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# REPORT OF THE INDEPENDENT CONSULTANT ON THE APPRAISAL OF THE BOARD OF DIRECTORS OF FBN HOLDINGS PLC

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In compliance with the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks and Discount Houses in Nigeria ("the CBN Code") and the Securities and Exchange Commission (SEC) Code of Corporate Governance ("the SEC Code"), FBN Holdings Plc ("FBNHoldings") engaged KPMG Advisory Services to carry out an appraisal of the Board of Directors ("the Board") for the year ended 31 December 2014. The Codes mandate an annual appraisal of the Board 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 FBNHoldings' key corporate governance structures, policies and practices. This included the review of the corporate governance framework and representations obtained during one-to-one interviews with the members of the Board and management. We also reviewed FBNHoldings' Corporate Governance report prepared by the Board and included in the Annual Report for the year ended 31 December 2014, and assessed the level of compliance of the Board with the CBN Code and SEC Code.

On the basis of our review, except as noted below, FBNHoldings' corporate governance practices are largely in compliance with the key provisions of the CBN Code and SEC Code. Specific recommendations for further improving FBNHoldings' governance practices have been articulated and included in our detailed report to the Board. These include recommendations in the following areas: Board composition, risk management, structure of Directors' remuneration as well as Directors' induction and training.

A handwritten signature in black ink, appearing to read 'Olumide Olayinka'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**Olumide Olayinka**

Partner, KPMG Advisory Services

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21 April 2015