



## **CHARTER BOARD ICAAP STEERING COMMITTEE**

### **I. Mission**

The Board ICAAP Steering Committee is created to assist the Board in performing its functions for the periodic evaluation and approval of the Bank's capital planning, risk assessment policies and procedures and provide active oversight on the consistent adoption and implementation of the Bank's Board-approved ICAAP Program. The Committee is ultimately responsible to the Board in ensuring that the Bank maintains an appropriate level and quality of capital commensurate with the risks covered by the ICAAP.

### **II. Composition of the Committee**

- a) The Board ICAAP Committee shall be composed of at least five (5) board members, three (3) of whom shall be independent directors.
- b) The Committee shall invite resource persons in any of its meetings to render a report, clarify and provide guidance to the Committee on any relevant issue the Committee is confronted with.
- a) The presence of the majority of the members of the committee less 1 member shall constitute a quorum; but the vote of the majority of the quorum which in no case be less than 2 members is required to approve any act in all the meetings of the committee.

### **III. Duties and Responsibilities**

The Committee shall have the following duties and responsibilities:

1. Overall assess and provide active oversight on the consistent adoption of the Bank's board-approved ICAAP Program;
2. Set out the Bank's risk appetite which refers to the identification of material risks and the corresponding threshold to determine the levels of risks that the Bank will monitor that may affect the bank's capital base and earnings potential;
3. Establish a well-defined organizational structure for the integrated risk and capital management to ensure enterprise wide execution of the Bank's ICAAP Program;
4. Evaluate and approve the Bank's capital planning and ICAAP risk assessment policies and procedures;
5. Ensure that the Bank maintains an appropriate level of capital commensurate to the risk covered by the ICAAP;
6. Ensure that ICAAP Document shall be considered a "live" and work-in-progress document to be embedded across the Bank's enterprise-wide business operations;

7. Designate Internal Audit Group, through the Chief Audit Executive to validate the compliance to the ICAAP Policies & Procedures; and
8. Review the ICAAP at least annually, or as often as deemed necessary, to ensure that risks are covered adequately by capital.

#### **IV. Frequency of Meeting**

The Committee shall hold a meeting at such time and place as it considers appropriate, provided that a meeting shall be held at least twice a year.

#### **V. Secretariat**

The administrative requirements of the Committee shall be handled by a Secretariat to be designated by the Committee.

#### **VI. Review of the Charter**

The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes for approval of the Board of Directors.