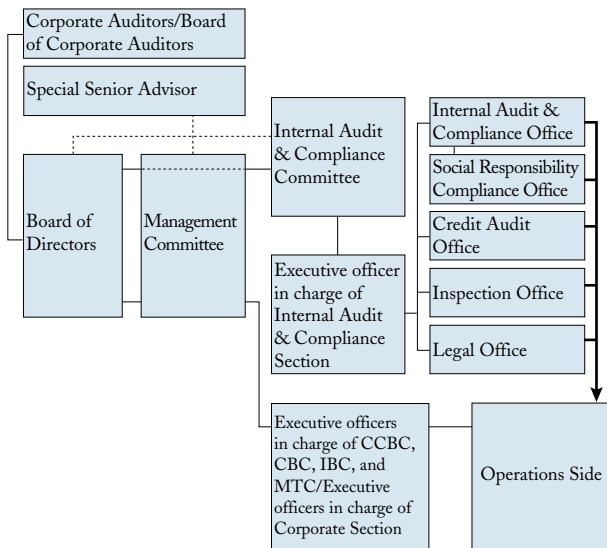


# Internal Audit & Compliance Section

## DKB's Compliance System



**Aiming for Transparent, Fully Compliant Management**

The role of the Internal Audit & Compliance Section is—in view of DKB’s public mission and responsibilities—to establish unshakable trust and confidence in the sound and appropriate conduct of operations in full compliance with laws and regulations.

Based on the principles listed below, the Internal Audit & Compliance Section is in charge of evaluating and verifying whether DKB’s operations are being carried out appropriately and efficiently in accordance with applicable laws. This section then prepares reports and submits them to the Management Committee, the Board of Directors and the Board of Corporate Auditors. When necessary, the section may issue directives, warnings and advisories concerning the maintenance and promotion of compliance.

The Internal Audit & Compliance Committee, which is responsible for deliberation and decision

making on important matters related to internal audits and compliance, is composed of members chosen from among the executive officers as well as external members selected from among independent specialists in law and accounting.

### *Clarifying authority and responsibility*

To ensure accountability for decisions that are made at all levels of the organization, the section conducts audits of the transparency of approval authority and responsibility from both structural and operational perspectives on a continuing basis.

### *Ensuring the soundness of DKB’s assets*

The section audits the status of asset supervision and the implementation of measures to prevent the emergence of nonperforming loans and, by performing a check and balance function for operations, works to ensure the soundness of DKB’s assets.

### *Expanding and strengthening internal audits*

In addition to audits of operating procedure compliance, the section has introduced methods for auditing operations to determine whether internal management systems are functioning appropriately and efficiently. Also, by conducting audits to determine whether checks and balances are operating properly, the section works to expand and strengthen internal auditing.

### *Continued strong posture against anti-social elements*

DKB has adopted a strong posture against anti-social elements, insisting that all parts of the organization have absolutely no ties with such groups, and has strengthened supervisory systems to ensure full compliance. The Internal Audit & Compliance Section is authorized to give necessary directions, warning and guidance regarding such matters.

### *Improving compliance with applicable laws and regulations*

The section implements measures to ensure that management and staff observe rules and regulations and conducts audits regarding the appropriateness of various regulations with the objective of promoting an enhanced awareness of all rules and regulations.