



STATEMENT ON CORPORATE GOVERNANCE

The Board has adopted a risk management framework and is responsible for the review of risk management processes in the Bank which ensures that Board policies and decisions on risk are properly implemented.

The vision of Investrust Bank Plc is "to be the most preferred and leading financial institution in our chosen markets, delivering customer driven financial solutions; contributing to the growth of the Zambian economy and creating wealth for all stakeholders".

As a listed company on the Lusaka Stock Exchange (LuSE), Investrust Bank plc follows the 2005 LuSE Corporate Governance Code in combination with best corporate governance practices around the world. The Bank is committed to the principles of openness, integrity and accountability.

In November 2006, the Bank of Zambia issued comprehensive guidelines on corporate governance for banks and financial institutions. The Bank is committed to ensure full compliance of all requirements.

One of the primary responsibilities of the Board is to ensure adherence to the principles of sound corporate governance.

The Board and Directors

The Board currently comprises five Directors, of which four are Non-Executive Directors. The Board composition is balanced so that no one individual or small group can dominate decision making. The depth of experience and diversity of the Board ensure that robust and forthright debate on all issues of material importance to the Bank occurs.

The Board is responsible to the shareholders for formulating policies and strategy direction, monitoring management and operational performance, risk management processes, compliance and setting of authority levels as well as the selection of new Directors. The Board is also responsible for the integrity and quality of communication with stakeholders, including employees, regulators and shareholders.

The Board has adopted a risk management framework and is responsible for the review of risk management processes in the Bank which ensures that Board policies and decisions on risk are properly implemented.



STATEMENT ON CORPORATE GOVERNANCE

The roles of Chairman and Chief Executive Officer are separate and neither individual has unfettered control over decision-making. The Chairman is a Non-Executive Director appointed by the Board. The Chairman's main responsibility is to lead and manage the work of the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. Non-Executive Directors, based on their breadth of knowledge and experience, challenge, monitor and approve the strategy and policies recommended by the Chief Executive Officer.

The performance of the Chief Executive Officer is currently appraised on an ongoing basis by the Board, which receives reports on:

- the financial performance of the Bank and the achievement of financial objectives;
- the achievements of strategic objectives; and
- capability study measures, including leadership, organisational climate, organisational goals, culture, job structure and communication.

Board meetings

The Investrust Board meets at least quarterly. During the past financial year, the Board met four times, and held several additional telephonic meetings. The resolutions of the Board are passed either during the meetings or by circulation.

BOARD COMMITTEES

The Board is assisted in the discharge of its responsibilities by a number of sub-committees. These committees are accountable to the Board, with the exception of the Management Committee, ALCO and Management Credit Committee, who report to the Chief Executive Officer. Minutes of sub-committee meetings are circulated and reported on at the following Board meeting. Senior Management staff are invited to attend meetings where appropriate.

Audit Committee

The Audit Committee is chaired by Mr. R.L Bvulani, a non-executive Director of the Bank. It assists the Board in the discharge of its duties relating to financial reporting to all stakeholders, compliance, risk management and the effectiveness of accounting and management information systems. For practical reasons, the Board has recommended that the members of the Audit Committee will also discharge the functions of the Board



STATEMENT ON CORPORATE GOVERNANCE

Risk Committee, as opposed to having a separate Board Risk Committee.

During the year, an Audit Committee charter was put in place to guide the committee's functions. The committee put in place a whistle blowing policy.

The Audit Committee during the year was made up of the following:

Mr. R.L. Bvulani	Chairman
Mr. F.C. Ndhlovu	Managing Director and Chief Executive Officer
Mr. M.C. McNie	Non- Executive Director
Mr. A. Kalikiti	Company Secretary

Meetings are held regularly throughout the year and are attended by the Internal Auditors as well as Senior Management where necessary. The Committee met four times in 2006. Issues addressed included the review of accounting policies, internal and external audit functions, IT risks, business continuity plans, financial reporting, operational risks, risk management, compliance and the adequacy of management information.

Remuneration Committee

This function has been performed by the main Board in view of the small volume of matters to be dealt with.

Nominations Committee

This function has been performed by the main Board in view of the small volume of matters to be dealt with.

