

RICH HERITAGE BRIGHT FUTURE



CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

GOVERNANCE

The Board is committed to achieving sustainable **long-term success** for the Group, and governance plays an integral part in ensuring consistency and rigour in decision-making to ensure shareholder value is maximised over time.

16

ATTENDANCE AT BOARD MEETINGS →

30

WHISTLEBLOWING PROCEDURES →

16

BOARD COMMITTEES →

39

DIRECTORS' REPORT →



CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

CHAIRMAN'S INTRODUCTION



“ As a Board we realise that there is no better time than now to stay true to the strong ethics for which we have been renowned, and to hold firm to best corporate governance practices. ”

DEAR SHAREHOLDER,

You will agree with me that 2015 was a deeply challenging year for us as a business, the economy and the country at large. The year witnessed a significant and sustained drop in the price of Nigeria's main export, crude oil, which resulted in a weakened Naira, restrictive monetary policy in the management of foreign exchange, depletion in the foreign reserves, an austere economy and uncertainties occasioned by the general elections. These challenges have worsened the risk profile of the country, heightened vulnerability and fuelled capital flight as evidenced by the persistent bearish trend in the capital market.

2015 in review

The Nigerian capital market was severely impacted by earlier mentioned factors, which resulted in significant portfolio flight, consistent with the trend in other commodities exporting emerging markets in particular, as investors shifted allocation to developed markets.

In spite of the challenging environment, there were positives for the Group in 2015. FBN Holdings Plc was admitted to the Premium Board of the Nigerian Stock Exchange, a platform for first-line listed companies in Nigeria. This was in recognition of the strength of our corporate governance practices and decades of unwavering support for the growth of the Nigerian Capital Market. We consider this recognition a duty call to continue to provide exemplary leadership in the market and further raise the stake in the observance of good corporate governance practices. The entire Board and Management of FBN Holdings Plc are fully aligned and resolute in our objective to continue to set the highest standards in good corporate governance practices.

We understand fully that adherence to good governance practices will provide us with a foundation to realise the benefits in-built in our extensive footprint, rich heritage, extended offerings and public goodwill. We have intensified our oversight function in ensuring the extraction of synergies intrinsic to our diversified operations across markets and geographies, as well as over 10.9 million active customer accounts. In the second half of the year, we took the bold decision to further enhance the breadth of our service offerings to the market by acquiring a investment banking licence via the acquisition of Kakawa Discount House Limited and also renamed our general insurance business as part of the post-acquisition integration process subsequent to the acquisition of Oasis Insurance Plc (now FBN General Insurance Limited). With these acquisitions, we have significantly enhanced the resilience of our structure and diversified our earnings base to reduce our reliance on the commercial banking business. In addition, our cross-border commercial banking operations, led by FBNBank (UK) Limited, will further ensure that we are, to a large extent, cushioned against country-specific risks. All of these are geared towards the realisation of our aspiration to become the foremost financial institution in Sub-Saharan Africa, irrespective of today's circumstances and the challenging macroeconomic backdrop.

Our short to medium term plan

Nigeria faces a challenging near-term outlook. Commodity prices are expected to stabilise but remain low through 2017. Notwithstanding the challenges, a more stable political environment and increased government spending on social welfare and infrastructure are expected to support growth in 2016.

As a Group, we acknowledge our peculiar challenges in addition to the general macroeconomic difficulties, particularly as it relates to the significant drop in oil price and its effect on the macroeconomic indices of Nigeria and other emerging economies. Our performance for the financial year 2015 was negatively impacted by very high impairment charges on the loan book in our commercial banking business.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

As a result, we have had to review extensively our overall risk management framework, as well as practices, particularly as it relates to credit risk management. Delegated lending limits have been reduced across board, with increased Board oversight. Risk appetite and framework has been reviewed to capture the desired change in our risk management practice, which should see stronger obligors, a reduction in new non-performing loan formation, strengthened monitoring and management of the loan book. The credit monitoring and remedial management functions are being strengthened for proactive credit portfolio management. Furthermore, during the year, the Group Enterprise Risk Management (ERM) framework was approved, and is being embedded across the Group. This will, in no small measure, further strengthen our risk management practices. In addition, an aggressive recovery plan has been put in place, and is being driven by the Board.

I recognise the existing mismatch between the actual value and potential value derivable from our huge asset base, particularly the risk assets of the Commercial Banking group. I have the commitment of the Board as well as Management that we will not only weather the storm, but emerge stronger, more resilient and better equipped for the next phase of our growth story. A detailed diagnostic of root causes has been carried out and key initiatives, both tactical and strategic, to aggressively reposition and improve the performance of the business are being implemented. I expect that this will improve the quality of our assets, enhance the quality of our earnings, improve our efficiency, impact our risk-adjusted return and drive disciplined cost-containment strategy and optimal extraction of synergies, central to our immediate strategy.

Today, synergy identification and realisation initiatives have been escalated to the Group Executive Committee (GEC), the highest organ of management in the Group, and directly under the Board's radar. Consequently, the performance management framework has been remodelled across the Group to ensure that executive management is measured on cross-sell and cost synergy. Synergy champions have been appointed at senior management levels across all operating companies, with the responsibility to drive cross-sell across the Group and cascade synergy measurement to the lower level for the purpose of entrenching the 'one-stop' boutique agenda.

Our resolve to do business the 'proper' way is unrelenting. Our pledge to our shareholders, therefore, is to always ensure that in the discharge of our duties, we shall endeavour to deliver on our promises and exceed your expectations.

Our governance framework

Our governance framework is in line with global best practices and in compliance with the regulations and codes of corporate governance. Our oversight functions are discharged through the Boards of Directors of all operating companies within the Group. All operating companies have distinct Boards and ensure compliance with the statutory and regulatory requirements of the sectors in which they operate.

