

## **RISK MANAGEMENT POLICY**

- a. The Company's approach to Risk Management practices is enterprise-based and we take concerted efforts in understanding the risk we take and collectively determine appropriate risk response that aligns with our return objectives. The enterprise risk management functions are categorised into Financial Risk Management, Technology Risk and Operations Control. This categorization enables us to have a broad view of risk-taking activities of the Company and it ensures we adequately put in place policies to guide risk-taking activities.
- b. Financial Risk Management functions focus on identifying, measuring and controlling on- and off-balance sheet financial risks which include market, credit and liquidity risk exposures. We consistently adopt a proactive approach to risk management through assessment of new products for possible risk exposures and developing appropriate mitigants. Each product, subsidiary and initiative are examined for financial risk exposures and policies are put in place to ensure exposures remain within appropriate limit.
- c. The Business Process and Control team which is responsible for operational risk management and the internal control function continuously reviews and benchmarks business processes against international best practices, formulates policies based on the requirements of the Company's operating environment and monitors adherence to standard procedure.
- d. The Company also established a robust IT Governance structure and put necessary policies in place for the enforcement of the best Information technology (IT) risk practices and alignment of its technology with strategic goals of businesses. Our Information System Security practices leveraged on the provision of ISO27001 security standard. Basic IT Security tools are deployed from time to time for improved visibility and monitoring across our critical IT platforms. Also, entrenched in IT processes are effective change Management culture, configuration management, IT project reviews and continuous staff awareness programmes.
- e. A proactive enterprise risk management practice is incomplete without adequate reporting mechanisms and good corporate governance practices. Enterprise Risk Management practices are fused into the Company's day-to-day activities. The unit has a direct reporting to the CEO and Board's Finance Investment and Risk Management (FIRM) committee. This position enables the Company to effectively align the board's risk directives with daily business decisions.