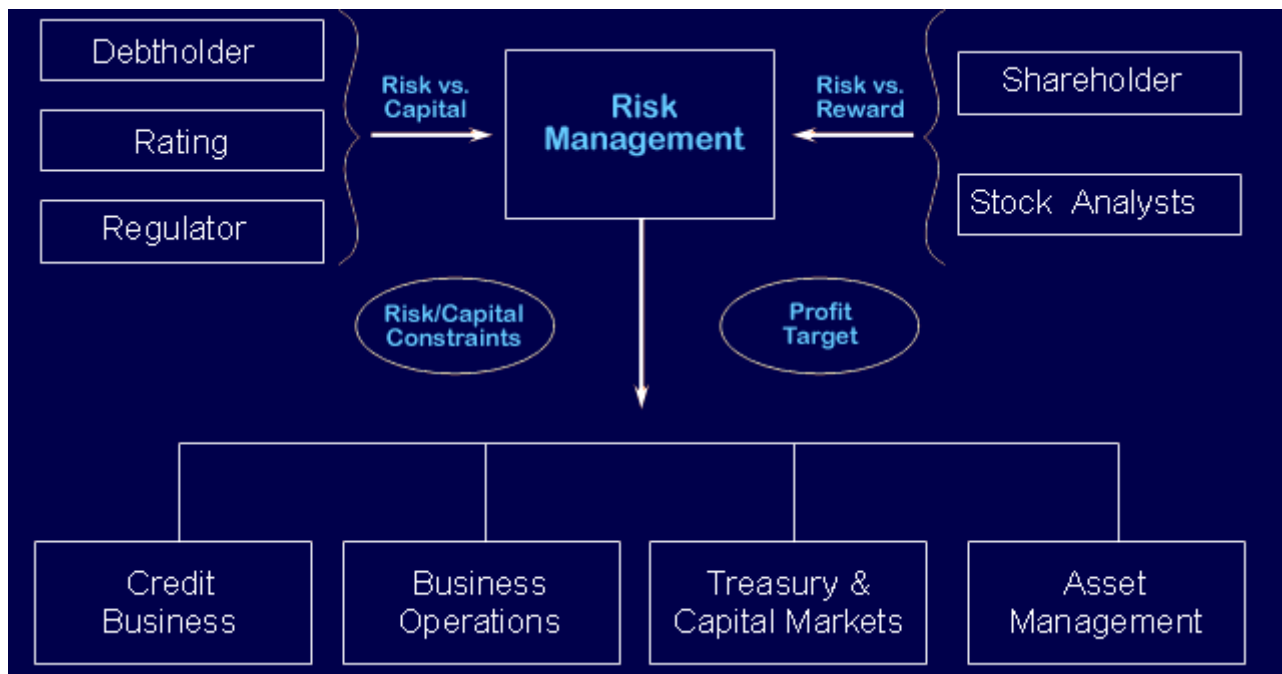


## Risk Management Policy

Effective risk management is fundamental to success in financial services industry as a basic expectation of shareholders, regulators and customers needs expands. In a challenging and changing risk business environment, however the bar on what forms effective risk management concept is constantly being raised. Risk measurement & management activities is an integrated part of Is Investment's core business activities which operates separately in the whole organisation. In the course of management its business operations, Is Investment can be exposed to a variety of risks. These risks basically operates as market, credit, liquidity, process, and other risks that are material and require comprehensive proactive controls and management. The responsibility and accountability for these risks remain primarily with in the businesses. Risk management group ensures that these risks are properly identified, monitored, measured and managed proactively throughout the firm. In order to accomplish these perspectives efficiently risk management department has been extended establishes and updates comprehensive risk adjusted management process so that we can understand risks firmly, managing the full range of risks they face to and can strategically use risk-taking as a means to strengthen the competitive position and create firm value.



### Vision & Strategy

- Risks should be fully understood and managed transparently throughout the organisation,
- Risk management function is independent from risk taking in the group,

- Corporate risk policy boundaries are defined in a detail manner with risk procedures and catalogues,
- Business units allocate risk taking capacity to optimize their risk-adjusted performance within risk management brief constraints,
- Corporate risk measures that drive risk monitoring and control activities are targeted for business performance evaluations,
- Risk management group should achieve of forecasting financial positions risks over time,
- Risk is measured and managed by people, not only mathematical sophisticated models,
- Business decisions are taken by considering the risk and return of the possibilities.

### **Risk-Return Management Consists of Different Strategic Business Targets**



### **Risk Management Principles**

- The whole corporate risk management processes has a unique link with the strategic business department activities.
- Clearly defined risk management policies and procedures supported by the most appropriate and advanced analytic tools available.
- Communication and coordination between the business, executive, and risk functions while maintaining strict segregation of responsibilities, controls, and oversight.

- Clearly articulated risk tolerance levels as defined by the Board Members that are regularly reviewed to ensure that Is Invetment's risk-taking is consistent with its business strategy, capital structure, current and anticipated market conditions.
- Risk management department measures trading book portfolio VaR calculations periodically.
- Risk management's main value added contribution is to protect the corporate capital permanently by maximising corporate profits.
- Risk monitoring, risk analysis, limit setting & control, risk reporting, scenario & stress analysis are the main concepts in the integrated risk management system.