At the Holding Company and in the other operating entities, the Boards operate through various committees which are constituted in adherence to the various codes and regulations. Our robust framework ensures a good blend of Board autonomy and group coordination at the operating company level.

Board changes during the year

Since the last Annual General Meeting of FBN Holdings Plc., there have been three retirements and three appointments to the Board.

During the year, Abdullahi Mahmoud, Bisi Onasanya and Bello Maccido retired from the Board, effective 31 December 2015. On behalf of the Board, I would like to place on record our gratitude to Bello Maccido, the pioneer Group Chief Executive Officer of FBN Holdings Plc, who laid the solid foundation upon which future successes of the Group will be built. Bello Maccido joined the Board of our newly licensed investment bank, FBN Merchant Bank Limited, as the pioneer Chairman, effective 1 January 2016. His replacement as Group Managing Director, FBNHoldings, Urum Kalu (UK) Eke, MFR, was until his appointment, the Executive Director, South, First Bank of Nigeria Ltd. UK is a highly experienced business administrator with deep financial services industry experience spanning diverse areas including business assurance, business development, risk management and capital market operations. UK is best equipped to lead us at this time.

Consistent with our objective of deepening the experience base of the Board, balancing our need to maintain the Board's longevity and stability, and regularly refreshing its composition, we effected the appointment to the Board, subject to your approval, of Muhammad Kabiru (MK) Ahmad. MK Ahmad is a seasoned administrator and his appointment has brought significant and diverse experience to the Board. In the same vein, Dr Adesola Adeduntan, the newly appointed Managing Director of First Bank of Nigeria Limited and its subsidiaries, was appointed to replace Bisi Onasanya on the Board as a non-executive director subject to your approval at the AGM.

How is good governance achieved?

Effective corporate governance practices are largely dependent on the skills, integrity and experience of individuals on the Board and how well they are committed to doing business in accordance with global best practices.

As Chairman of the Board, I am responsible for ensuring that the Board performs effectively. In that regard, one of my areas of focus since joining the Board has been to ensure that the FBNHoldings Board, and indeed the boards of the operating companies, are strong and well functioning, composed of individuals who possess not only the right technical abilities and business experience, but also the personal qualities required to be effective, dedicated and committed stewards of the Company. A review of the current composition across the boards of the various operating companies will reveal these qualities.

We acknowledge that good governance practices are best initiated and observed in the boardroom. Hence, our 'tone from the top' will consistently be driven to encourage adherence to good corporate governance practices across the Group to keep us ahead of competition and ensure the sustainability of our business.

As with the preceding year, in 2015, FBN Holdings Plc as a stand-alone company, had no sanctions imposed by any of its regulatory bodies. However, two of our subsidiaries, First Bank of Nigeria Limited and FBN Capital Limited, were fined by their respective regulators for different infractions. Internally, we have reinforced our compliance processes to safeguard against future reoccurrence of such regulatory breaches.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Quality of disclosure

We do not take lightly our responsibility to shareholders and the investing public with respect to providing the market with timely and quality information. To this end, we continually enhance transparency and disclosure in our financial reports, and other communications to the market, ensuring that our reports are detailed and comprehensive enough to provide shareholders with sufficient context and help the investment decision process.

Conclusion

These are trying times for our Company, the financial services industry and the economy at large. However, we are resolute in our desire and commitment to emerge stronger and more resilient. Dear shareholders, this is not the time to panic. You can be assured that, as a Board, we remain steadfast in ensuring that our processes are continually improved upon and that the Board, Management and employees internalise the implementation of the highest standards of corporate governance practices which will guarantee our Group's long-term sustainability.

**OUR RESOLVE TO DO BUSINESS THE
'PROPER' WAY IS UNREMITTING.
AS A BOARD, WE FULLY COMPREHEND
OUR RESPONSIBILITIES TO SHAREHOLDERS,
CUSTOMERS, STAFF, THE COMMUNITIES
IN WHICH WE OPERATE AND THE
GENERAL PUBLIC.**



Dr Oba Otudeko, CFR
Group Chairman, Board of Directors

Our corporate culture

We understand that our corporate culture is influenced by the Board, brought to life by Management, and distilled Group-wide to drive our long-term business model. Within the Group, we recognise the value of diversity in our employee base that comes from a broad and representative mix of background and experience, as different perspectives allow us to see and develop new opportunities. We promote internal initiatives to support diversity and inclusion within the Group, and we realise we can only achieve our strategic objectives by building a sound reputation founded on the highest standards of responsible behaviour.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA-2015

Corporate governance is constantly evolving globally and Nigeria is not cocooned from the developments in the corporate governance sphere. Investors are increasingly realising that good corporate governance is the only way to run business sustainably. Regulators, also realising that corporate governance is key to the sustainability of businesses and the economy as a whole are increasingly promoting adherence to corporate governance practices and ethical compliance. To better understand the rationale for the foregoing assertions, we shall review recent developments on corporate governance within the Nigerian macroeconomic sphere in 2015.



SEC launches corporate governance scorecards for quoted companies

Towards the end of the year, Nigeria stepped up its capital market development efforts believed to help address challenges that hitherto discouraged investors from investing in the market. The Securities and Exchange Commission (SEC) launched a corporate governance scorecard for listed companies in the Nigerian capital market in line with its goal of boosting investors' confidence and deepening corporate governance practices in Nigeria. The corporate governance scorecard assesses the level of compliance with the SEC's code of corporate governance by Nigeria's public companies on an annual basis.

NSE launches Premium Board

Similarly, in 2015, in keeping with its commitment to promoting Africa's biggest companies, as well as influencing the economic growth and development of Nigeria, the Nigerian Stock Exchange ('The Exchange') launched a new listing platform - the Premium Board and the associated Premium Board Index on Tuesday, 25 August 2015.

