

iFOREX Brokerage Private Limited Company

Policy about “taking risk and making information public about risk assessment”

Date of coming into effect: 1 April 2010.



iFOREX Brokerage Ltd.

Authorized and regulated by the Hungarian Financial Services Authority

HFSA Register number: III/73.059-4/2002

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iFOREX Brokerage Ltd. defines the methods and rules of making information public about taking risk and risk assessment, checking and qualifying information, in this policy, according to the 164/2008. (VI. 27.) decree of the Hungarian Government.

During the process of making information public, iFOREX Brokerage Ltd. is not obliged to publicize:

- a) that information which is not relevant, and
- b) that information which is protected or confidential

The Company does not publicize protected information, especially that kind of information which is in connection with products and systems and may lower the price of the Company's investments, if the competitors of the Company become aware of the information. This kind of publicizing can endanger the Company's position. Furthermore, the Company does not publicize confidential information, because it would mean the breaking the Company's engagement to keeping the secrets of clients.

iFOREX Brokerage Ltd. fulfills its obligation to make information public annually by using the www.iforex.com web page, within 15 days after validating the annual report, according to the C./2000 act about accounting.

1.) iFOREX Brokerage Ltd. publicizes the methods, tools and principles of risk assessment for all risk categories.

Making information public involves:

- a) strategies and processes of managing risks,
- b) the description of organizational units and functions in connection with identification, measurement and monitoring risks,
- c) the features and scope of using risk assessment and reporting tools and systems,
- d) the principles of mitigating and covering risks, and the strategies and processes used to check the efficiency of risk mitigating and covering tools.

2.) iFOREX Brokerage Ltd. publicizing the following data in connection with its own funds:

- a) the sum of tier one capital, tier two capital and tier three capital
- b) positive and negative components of tier one capital,
- c) positive and negative components of tier two capital,
- d) the defined value of tier one and tier two capital, according to period 17 of appendix 2 of the CXXXVIII./2007 act (in the following: Bszt.) and period 18 of appendix 2 of the Bszt.



e) the defined value according to period 21 of appendix 2 of the Bszt.

3.) iFOREX Brokerage Ltd. publicizing the following data about the compliance with period (1) of 106. § of the Bszt.:

- a) principles and strategies in connection with the qualifying processes of internal capital adequacy,
- b) the capital requirement of risk categories defined in period (1) of 105. § of the Bszt. by classes of exposure.

4.) iFOREX Brokerage Ltd. is not engaged in credit providing, so that the Company is not obliged to publicize about credit risk according to period 1 of 10.§ of the above mentioned act.

5.) iFOREX Brokerage Ltd. publicizes the following information about partner risks in connection with derivatives:

- a) fitting crediting and trade limits to the assessment system of partner risks,
- b) the main principles of the regulation of partner risks in connection with crediting risks,
- c) processes for identifying and assessing negative risks,
- d) the sum of crediting risk cover taken into consideration in connection with partner risks,
- e) the effect of contracted netting to the capital requirement.
- f) the method used for identifying partner risk,
- g) The hypothetical value of derivatives by types of exposure,
- h) the adaptation of derivative transactions in iFOREX Brokerage Ltd.'s own portfolio, including the partitioning of derivatives, and
- i) the alpha (a) hypothetical value, if iFOREX Brokerage Ltd. is allowed by the Directorate to use alpha (a) evaluation.

6.) iFOREX Brokerage Ltd. publicizes the registered capital requirements in connection with payoff risks and partner risks, and the registered capital requirements in connection with foreign currency exchange rate and product stock-lists.

7.) iFOREX Brokerage Ltd. publicizes the methods used for identifying capital requirements of operative risks.



8.) iFOREX Brokerage Ltd. publicizes the following data in connection with those securities, which are not registered in the trade book:

- a) the aspects for the delimitation of trade will, including strategic aspects and capital gains and the used methods for evaluation and accounting,
- b) retained value, actual value,
- c) type, features and sum of stock exchange securities and other stock exchange securities in diverse portfolios,
- e) The sum of not realized profits and losses, and the sum of not realized profits and losses in tier one and tier two capitals.

9.) iFOREX Brokerage Ltd. publicizes the following data in connection with the interest risks of those positions, which are not registered in the trade book:

- a) the features of the interest risk and the main expectations and the frequency of estimating interest risks,
- b) the run of incomes, business value and other relevant indexes, according to the methods used for evaluating the effects of rate change.

Budapest, 1st April 2010.

iFOREX Brokerage Ltd.

