

Bank Melli's Risk Culture Policy

Bank Melli Iran, with the aim of achieving the goals and missions set within the framework of corporate governance and in accordance with the standards and requirements of the banking industry, has based all its activities on the principles of risk management and seeks to develop and promote risk culture throughout the bank. In this regard, risk culture policy, as one of the most important pillars of risk management, reinforces norms, attitudes and behaviors related to risk awareness, risk-taking and risk management in the bank, includes the following principles:

- ❖ The risk appetite statement approved by the bank's board of directors is disclosed and made available to all employees.
- ❖ Developing and setting of goals, by-laws, instructions and ethical charters (Code of Ethics), etc., and all the affairs of the bank are within the framework of risk appetite, and the board of directors oversees this principle.
- ❖ All employees of the bank, in accordance with their job position and responsibilities, receive periodic and continuous trainings, based on the latest standards and recommendations of competent authorities regarding risk management.

- ❖ According to the principle that "*everyone in the organization is a risk manager*", all employees of the bank, are responsible and accountable for the risks attributable to their activities, within the framework of their duties and responsibilities.
- ❖ Due to the importance of multidimensional and unobstructed communication between all levels of the bank, each employee of the bank is required to report the risks attributable to their activities, within the existing risk reporting system, to senior management and the bank management, while explaining and continuously promoting the main expectations and values of the organization, is obliged to review the received risk reports and make appropriate decisions accordingly.
- ❖ In order to propagate risk culture and with the aim of ensuring the long-term health of the organization and improving the motivation of employees, the service compensation system in the bank to be fair, structured and under the supervision of the bank management.

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