The Premium Board features companies that meet the Exchange's most stringent listing criteria of capitalisation, governance and liquidity. It aims to provide a platform for greater global visibility for eligible African corporates to make it easier for them to attract global capital flows and reduce the cost of funding. The Premium Board Index on the other hand, is an equity index designed to provide a benchmark to capture the performance of companies listed on the Premium Board. The index will also provide a basis for developing products (such as Exchange Traded Funds (ETFs) and equity index derivatives) that are tradable on the bourse. The Premium Board Index would serve as a benchmark for investors looking to track the performance of large firms with excellent corporate governance and sustainable business models. Typically, similar indices outperform their market wide index by double digits. The NSE Premium Board Index had a four year average return of 17.65% versus the All Share Index return of 11.31% over the same period.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

LEADERSHIP

APPOINTMENT PHILOSOPHY AND INDUCTION PROCESS

Our appointment philosophy is guided by relevant regulatory guidelines and laws. Our directors are selected based on their skills, competencies and experience over the years. This selection process is transparent. Usually, a pool of candidates is identified and considered for appointment by the Board Governance Committee. Thereafter, recommendations on candidates' suitability are made to the full Board, which then makes a decision on the appointment of the candidate subject to the approval of CBN and the ratification of shareholders at a general meeting.

An induction programme was conducted for all members of the Board in December 2015.

Changes during the year

Since the Group's last Annual General Meeting, there have been three retirements and three appointments to the Board.

The erstwhile Group Chief Executive Officer, Bello Maccido, retired from the Board and became the pioneer chairman of the newly licensed FBN Merchant Bank Ltd. To replace him as the Group Managing Director, the Board appointed UK Eke (MFR) who has over 30 years of professional experience and was formerly Executive Director, South, First Bank of Nigeria Ltd.

In addition to UK's appointment, M.K. Ahmad was also appointed to the Board as a non-executive director. MK Ahmad, an ex-Director General of the National Pension Commission, is a seasoned administrator and business expert. The Board's decision to appoint MK Ahmad was influenced by his significant and diverse experience, garnered in different sectors of the economy and also in compliance with a previous directive from the Central Bank of Nigeria to appoint additional directors. Furthermore, Bisi Onasanya, who was GMD/CEO, First Bank of Nigeria Limited, and Abdullahi Mahmoud, a non-executive director, both retired from the Board, with effect from December 31, 2015. Finally, Adesola Adeduntan, who replaced Bisi Onasanya as the Managing Director of First Bank of Nigeria Limited and its Subsidiaries, was appointed as a non-executive director subject to your approval at the AGM.

BOARD MEMBERSHIP

The FBNHoldings' Board is a considered blend of experience and knowledge. The Board continuously seeks to review and refresh its composition to ensure that new ideas and experience are added to its decision-making process. The Board is currently composed of nine directors, comprising eight Non-Executive Directors and one Executive Director who is also the Group Managing Director (GMD). This is in line with international best practice of having more Non-Executive Directors than executives. With 88.9% of the Board's composition independent of the Company's management, the FBNHoldings' Board is positioned to be independent of Management's influence in upholding its supervisory role over the management team of the Group.



Top row (left to right): Tijjani Borodo, UK Eke MFR, Dr Oba Otudeko CFR, 'Debola Osibogun, Dr Adesola Adeduntan, Dr Hamza Wuro Bokki.
Bottom row (left to right): Oye Hassan-Odukale MFR, Omatseyin Ayida, Muhammad Ahmad OON, Chidi Anya.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Dr Oba Otudeko, CFR

Group Chairman

Oba Otudeko, CFR, is the pioneer Chairman of FBN Holdings Plc and Honeywell Group Limited. He is a foremost and visionary Nigerian entrepreneur, reputed for his highly successful domestic and foreign investments cutting across diverse sectors of the economy. He served on the Board of FirstBank between May 1997 and December 2010, when he retired as Chairman. He became the Chairman of FBNHoldings in 2012. He was also the founding Chairman of FBNBank (UK) Limited. He has, at various times, served on the Boards of the Central Bank of Nigeria (1990-1997), Guinness Nigeria Plc. (1999-2003), British American Tobacco Ltd (2001-2004) and Ecobank Transnational Incorporated, headquartered in Lome, Togo (2002-2010). Between 2006 and 2009, he was the 16th President and Chairman of Council of the Nigerian Stock Exchange. Dr Otudeko holds the Nigerian National Honour of Commander of the Order of the Federal Republic (CFR), awarded in 2011. He is a Chartered Banker, Chartered Accountant and Chartered Corporate Secretary. He was Chancellor of the Olabisi Onabanjo University, Ogun State, and currently serves as a member of the Office of Distinguished Friends of London Business School (UK). He is the founder of the Oba Otudeko Foundation (OOF), a not-for-profit organisation. He is happily married with children.

Oye Hassan-Odukale, MFR

Non-Executive Director

Oye Hassan-Odukale, MFR, is a pioneer director on the board of FBNHoldings Plc. He holds bachelor's and master's Degrees in Business Administration from the University of Houston, and since 1994, has held the position of Managing Director/CEO of Leadway Assurance Company Limited, a leading underwriting firm in Nigeria. His appointment was preceded by over 15 years of experience in insurance brokerage, underwriting, investments and general management.

Oye is a recipient of the national honour of Member of the Order of the Federal Republic (MFR), and sits on the board of several blue-chip companies in Nigeria. He was a Non-Executive Director on the Board of First Bank of Nigeria Plc. between 1999 and 2010, and is the current Chairman of FBNBank (UK) Limited, a wholly owned subsidiary of FirstBank in the City of London. Oye is a Munich Re scholar, Securities and Exchange Commission-accredited investment manager and portfolio advisor. He is married with children, and enjoys listening to music, reading and travelling.

