

I&M GROUP PLC ENTERPRISE RISK MANAGEMENT FRAMEWORK

At I&M Group PLC, we are committed to a robust risk management framework that ensures financial stability, regulatory compliance, and sustainable business growth. Our Enterprise Risk Management Framework (ERMF) is designed to proactively identify, assess, and mitigate risks across our operations, aligning with global best practices and regulatory requirements.

Key Principles of our Risk management approach

Strong Risk Governance & Culture

- Risk management is embedded in our leadership, policies, and corporate values.
- The Board of Directors and Senior Management set clear risk appetite and oversight mechanisms.
- Regular training and awareness ensure a risk-conscious culture across the organization.

Comprehensive Risk Identification & Assessment

- We categorize risks into Financial Risks, which include risks related to credit, liquidity, market volatility, interest rates, and capital adequacy, which impact the bank's financial health and stability. And Non-Financial Risks which encompass operational, regulatory, cybersecurity, reputational, ESG, and strategic risks, affecting business continuity, compliance, and corporate responsibility.
- Advanced risk assessment tools, including heat maps and risk matrices, help us prioritize and manage emerging threats.

Subsidiary Risk Governance

- We acknowledge that our subsidiaries and joint ventures are separate entities with independent Boards of Directors and regulatory obligations.
- To ensure a consistent Enterprise Risk Management (ERM) framework across all entities, we adopt risk management standards aligned with global best practices, including those outlined by the Basel Committee for Banking Supervision.
- Subsidiaries are expected to benchmark against and adopt these guidelines, provided they align with local regulations.

Proactive Monitoring & Mitigation

- We leverage real-time data analytics and Key Risk Indicators (KRIs) to track and manage risks effectively.
- Independent internal audits internal control testing and compliance reviews ensure continuous risk oversight.

Strategic Risk Decision-Making

- Risk assessments are integrated into business strategy, investment decisions, and financial planning.
- Risk appetite is aligned with performance objectives to balance growth opportunities with risk exposure.

Regulatory Compliance & Ethical Standards

- We ensure full adherence to local and international regulatory requirements, including corporate governance and anti-financial crime measures.
- A structured whistleblower and incident reporting system supports transparency and accountability.

Environmental, Social, and Governance (ESG) Risk Management

- We integrate ESG considerations into our risk management framework to ensure sustainable and responsible business practices.
- Environmental risks include climate change, resource depletion, and pollution, which we mitigate through responsible investment and operational policies.
- Social risks involve ethical labor practices, human rights, and community impact, which are managed through corporate social responsibility initiatives and regulatory compliance.
- Governance risks focus on transparency, ethical decision-making, and compliance with regulatory frameworks to uphold corporate integrity.
- ESG risk assessment is embedded in investment decisions, lending policies, and strategic planning to align with global sustainability standards.

Our Commitment to Risk Excellence

By implementing industry-leading risk management practices, we ensure that I&M Group remains resilient, compliant, and well-positioned for long-term success.