
REPORT OF THE EXTERNAL CONSULTANTS ON THE APPRAISAL OF THE BOARD OF DIRECTORS



In compliance with the provisions of the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks in Nigeria Post Consolidation and the Securities & Exchange Commission Code of Corporate Governance ("the Codes"), FBN Holdings Plc ("FBN Holdings") engaged KPMG Advisory Services to carry out an appraisal of the Board of Directors ("the Board"). The appraisal covered the year ended 31 December 2013, the Board's first year of operation.

Codes mandate an annual appraisal of the Board and individual Directors with specific focus on the Board's structure and composition, responsibilities, processes and relationships, individual Director competencies and respective roles in the performance of the Board.

Corporate governance is the system by which business corporations are directed and controlled to enhance performance and shareholder value. It is a system of checks and balances among the Board, management, and investors to produce a sustainable corporation geared towards delivering long-term value.

Our approach to the appraisal of the Board involved a review of the FBN Holdings' key corporate governance structures, policies and practices. This included the review of the corporate governance framework and representations obtained during one-on-one interviews with the members of the Board and management. We also reviewed FBN Holdings' corporate governance report prepared by the Board and assessed the level of compliance of the Board with the provisions of the Codes.

On the basis of our review, except as noted below, FBN Holdings' corporate governance practices are largely in compliance with the key provisions of the Codes. Specific recommendations for further improving FBN Holdings' governance practices have been articulated and included in our detailed report to the Board. These include recommendations in the following areas: appointment of independent Director, creation of Board committees, Directors' remuneration, Directors' induction and training.

A handwritten signature in black ink, appearing to read 'Olayinka'.

Olumide Olayinka

Partner, KPMG Advisory Services
FRC/2013/ICAN/00000000427
29 April 2014