Chidi Anya

Independent Non-Executive Director

Chidi joined the Board in 2013. He holds a law degree, has over 25 years' post-call experience within the Nigerian legal system and is the Managing Partner of The Channings Law Firm, which he established in 1997. He provides leadership and strategic direction for the firm, and has for many years been recognised by his clients and peers as a leading commercial and corporate law specialist. His initial pupillage was with LN Mbanefo SAN, followed by periods as an Associate Counsel at Akin Delano & Company, Ibadan, Nigeria and Senior Associate Counsel at Debo Akande & Company, Lagos, Nigeria, prior to founding his firm.

Chidi's legal career has equipped him with high-level skills in negotiation, administration, communication, management, advocacy and ethical leadership, which he brings to the Board. He also acts as Company Secretary to a number of leading indigenous conglomerates operating in strategic sectors of the Nigerian economy, where he provides guidance on corporate governance and compliance matters. He is a member of the Nigerian Bar Association (NBA). Chidi is married with three children and loves gardening, reading, writing, intellectual debate and philanthropy.

Dr Hamza Wuro Bokki

Independent Non-Executive Director

Hamza joined the Board of FBN Holdings Plc. as an Independent Non-Executive Director in August 2014. He brings to the Board over two decades of expertise in asset management and pension administration. He was the first student to be awarded a first-class degree in Public Administration from the University of Maiduguri. He also holds a master's degree and a PhD in Public Administration and Policy Analysis. He is a Fellow of the Chartered Pension Institute of Nigeria and a member of the Nigerian Institute of Management. He serves on the Boards and Audit Committees of several companies in the public and private sectors. He was Managing Director of the Gombe State Investment and Property Development Company Limited, where he revamped the company's financial position, as well as the inaugural MD/CEO of APT Pensions, which he brought to profitability within four years. He also served as Honourable Commissioner for Trade and Industry, Gombe State, between 2012 and 2014, where he successfully ran the GMSG/BOI entrepreneurship development programme which was adjudged the best in the country. He currently serves as MD/CEO of NPF Pensions Limited. He has attended several executive programmes on Corporate Governance and Audit Committee. He is married with children and enjoys reading and travelling.

'Debola Osibogun

Non-Executive Director

'Debola Osibogun was appointed to the Board of FBN Holdings Plc in 2015. She brings to the Board 31 years of extensive financial services experience covering real estate financing, trusteeship, retail savings and loans at various institutions. She holds a master of Science degree in Banking and Finance and a bachelor of Education degree in Economics, both from the prestigious University of Ibadan. A Fellow and current President of the Chartered Institute of Bankers of Nigeria, she is also Fellow of the Chartered Institute of Taxation of Nigeria and the Nigerian Institute of Management. She had an illustrious financial services career, serving meritoriously at Co-operative Bank Plc, Coop Savings & Loans Limited, Skye Bank Plc and Skye Trustees Limited. She was the Managing Director of Skye Trustees Limited and is currently the Managing Director of Davidfinn Global Concept Limited. An astute researcher and writer, she has published several articles and papers expounding on primary mortgage institutions and creation of mortgages. She has also served on the boards of leading mortgage institutions including FBN Mortgages Limited as a Non-Executive Director and Coop Savings & Loans Limited as Managing Director. She was also the National President of the Mortgage Bankers Association of Nigeria. 'Debola has served on several committees at national level as a Member of the Presidential Committee on Housing and Urban Development, the Presidential Committee on Mortgage Finance and Executive Member, Nigerian Real Estate Developers Association. She is happily married with children and loves basketball, polo and golf.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Omatseyin Ayida

Non-Executive Director

Omatseyin Ayida joined the Board of FBN Holdings Plc in 2015. He brings to the Board his expertise spanning over two decades in portfolio management, risk and strategic human resource management. He is the Managing Director of Ruyat Oil Limited. He holds a Bachelor of Arts degree in Economics and Politics from the University of Kent, Canterbury, UK. He was previously the Managing Director of Capital Bank International Plc, where he led the successful buyout of the bank and merger with Access Bank Plc and Marina International Bank in 2005, creating value for the shareholders. Before joining Capital Bank International in 2001, he served with Commercial Bank (Credit Lyonnais Nigeria) Limited in various capacities in the Corporate Finance Department and Multinational Corporate Banking. He rose to become Deputy Managing Director in 1998, where he was in charge of human resource management for the institution. He also led the successful transformation of Credit Lyonnais to Capital Bank over an 11-month period in 2001. An honorary member of the Chartered Institute of Bankers, has served on the boards of several institutions and is at present a Director of Anchorage Leisure Limited (owners of Radisson Blu Anchorage Hotel, Lagos). He has attended several executive programmes at Harvard Business School, Lagos Business School and Centre International de Management et D'enseignement Strategique (CIMES). He is married with children and enjoys playing golf.

