

# INFORMATION

## On risk management in the International Bank of Azerbaijan

- Risk management at the International Bank of Azerbaijan OJSC is performed by the Risk Management Committee.
- Committee is a permanent operational body of the Bank and is set by the Supervisory Board with membership of the Management Board representatives and structural units of the bank, holding knowledge of risks occurring as a result of Bank operations. Chairman of the Board manages the Committee.
- Committee for the purposes of management of bank risks approves the operations of existing internal committees of the bank. Committee reports to the Supervisory Board in accordance with procedures set under legislation.
- Committee holds the following authorities:
  - Preparation of relevant limits on various types of bank risks and their submission for approval of the Supervisory Board upon establishment by the Board;
  - Assessment of the status of execution of limits approved in accordance with relevant procedures for the Credit Committee and Bank Assets and Liabilities Management Committee;
  - Issuance of mandatory instructions to structural units of the Bank within risk management rules and standards;
  - Perform other authorities set under legislation.
- Committee has the following responsibilities:
  - Submission to Supervisory Board of proposals on significant risks and their mitigation;
  - Assessment of losses on investments, as well as submission to Supervisory Board of the report on writing off the balance and reinstatement of value;
  - Assessment of the volume of main assets and submission of proposals on their maintenance as a financial component for current year;
  - Preparation of rules on risk management, submission for approval of the Supervisory Board upon approval by the Management Board;
  - Periodic assessment of risk management rules and their updates as necessary;
  - Continuous support to risk management process from the operations point of view and assignment of relevant structural unit or bank employee to perform such processes;
  - Submission to Supervisory Board of the report on measures performed on property accepted to balance sheet or to be accepted to balance sheet for unpaid liabilities, as well as its sales;
  - Submission for discussion of the Supervisory Board of other information set under legislation and performance of other roles.
- **Membership of the Committee and procedure of meetings**

- Chairman of Board – chairman of Committee;
  - First deputy chairman of Board – deputy chairman of Committee;
  - Deputy chairmen of Board – Committee members;
  - Financial management department director – member of Committee;
  - Loans Department Director – member of Committee;
  - Директор Департамента банковской безопасности – member of Committee;
  - Central Affiliate Manager – member of Committee;
  - Information Technologies Department Director – member of Committee;
  - Strategic Development Department Director – member of Committee.
- Planned meetings of the Committee are performed no later than once every quarter. Extraordinary meetings of the Committee can be called by one of its members, or by the applications of Supervisory Board, Management Board and Audit Committee.