Loans Review Committee

The Loans Review Committee is chaired by Dr. J.B Zulu, a Non-Executive Director and Chairman of Investrust Bank Plc. The Loans Review Committee is constituted in accordance with the Banking and Financial Services Act, 1994, (as amended). In 2006, the Committee met four times to review the quality and collectibility of the Bank's loan portfolio, including any accrued and unpaid interest. Reports of such loan reviews are made for the Board of Directors' necessary action.



STATEMENT ON CORPORATE GOVERNANCE

The Committee comprises the following :

Dr. J.B. Zulu	Chairman
Mr. F.C. Ndhlovu	Managing Director and Chief Executive Officer
Mr. R.L. Bvulani	Non- Executive Director
Mr. A. Kalikiti	Company Secretary

MANAGEMENT COMMITTEES

The Board has delegated the responsibility for the day to day management of the Bank to the Managing Director who is also the Chief Executive Officer. The Chief Executive Officer is supported by the Management Committee which he chairs. The Committee meets every fortnight to develop strategies and policies for recommendation to the Board and to implement the strategy approved by the Board.

The Management Committee comprises the following:

Mr. F.C. Ndhlovu	Managing Director and Chief Executive Officer
Mr. R. Phiri	Head - Corporate Finance and Credit (Resigned 31 May 2006)
Mr. J. Kapesa	Head - Corporate Finance and Credit (Appointed 1 July 2006)
Mr. Z. Zimba	Head - Treasury
Mr. P.Ndhlovu	Head - Operations (Appointed 1 September 2006)
Mr. H. Mafuta	Financial Controller
Mr. A. Kalikiti	Company Secretary
Mr. N. Kakvi	Information Technology Manager
Mr. C. Tembo	Head - Internal Audit
Mr. S. Khambete	Senior Manager - Risk Management

Management Credit Committee

In managing credit risk, the Loan Review Committee is assisted by a Management Credit Committee, which is responsible to the Board for approval and extension of advances. The Committee meets as and when required to discuss credit matters and approval, and makes recommendation for loans and advances.

The Management Credit Committee is made up of the following:

Mr. F.C. Ndhlovu	Managing Director and Chief Executive Officer
Mr. R. Phiri	Head - Corporate Finance and Credit (Resigned 31 May 2006)
Mr. J. Kapesa	Head - Corporate Finance and Credit (Appointed 1 July 2006)
Mr. P. Ndhlovu	Head - Operations (Appointed 1 September 2006)
Mr. E. Mtonga	Special Assistant to the Managing Director



STATEMENT ON CORPORATE GOVERNANCE

Asset and liabilities committee ("ALCO")

The main purpose of the Committee is to manage the liquidity and cash flow of the Bank, capital position, asset and liability mismatches, compliance with internal limits and regulatory ratios and exposures to exchange rate and interest rate movements.

The Committee comprises the following:

Mr. F.C. Ndhlovu	Managing Director and Chief Executive Officer
Mr. R. Phiri	Head - Corporate Finance and Credit (Resigned 31 May 2006)
Mr. J. Kapesa	Head - Corporate Finance and Credit (Appointed 1 July 2006)
Mr. Z. Zimba	Head - Treasury
Mr. E. Mtonga	Special Assistant to the Managing Director
Mr. P.Ndhlovu	Head - Operations (Appointed 1 September 2006)
Mr. H. Mafuta	Financial Controller
Mr. A. Kalikiti	Company Secretary
Mr. C. Tembo	Head - Internal Audit
Mr. S. Khambete	Senior Manager - Risk Management

Organisational Ethics and Business Integrity

Good governance and ethical conduct is critical to counterparty and investor perceptions of the Bank, particularly in Africa. Investrust Bank Plc strives to ensure that our integrity and professional conduct is beyond reproach. While it is probably impossible to achieve a perfect result, we attempt to limit the cost of unethical behaviour to our stakeholders.

The Bank has adopted a code of conduct formulated by the Bankers Association of Zambia. The Code comprehensively deals with issues such as money laundering, insider trading, bribery, political activities, confidentiality and data privacy. Investrust Bank Plc has a firm approach in dealing with inappropriate or fraudulent conduct exhibited by Management or staff at any level.