



InfoSystems & NanoBNK will continue to optimise their cost-effective solutions to assist companies in upgrading their technological capabilities in all countries where they operate.



DigiConsult and Ventures will seek financial and technical assistance to assist clients design buildings that are sustainable, resilient and energy efficient, utilising local materials.



## Risk Management

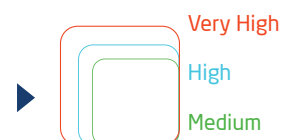
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# I Material Themes

Our material themes are the most significant matters having the potential to considerably affect our commercial viability, our social relevance and our relationships with our key stakeholders in the short-, medium- or long-term. Expectations and concerns of our key stakeholders formulate our material matters, which are prioritized, condensed and consolidated in themes, then validated and evaluated.

Determining material themes provides a bigger picture of the risks and opportunities inherent in the business, and need to effectively managed in relevance to our purpose, vision and strategy.

This is the second year in reporting on the materiality determination process as a tool to facilitate integrated thinking. Compared to last year, we are this year reporting on our material themes' influence in their ability to create Value against their Impacts on our Capital.



Information collected within the Group

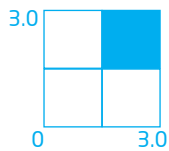
- Employee engagement surveys
- Constant views from our employees on our HCM platform
- Quarterly stakeholder report prepared for the group's board
- Group risk workshops conducted with risk owners throughout the group
- Internal events such as our annual End-of-Year Party & various team building activities
- Views from our Welfare Committee
- Certification levels of our engineers
- Individual Performance Assessment

Ongoing collection of views, expectations in relation to our operations and the Group in general

- Annual CSAT, to collect complaints, concerns & expectations of our clients
- SLA tracking platform to collect operational issues, concerns of our clients
- External Audit
- Requests, concerns and reports from our partners/vendors
- Issues raised by regulators such as the FSC and the BoM
- Policy documents as issued by the BoI, FSC and the BoM
- Reports and articles by industry experts
- Road shows with sales networks
- Meetings with representatives of NGOs