Muhammad K. Ahmad, OON

Non-Executive Director

Muhammad K. Ahmad (MK), OON, who joined the Board in 2015, has 35 years' distinguished experience leading and working in various public sector organisations and financial services institutions in Nigeria. He was the pioneer Director General and Chief Executive Officer of the National Pension Commission. In this role he oversaw the establishment and growth of the pension industry in Nigeria into a business with over ₦5 trillion in assets, becoming a major contributor to Nigeria's GDP. He is currently the Chairman of the Interim Management Board, International Energy Assurance, and is the founder of the Jewel Development Foundation, a graduate assistant platform, and Certium Consulting, a strategy advisory and business applications company. A pioneer staff member of the Nigeria Deposit Insurance Corporation (NDIC), he rose to become Director/Head of Department and a member of the Interim Management Board. MK has served on the Boards of various corporate and not-for-profit organisations as well as presidential committees. He chairs the Technical Committee that produced the North-East States Transformation Strategy (NESTS), a medium-term Regional Development Strategy, for the sustainable socio-economic transformation and reconstruction of the region, and currently supervises its implementation. MK is also a member of the Presidential Committee for the North East Intervention (PCNI). He strongly promotes building institutions based on the highest corporate governance and ethical standards, and brings his extensive experience to bear on his role on the Board of FBNHoldings. He has a Postgraduate Diploma in Innovation and Strategy from University of Oxford and has attended courses and programmes in various first-rate business and management schools, including Harvard Business School, IMD and INSEAD. MK is co-author of The Extent and Effectiveness of Bank Supervision in Nigeria. He is married with children and enjoys reading.

UK Eke, MFR

Group Managing Director

Urum Kalu (UK) Eke holds a first degree in Political Science from the University of Lagos and an MBA in Project Management Technology from the Federal University of Technology, Owerri. He is an Alumnus of the Wharton Business School and has attended executive leadership programmes at Harvard, INSEAD and Stanford Business Schools. He assumed office as Group Managing Director, FBNHoldings Plc on 1 January 2016. He joined the Board of First Bank of Nigeria Ltd in 2011 as Executive Director, Public Sector South, and until his appointment as Group Managing Director (GMD) of FBNHoldings, was Executive Director, South at FirstBank. He is a seasoned banker with deep financial services experience spanning diverse areas including risk management, consulting, taxation, process engineering, capital market operations and business assurance. He began his career with the professional firm of Deloitte Haskins & Sells International, where he rose to become a Senior Audit Consultant. He later joined Diamond Bank Plc, where he worked for 19 years and retired as Executive Director, Regional Businesses, Lagos & West, having previously served as Executive Director Corporate Banking and Executive Director Specialised Industries.

He has over 30 years of professional experience. He brings his wealth of knowledge to the Boards of a number of institutions where he serves as Non-Executive Director, including FBNBank (UK) Limited, First Pension Custodian Limited and the Financial Institutions Training Centre (FITC).

A respected business administrator, he is a philanthropist, he founded and runs Elder K.U. Eke Memorial foundation and is a Paul Harris Fellow of the Rotary Club International, a Member of the Institute of Management Consultants, and a Fellow of ICAN. He is a recipient of the national honours of the Member of the Order of the Federal Republic (MFR). He is happily married with children.

Dr Adesola Adeduntan

Non-Executive Director

Adesola ('Sola') Adeduntan attended the University of Ibadan, where he obtained a Doctor of Veterinary Medicine (DVM) degree. He also holds a Master's Degree in Business Administration (MBA) from Cranfield University Business School, United Kingdom, which he attended as a British Chevening Scholar. He has attended executive/leadership programmes at Harvard, Cambridge, Oxford and INSEAD, and is a Fellow of the Institute of Chartered Accountants of Nigeria.

Sola joined the Board of FBN Holdings Plc as a Non-Executive Director in January 2016. Sola is the Managing Director/CEO of First Bank of Nigeria Ltd and its Subsidiaries. Prior to this appointment, he was Executive Director and Chief Financial Officer of FirstBank. Before joining FirstBank in 2014, Sola was the pioneer Chief Financial Officer/Business Manager of the Africa Finance Corporation (AFC), where he remains a director. He has served as a Senior Vice-President and Chief Financial Officer at Citibank Nigeria Limited, a Senior Manager in the Financial Services Group of KPMG Professional Services and a Manager at Arthur Andersen Nigeria. Sola also had a brief stint at the defunct Afribank Nigeria Plc (now acquired by Skye Bank) as a graduate, trainee where he worked mainly in Banking Operations. He is a director of Nigeria Interbank Settlement System PLC (NIBSS) and FMDQ OTC Securities Exchange as well as a member of Sigma Educational Foundation, which focuses on enhancing the quality of tertiary education system in Nigeria.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Over the course of his sterling career, Sola has garnered expertise in diverse areas of management including financial and risk management, treasury, performance management, strategy design and execution, information technology and compliance. Sola is happily married with children and loves music especially Africa folktale music.

Tijjani Borodo

Company Secretary

Tijjani Borodo was appointed Company Secretary, FBN Holdings Plc. in September 2012. Before this appointment, he was the Company Secretary for First Bank of Nigeria Ltd (FirstBank). His career at FirstBank span over 26 years and he has occupied various managerial positions within the Bank. He was in charge of the Bank's Secretariat, as well as being the Secretary to the Board of Directors for 14 years. Before joining FirstBank, he served with the Ministry of Justice, Kano State, where he held the position of Director, Public Prosecutions. Tijjani brings his wealth of experience to bear on the Board of FBN Holdings Plc.

He is a Fellow, Institute of Directors, Nigeria and the Society for Corporate Governance Nigeria; Member, International Bar Association, Nigerian Bar Association; and an Honorary Senior Member, Chartered Institute of Bankers of Nigeria. He has attended courses and programmes in various first-rate business and management schools abroad, including Harvard Business School, the Wharton School, University of Pennsylvania, the Kellogg School of Management, Illinois and the London College of Management Studies. He is married with children and loves swimming, listening to music and travelling.

Tenure of directors

NON-EXECUTIVE DIRECTORS

Non-Executive Directors are appointed for an initial term of four years and can be re-elected for a maximum of two subsequent terms of four years each, subject to satisfactory performance and approval of the members.

EXECUTIVE DIRECTORS

Executive Directors are appointed for an initial term of three years and their tenure can be renewed for another three years, subject to a satisfactory annual performance evaluation. Hence, the maximum tenure of an Executive Director is six years. The Board may grant a waiver of the tenure limit in the case of an Executive Director whose performance is deemed exceptional. This will, however, require formal justification and unanimous approval of the Board. Executive Directors are discouraged from holding other directorships outside the Group.

