



Dubai Bank (K) Ltd

Statement of Corporate Governance (CG)

The Board of Directors of DUBAI BANK (K) LTD confirms its commitment to implementation of proper standards of Corporate Governance.

CG is a system that ensures the managers of the Bank acts in the best interest of the stakeholders. The responsibility of management is co-existentially structured between the Board, Board Committees, Internal Committees & the managers. The effectiveness of the internal control system is constantly reviewed to reconfirm that the Bank is applying the highest standards of professionalism in its diverse activities.

The Board of Directors is responsible for the overall supervision of the Bank. The Board approves and monitors the actual implementation of the policy & strategy to be followed by the Bank in pursuit of its business goals. The Board has adopted a code of conduct for the individual directors to achieve the highest standards of propriety.

The Managing Director/ Executive Committee have the responsibility of day to day operations & implementing policy/operational decisions taken by the Board. The knowledge, skills & experience of the independent directors are qualitatively utilized for empowering decision making by their participation in Board Committees.

Executive Committee (EC)

The EC is responsible for the implementation of the policy & strategy decisions as approved by the Board. The committee would also be responsible for compliance of governance principles stipulated by Central Bank Kenya and other statutory authorities. In addition it will review the effectiveness of the internal control systems & monitor compliance of all regulatory issues. This internal committee serves as a link between the Board and senior management.

Credit Committee

The Credit Committee manages the overall credit risk profile of the Bank. The committee ensures compliance of limits set for individual/group borrowers and for geographical / industry segments. It also monitors credit exposures and creditworthiness of counter parties by a system of formal reporting. The Committee is headed by a non-executive director and approves all fresh credit exposures.

Audit Committee

The Audit Committee reviews the internal and external audit reports. The Committee sets out the nature and calendar of audit to be conducted. The Audit Committee comprises of three non-executive directors with the Internal Auditor of the Bank as the ex-officio secretary.

Internal Risk Management Committee (IRMC)

The Committee has the on going responsibility of identifying, measuring, controlling and monitoring the risks faced by the bank. It will review the risk management measures and develop policies in improving the control techniques.

Asset and Liability Committee (ALCO)

The ALCO is an internal committee formed with the purpose of reviewing and managing comprehensively the asset- liability portfolio of the Bank. The ALCO has responsibility for managing the Bank's assets and liabilities to balance its many risk exposures and thereby help it achieve its operating objectives. The ALCO *charged with overseeing both liquidity and market risks simultaneously*. The potential sources of funds should be balanced against the likely need for funds; the interest-rate sensitivity of assets should be balanced against that of liabilities; and both of these concerns should be balanced against the Bank's profitability goals.

The Board Committees are chaired by a non- executive member of the Board and will meet at least on four occasions in a calendar year. The non –executive directors are independent of management, exercising free judgment in the decision making process of the Bank. The business performance and other major developments are formally reported to the Board on a regular basis.