

Operational risk management of Alif Bank OJSC

Alif Bank OJSC (hereinafter referred to as the «Bank») draws special effort to manage operational risks in the daily activities of the Bank. The main purposes of managing operational risks are to reduce possibilities of unforeseen losses against the optimal ratio of risk and profitability. The risk management tools are developed as it requires by the local watchdog and considering world best practices.

The main principle of the risk management is the active participation of all employees, within their competence to identify operational risk factors and to implement adequate measures to maintain the acceptable level of operational risk. There are three lines of defence, which determines the responsibility of each participant in the risk management process.

To keep the operational risks on the appropriate, the Bank use such measures as a separation of functions, subsequent control of data entry, data reconciliation, execution control, internal audit, confirmation of operations, control of authority to execute operations, external audit, improvement of automated banking systems, setting limits, determining risk appetite, monitoring the level of risks, protecting information, etc.

The Bank is free to provide information about the operational risk management system upon request.