INTERNAL

EXTERNAL



INFLUENCE IN THE ABILITY TO CREATE VALUE



1.5

MEDIUM

HIGH

IMPACT ON CAPITALS

3.0

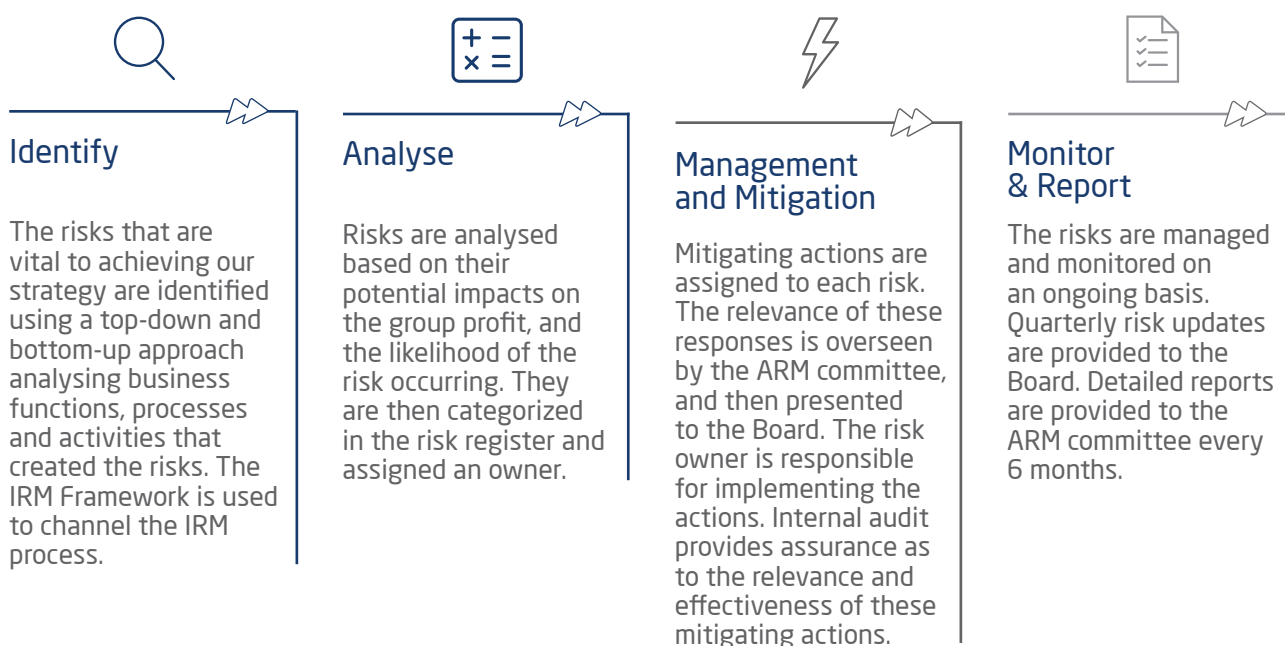
# I Risk Management

For Anglo African, risk management remains the balancing out between realising opportunities for gain while minimising adverse impacts, and this in an appropriate manner.

Each quarter, the Board reviews the risk register, the heat map classification, and the risk evolution over the last period. As the focus remains on increasing value creation and minimizing value destruction, the discussions focus more on the critical risks having major or catastrophic impacts on Group Profits, on the risk management and mitigation measures to always steer the Group to create both short-term and long-term value for all stakeholders. This year, we have four risks in that category facing the Group: risk ID10, with catastrophic impacts and risk ID4, ID5 & ID18 with major impacts.

The name of the game remains resilience and sustainability, and risk management at Anglo African is a set of holistic activities, analysing impacts on strategy and as well as on our Capitals. Our risk management approach based on active lines of defence, ensures that any changes in risk likelihood and impact are identified, evaluated and managed appropriately, taking into consideration the Group risk appetite. This approach is described hereunder:-

