with all such additional disclosure requirements.

7.2 Validity of the Policy

This policy comes into effect immediately on approval by the Board of Directors of the Bank and shall be valid until the next review and adoption of policy by the Board of Directors.

List of Disclosures

1. The NaBFID Act, 2021
2. The NaBFID, General Regulations, 2022
3. Gazette Notifications related to NaBFID
4. Parliamentary Questions related to NaBFID
5. RBI Press releases related to NaBFID
6. Annual reports
7. Unaudited and Audited Periodic Financial Statements
8. Legal Disclosures
 - a) CPIO/ Appellate Authority Under RTI
 - b) Details of RTI Applications
 - c) Committees under RTI
 - d) Third-Party Transparency Audit Report
9. HR Disclosures
 - a) Officers / Employees working with NaBFID
 - b) The Prevention of Sexual Harassment Policy
 - c) Organisational Structure
 - d) Recruitment Related Disclosures
10. Risk Disclosures
 - a) Basel III Disclosures
 - b) NaBFID Lending Rate (NLR)
11. Procurement Disclosures
 - a) Procurement on Nomination Basis
 - b) Procurement by way of Tendering, GeM, etc.
12. Penal Charges for Non-Compliances of Material Terms & Conditions applicable for NaBFID
13. Policy for Claiming unclaimed amounts for NaBFID Bonds
14. Information on secured assets possessed under SARFAESI Act, 2002
15. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)
16. Archival Policy
17. Loan Decision Making Process
18. Details Of Debenture Trustees
19. Details Of Registrar & Transfer Agent (RTA)
20. Disclosures under applicable rules and regulations of SEBI LODR
21. Credit Rating
22. Corporate Governance Reports
23. Update on Investor Meets
24. Partnerships / Tie-ups
25. Press releases
26. Static Information on Website

- a) Mission & Vision Statement
 - b) NaBFID History
 - c) Board Members
 - d) Contact Details
27. Any other disclosure not covered in the list above which is material as per the Disclosure Committee