Access to independent professional advice

The Board has the power to obtain advice and assistance from, and to retain at the Group's expense and subject to the prior approval of the Chairman, such independent or external professional advisers and experts as it deems necessary or appropriate to aid the Board's effectiveness. This option was exercised within the 2015 financial year.

Board responsibilities

The principal responsibility of the Board is to promote the long-term success of the Group by creating and delivering sustainable shareholder value. The Board leads and provides direction for the management by setting policy directions and strategy, and overseeing its implementation. The Board seeks to ensure that management delivers on both its long-term growth, and short-term objectives, striking the right balance between both goals. In setting and monitoring the execution of our strategy, consideration is given to the impact that those decisions will have on the Group's obligations to various stakeholders, such as shareholders, employees, suppliers and the community in which the Group operates as a whole.

The Board is also responsible for ensuring effective systems of internal controls are maintained and that the management maintains an effective risk management and oversight process across the Group so that growth is delivered in a controlled and sustainable way. In addition, the Board is responsible for determining and promoting the collective vision of the Group's purpose, values, culture and behaviours. Specific key decisions and matters have been reserved for approval by the Board. These include decisions on the Group's strategy, approval of risk appetite, capital and liquidity matters, major acquisitions, mergers or disposals, Board membership, financial results and governance issues, including the approval of the corporate governance framework.

More specifically, some of the Board's responsibilities as enumerated in the Board Charter are:

- ✓ building long-term shareholder value by ensuring that adequate systems, policies and procedures are in place to safeguard the assets of the Group;
- ✓ appointing and developing members and refreshing the overall competency of the Board as necessary from time to time;
- ✓ articulating and approving the Group's strategy and financial objectives, and monitoring the implementation of those strategies and objectives;
- ✓ approving the appointment, retention and removal of the Group Managing Director (GMD) and any other Executive Directors (EDs) in the Group;
- ✓ appointment of Non-Executive Directors across the Group's operating companies;
- ✓ approving the criteria for assessing the performance of the GMD and the EDs;
- ✓ monitoring and evaluating the performance of the GMD against agreed key performance objectives and targets, and ratifying the evaluation of EDs as prepared by the GMD;
- ✓ reviewing, on a regular and continuing basis, the succession planning for the Board and senior management staff, and recommending changes where necessary;
- ✓ reviewing and approving the appointment, promotion and termination of senior management staff (Assistant General Manager (AGM) and above) on the recommendation of the relevant Board Committee;

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

- ✓ overseeing the implementation of corporate governance principles and guidelines;
- ✓ reviewing and approving the recommendations of the Governance Committee in relation to the remuneration of Directors;
- ✓ overseeing the establishment, implementation and monitoring of a Group-wide risk management framework to identify, assess and manage business risks facing the Group;
- ✓ articulating and approving the Group's risk management strategies, philosophy, risk appetite and initiatives;
- ✓ maintaining a sound system of internal controls to safeguard shareholders' investment and the assets of the Group; and
- ✓ overseeing the Group's corporate sustainability practices with regard to its economic, social and environmental obligations.

The Board's statement of commitment to good governance

The Board is committed to achieving long-term success for the Group, and governance plays an integral part in ensuring consistency and rigour in decision-making to ensure shareholder value is maximised over time. The Board aims to exceed these requirements, as we believe good governance is a key contributor to the Group's long-term success.

The role of our Chairman

The principal role of the Chairman of the Board is to manage and provide leadership to the Board of Directors of FBNHoldings. The Chairman is accountable to the Board and liaises directly between the Board and the Management of the Company, through the GMD.

The Chairman acts as the communicator for Board decisions, where appropriate. He is also responsible for the effective and orderly conduct of Board meetings. The roles of the Chairman and of the GMD are separate, such that the Chairman is independent from management and free from any interest or other relationship that could interfere with the Chairman's independent judgement.

More specifically, the duties and responsibilities of the Chairman are as follows:

- ✓ to act as a liaison between the Management and the Board;
- ✓ to provide independent advice and counsel to the GMD;
- ✓ to generally keep abreast the activities of the Company and its management;
- ✓ to ensure that the directors are properly informed and that sufficient information is provided to enable the directors to form appropriate judgments;
- ✓ together with the GMD, to develop and set the agenda for meetings of the Board;
- ✓ to act as Chairman at meetings of the Board;
- ✓ to review and sign minutes of Board meetings;
- ✓ to call special meetings of the Board where appropriate;

- ✓ together with the GMD, to determine the date, time and location of the annual meeting of shareholders and to develop the agenda for the meeting;
- ✓ to act as Chairman at meetings of shareholders;
- ✓ to assess and make recommendations to the Board annually regarding the effectiveness of the Board as a whole, the Committees of the Board and individual directors; and
- ✓ to ensure that regularly, upon completion of the ordinary business of a meeting of the Board, the directors hold discussions without members of management present.

The role of our Group Managing Director

The Group Managing Director (GMD) has overall responsibility for leading the development and execution of the Group's long-term strategy, with a view to creating sustainable shareholder value. The GMD's mandate is to manage the day-to-day operations of FBNHoldings and ensure that operations are consistent with the policies developed by the Board of Directors and are carried out effectively. The GMD's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Group's long and short-term plans.