## Risk management process

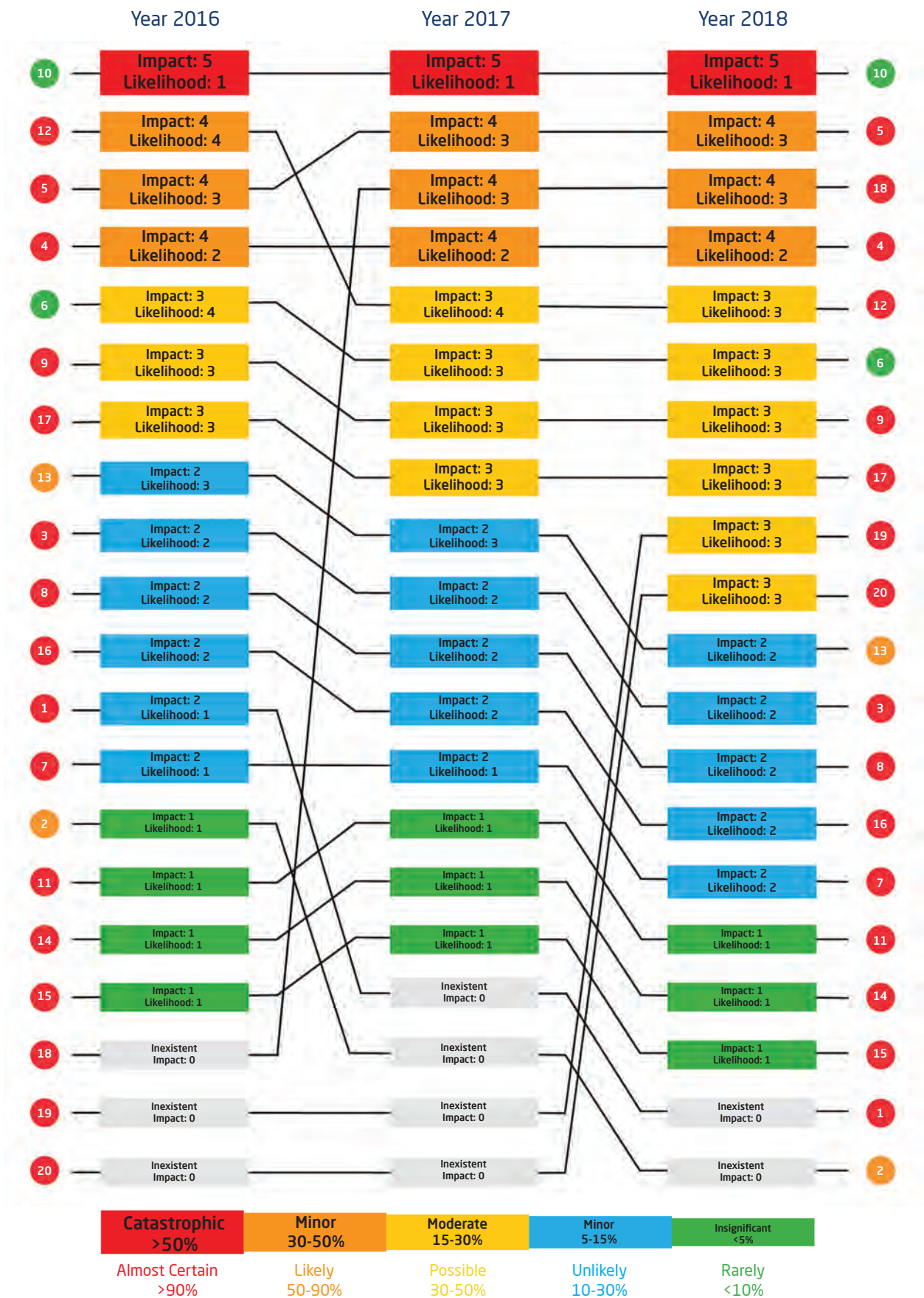


## How did our risks evolve over the last 3 years?

Something that we could not do in our previous Integrated Reports due to lack of data, we are this year visualising the changes in our critical risks over the last three years in our Risk Evolution section. This is an important activity for us, to be able to journey through the change of importance of our critical risks. 17 total risks in year 2016, evolved to 16 in year 2017, to finally 18 in year 2018. The two new risks ID19 & ID20 essentially arose from our new operations and from economic uncertainties in our main markets, while risks ID1 & ID2 were eliminated in year 2017.

The risks in the register, and in the Heat Map Classification chart, have been assessed over the short-, medium- and long-term, and provide an overview of the assessment of the strategic risks considered from a 1-2 years time horizon. The risks have been depicted utilising their residual rating (assessment of the risk after taking mitigating actions into consideration). The color of the bubbles describes our risk appetite: red being low risk appetite, orange being medium, and green being high risk appetite.

