

POLICY ON RISK MANAGEMENT AND INTERNAL CONTROLS



Risk management and Internal controls

At CDB, we are committed to safeguarding the interests of our stakeholders through a robust Enterprise Risk Management (ERM) Framework. The framework is designed to ensure that risks associated with our business activities are identified, managed, and mitigated effectively, aligning with our corporate governance objectives.

Key Objectives:

- **Structured Risk Identification:** A systematic approach to recognizing current and potential risks across all business units.□
- **Risk Appetite Management:** Establishing risk tolerance levels to ensure informed decision-making, balancing opportunities and threats.□
- **Continuous Monitoring and Reporting:** Regular communication and reporting of risks to the Board Integrated Risk Management Committee (BIRMC) and Board of Directors.□

Governance and Risk Culture:

- **Board and Senior Management Oversight:** Our Board of Directors ensures a clear risk management structure, fostering a culture of accountability and transparency.□
- **Risk Management Division:** Headed by the Chief Risk Officer and established at the second line of defense; the roles and reason abilities are outlined.□
- **Risk Reporting and Reward System:** Employees are encouraged to report risks and are rewarded based on the significance of the risks identified.□

Comprehensive Risk Categories:

Our ERM policy addresses a wide range of risks including credit, liquidity, market, operational, IT/cyber, compliance, reputational, and strategic risks. This ensures a holistic approach to managing the uncertainties that could impact the achievement of our strategic goals.

Continuous Improvement:

The ERM policy undergoes annual reviews to adapt to emerging risks and regulatory requirements, ensuring that our risk management practices remain relevant and effective in a dynamic financial environment.

Shareholders interested in obtaining this Policy may submit a written request to the Company Secretary, and the requested documents will be provided accordingly.