More specifically, the duties and responsibilities of the GMD include the following:

- ✓ to lead, in conjunction with the Board, the development of the Company's strategy and also oversee the implementation of the Company's long and short-term plans in accordance with its strategy;
- ✓ to ensure the Company is appropriately organised and staffed and to hire and terminate staff as necessary to enable it achieve the approved strategy;
- ✓ to ensure that the Group has appropriate systems to enable it conduct its activities both lawfully and ethically;
- ✓ to ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever it does business;
- ✓ to act as a liaison between Management and the Board and communicate effectively with shareholders, employees, Government authorities, other stakeholders and the public;
- ✓ to ensure that the Directors are properly informed and that sufficient information is provided to the Board to enable the directors to form appropriate judgments;
- ✓ together with the Chairman and Company Secretary, to determine the date, time and location of the annual meeting of shareholders and to develop the agenda for the meeting;
- ✓ to abide by specific internally established control systems and authorities, to lead by personal example and encourage all employees to conduct their activities in accordance with all applicable laws and the Company's standards and policies, including its environmental, health and safety policies;

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

- ✓ To manage the Group within established policies, maintain a regular policy review process, and revise or develop policies for presentation to the Board;
- ✓ To ensure the Group operates within approved budgets and within all regulatory requirements of a holding company;
- ✓ To develop and recommend to the Board the annual operating and capital budget, and upon approval of the service plan and annual budget and with fully-delegated authority, to implement the plan in its entirety.

The role of our Company Secretary

The Company Secretary's appointment and duties are regulated by statutes, particularly CAMA (Sections 293-298) regulations and the Articles of Association of the company.

The duties of a Company Secretary include the following:

- ✓ attendance at meetings of the company, Board of Directors meetings, Board committee meetings and rendering all necessary secretarial services in respect of such meetings and advising on compliance and regulatory issues;
- ✓ setting the agenda of topics to be covered in the meetings through consultations with the Chairman and the GMD;
- ✓ maintaining statutory registers and other records of the company;
- ✓ rendering proper and timely returns as required under CAMA;
- ✓ carrying out such administrative and other secretarial duties as directed by the directors or the company; and
- ✓ where duly authorised by the Board of Directors, exercising any powers vested in the directors.

The SEC Code provides that in addition to the statutory functions enumerated above, the Company Secretary should carry out the following duties and responsibilities:

- ✓ provide the Board and directors, individually, with detailed guidance as to how their responsibilities should be discharged in the best interest of the company;
- ✓ coordinate the orientation and training of new directors;
- ✓ assist the Chairman and GMD determine the annual Board plan and with the administration of other strategic issues at the Board level;
- ✓ compile the Board papers and ensure that the Board's decisions and discussions are clearly and properly recorded and communicated to the relevant persons;
- ✓ notify the Board members of matters that warrant their attention; and
- ✓ provide a central source of guidance and advice to the Board and the company, on matters of ethics, conflict of interest and good corporate governance.

Leadership restructuring across operating companies

The Board, recognising the need to reposition the Group to achieve optimal value, initiated leadership changes across the Boards of its operating companies. At the instance of the Board Governance Committee, an assessment Centre comprising members of First Bank and FBN Holdings Plc. Governance Committees as panellists met to consider presentations from candidates for the different vacant positions across the Group.

After due deliberations and consultations, the Committee recommended to the Board of Directors the following leadership appointments, subject to regulatory approvals:

1. The appointment of Bello Maccido, the pioneer Group Chief Executive Officer, FBNHoldings as pioneer Chairman of the newly licensed Kakawa Merchant Bank Limited (now FBN Merchant Bank Limited).
2. The appointment of UK Eke (MFR), who was the Executive Director, South, FirstBank as the Group Managing Director, FBN Holdings Plc and as a Non-Executive Director on the Board of FirstBank subject to regulatory approval.
3. The appointment of Ibukun Awosika, a Non-Executive Director, FirstBank and also Chairman, FBN Capital, to succeed the current Chairman of First Bank of Nigeria Ltd, Prince Ajibola Afonja (who retired at the end of the year).
4. The appointment of Dr Adesola Adeduntan, who was the Executive Director/Chief Financial Officer as Managing Director of First Bank of Nigeria Limited and its Subsidiaries the Managing Director of FirstBank and as a Non-Executive Director on the Board of FBNHoldings subject to regulatory approval.
5. The appointment of Gbenga Shobo, then Executive Director, Lagos & West, First Bank of Nigeria Ltd as the Deputy Managing Director of FirstBank.
6. The Committee also recommended the nomination of Omobola Johnson, for appointment as a Non- Executive Director of Kakawa Merchant Bank Limited with immediate effect.

These recommendations have since been adopted and effected, and some of the appointments will be presented for approval at the AGM.

Making Board meetings effective

HOW OUR BOARD MEETINGS WORK

The following points may be noted with regards to our Board meetings:

- ✓ The Board meets quarterly and as required.
- ✓ The annual calendar of Board meetings is approved in advance at the first meeting of the Board in each financial year;
- ✓ The annual calendar of Board activities usually includes a Board retreat at an offsite location, to consider strategic matters and Group policy directions, and to review opportunities and challenges facing the Group.
- ✓ Urgent and material decisions may be taken between meetings through written resolutions.
- ✓ All directors are provided with notices, agendas and meeting papers in advance of each meeting.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

- ✓ The FBNHoldings Board met seven times in 2015.
- ✓ Notices for meetings are usually sent out at least 14 days before the scheduled meeting.
- ✓ The Company Secretary is responsible for setting the agenda of topics to be covered in the meetings and does so through consultations with the Chairman and the GMD.
- ✓ The Company Secretariat circulates memoranda electronically to members of the Board exemplifying the Group's cost efficiency, dynamism and embrace of technology.
- ✓ All directors are provided with notices, an agenda and meeting papers in advance of each meeting. Board memoranda are dispatched in advance to enable directors to have adequate time to review and prepare for meetings; a director who is unable to attend a meeting is still provided with the relevant papers for the meeting. Such directors can reserve the right to discuss with the Chairman matters he/she may wish to have raised at the meeting.