# Risk Evolution



# Risk Register

Risk ID	Risk	Mitigation	Risk Owner	Strategic Priority* Impacted	Capital Impacted
1	Product Risk	-	-	-	-
2	Product Obsolescence	-	-	-	-
3	Claims by Clients v/s Directors & Officers in overseas operations	<ul style="list-style-type: none"> <li>Clear contractual escalation process as part of communication management</li> <li>Dispute mechanism in contracts</li> <li>Adequate insurance cover in operating countries</li> </ul>	GMs	1	
4	Kidnap & Ransom	<ul style="list-style-type: none"> <li>Educating employees on safety measures</li> <li>Favouring agents as introduced by our local partner</li> <li>Avoidance of high risk countries</li> </ul>	GMs	1, 2, 3	
5	Cyber Liability Risk	<ul style="list-style-type: none"> <li>Clear Information Security (Info Sec) policies , awareness &amp; training</li> <li>Enforcing Info Sec controls on employees devices</li> <li>Starting ISO27001 in NanoBNK</li> </ul>	Mgt	1, 2, 5	
6	Overstretched resources	<ul style="list-style-type: none"> <li>Implemented better Project Management process</li> <li>Strengthened relationships with Partners for Staff augmentation in different countries during peak period</li> </ul>	GM - NanoBNK	2, 3, 5	
7	Business Continuity failure	<ul style="list-style-type: none"> <li>Daily backups of system data, which are replicated regularly off-site</li> <li>Optimised operational process for employees' ability to work off-site</li> </ul>	Mgt	5	
8	Delivering not up to client expectations	<ul style="list-style-type: none"> <li>Implemented customer feedback on projects as part of ISO 9001 initiative</li> <li>Overall customer satisfaction survey carried out independently, once yearly</li> </ul>	GMs & Managers	1, 2	
9	Non-compliance to Legal & Contractual laws & regulations in overseas operations	<ul style="list-style-type: none"> <li>Used specialised local partners in countries where we operate</li> <li>Optimising business model by using staff augmentation</li> </ul>	CEO	1, 5	
10	Information Security Risks	<ul style="list-style-type: none"> <li>Adopted overseas strategic partner's best practice</li> <li>Clear Info Sec policies</li> <li>Info Sec awareness</li> <li>Starting ISO27001 in NanoBNK</li> </ul>	GM - InfoSystems	1, 5	
11	Underquoting	<ul style="list-style-type: none"> <li>Review of quotes by GMs</li> <li>Review by a committee for large project</li> </ul>	GMs & Managers	1, 5	
12	Risks of our principals going directly to market and bypassing us	<ul style="list-style-type: none"> <li>Diversified into other businesses, involving own IP</li> </ul>	Mgt	1	

Strategic Priority\* 1. Driving Growth 2. Engaging Customers 3. Empowering our people 4. Enhancing Partnerships 5. Embedding best practices  
 Colour of the risk ID defines our risk appetite ● Low risk appetite ● Medium risk appetite ● High risk appetite



Financial Capital



Human Capital



Intellectual & Digital Capital



Relationship & Social Capital



Technological Capital

Risk ID	Risk	Mitigation	Risk Owner	Strategic Priority* Impacted	Capital Impacted
13	Foreign Currency risk	<ul style="list-style-type: none"> <li>Volatility of forex followed regularly</li> <li>As far as practically possible, projects sold on same currency as equipment/services being purchased</li> </ul>	CEO	1	
14	Interest rate risk	<ul style="list-style-type: none"> <li>Controlled. Group does not have any borrowings, except for leasing facilities</li> </ul>	CEO	1	
15	Liquidity risk	<ul style="list-style-type: none"> <li>Controlled. Group has built up enough cash reserves</li> </ul>	CEO	1, 3, 4	
16	Credit risk	<ul style="list-style-type: none"> <li>Our major customers are large institutions</li> <li>Approval of credit facilities by committee</li> </ul>	CEO	1,2	
17	Key men risk	<ul style="list-style-type: none"> <li>Succession planning implementation in progress</li> </ul>	CEO	1 to 5	
18	IP risk	<ul style="list-style-type: none"> <li>Protection of our platforms' source codes</li> </ul>	GM - NanoBnk	1, 4	
19	Failure to Innovate/ meet customer needs	<ul style="list-style-type: none"> <li>Constant Market Intelligence</li> <li>Already launched Product Development team at NanoBNK</li> <li>Started EC3</li> </ul>	GM - NanoBnk	1, 5	
20	Damage to Reputation/Brand	<ul style="list-style-type: none"> <li>Open communication line with clients to clarify any doubts</li> <li>Ensure product testing internally and externally prior to delivery</li> <li>Adopt ISO27001 in lifecycle development</li> </ul>	CEO	1, 2, 4, 5	

### Heat Map Classification

