

Operational Risk Management

In order to ensure financial stability and making certain the development of social and economic support for the population, CJSC “Spitamen Bank” (hereinafter referred to as the Bank) attaches great importance to the effective management of financial risks, achieving an optimal balance between risk and profitability.

The Bank implements a risk management system based on principles that comply with the legislation of the Republic of Tajikistan, international standards and best risk management practices. The Bank has implemented internal procedures for capital adequacy assessment, as well as stress-testing of significant risks, which are taken into account when planning activities.

The Bank improves the relationship between risk and capital management, considering internal types of credit risk, providing the necessary infrastructure and developing information systems.

Standard risk management practices are also used including financial risks (with special attention to the management of significant risks - credit risk, market risk, operational risk, liquidity risk).

The Bank carries out risk management based on the concept of three lines of defense, allow for the requirements of the absence of a conflict of interest, ensuring the responsibility of the Bank's divisions for risk. The Bank conducts a balanced risk assessment and determines the risk acceptance limit.

In order to control the level of risks, control procedures are implemented, providing timely report on the risks accepted.

Risk management, regardless of the structural divisions, is carried out within the framework of the second line of defense by the Bank Risk Management, which is responsible for the operation of the risk management system, ensuring the implementation of established uniform principles and methods, assessment, management and provision of information to the Bank's management.