- ✓ Meetings take an average of six hours. The number of issues identified for deliberation and, above all, the complexity of the issues, are major factors in determining the duration of the meetings.
- ✓ Any director may request a topic be considered at meetings. In addition, any director may bring up any issue deemed deserving of discussion and this is usually considered under any other business during the course of the meeting.
- ✓ Conflicts of interest are disclosed at the commencement of meetings, based on the agenda for each specific Board meeting. Where the Chairman of the Board is conflicted, he withdraws and another Director presides over the deliberations on that item.

Board discussion in 2015

Over the course of the last financial year, considerable time and effort were channelled into discussions on the following;

WHAT DID WE SPEND TIME ON IN 2015?



* National Pension Commission

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

2016 action plan

During 2015, we maintained our priority of allocating financial, capital and human resources effectively across companies within the Group to maximise Group synergies whilst also ensuring that our operating cost is reduced to its barest minimum. Central to our immediate and medium term strategy is renewed focus on operational excellence through more efficiency management of our assets, significantly improved risk management process, disciplined cost containment strategy and maximum extraction of synergies.

In view of the very high impairment charge on the loan portfolio in our commercial banking business, which negatively impacted our performance for the year, the Board identified the immediate need to improve our risk management practices, particularly as it relates to credit risk management. We do recognise the urgent need to improve the risk culture and process, apart from instilling a renewed sense of ownership. Further to this, steps have been taken to strengthen the credit monitoring and remedial management functions for proactive credit portfolio management. Similarly, we plan to embed across the Group, the Group Enterprise Risk Management (ERM) framework, which will in no small measure further strengthen our risk management practices.

We recognise the existing mismatch between the actual value and potential value derivable from our huge asset base, particularly the risk assets of the Commercial Banking Group. The Board as well as the Management are committed to not only weather the storm, but to emerge stronger, more resilient and better equipped for the next phase of our growth story. We have prioritised our risk management process owing to its importance in order to improve the quality of our assets, enhance the quality of our earnings, impact our risk-adjusted return to help reposition, improve the performance of the business and help us deliver on our promise to shareholders. Furthermore, we have commenced the process of deploying a shared services framework which will enhance our operations, reduce our cost of doing business and align our processes to streamline roles and eliminate duplications across the Group.

We expect conclusion of work on this framework by the end of the second quarter of 2016. The completion of this process is central to our cost containment initiative and tangible cost savings have been identified as a measure of success.

Starting from 2016, synergy identification and realisation will be one of the central themes of the Group Executive Committee's considerations. Extracting the full benefits of a financial conglomerate by driving revenue synergies across the Group through the adoption of a single view approach to customer integration to enable us deliver robust returns to our investors/shareholders. Continuous monitoring and feedback to the Board using a dashboard has been institutionalised.

We have instituted an innovation council, supported by an external adviser, which reports to the Board. The objective is to position the Group to proactively respond to a fast changing competitive landscape. As an institution facing significant regulatory and economic headwinds, we will explore innovative and novel methods to enhance our business offerings. We are hopeful that the implementation of these initiatives in 2016 will significantly impact our performance at the end of the year.

2016 Board priorities

Rising from the 2015 Board retreat, the Board endorsed a 7-point priority matrix and further cascaded into 10 initiatives. Specifically, the priorities of the Board for 2016 are as follows:

- i. Optimising capital for enhanced shareholder value.
- ii. Drive positive sentiment through enhanced engagement and high level disclosure.
- iii. Strengthening the engagement model with the regulators.
- iv. Increasing the revenue contribution of the non-commercial banking businesses with specific focus on growing the insurance and asset management business.
- v. Driving revenue synergies along the value chain of top customers of each operating company as well as increasing cross sell across the Group.
- vi. Enhancing efficiency through development and implementation of group shared services, driven by service level agreements.
- vii. Embedding Enterprise Risk Management across the Group.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

As part of the fall-out of agreed objectives at the 2015 Board Strategy Retreat, targets were set and are continually assessed based on the objectives, with steps taken to execute the initiatives relative to the completion timelines. The status updates of the initiatives undertaken in line with the mandate of the Board are detailed below:

KEY OUTCOME	DECISIONS/ACTION STEPS	STATUS
1 Capital optimisation for enhanced shareholder value	<ul style="list-style-type: none"> Re-evaluate implications of various capital raising options, possible trade-offs and the potential regulatory impacts 	<p>As at the 2015 year end, the two main deposit money banks in the Group, FirstBank and FBN Merchant Bank Limited, are adequately capitalised. FirstBank Capital Adequacy Ratio (CAR) stands at 17.1%, 110 basis points above the regulatory CAR requirement for systemically important banks which comes into effect in June, 2016 and FBN Merchant Bank Limited has a CAR of 24.9%.</p> <p>To enhance our competitiveness in addition to meeting the minimum regulatory capital, the Group will increase earnings retention and sweat existing assets through improved risk management, portfolio rebalancing to high yielding segment of the market and aggressive loan recovery whilst moderately growing the loan book.</p>
2 Strengthen engagement model with regulators	<ul style="list-style-type: none"> Deepen engagement with regulators 	Continuous
3 Enhance revenue synergy and promote group collaboration	<ul style="list-style-type: none"> Consider/retain cross directorship to drive cross-sell and synergy among operating entities 	<p>The Board has approved the constitution of the Group Strategy Co-ordinating Committee to work with operating company synergy champions to aggressively drive cross-entity, cross-sell of products across regions and business units.</p> <p>Global Account Managers have been appointed for key accounts to drive increased share of wallet in our multi-national customers, while cross-entity relationship management teams are also driving increased sales collaboration between the commercial bank, investment bank, and the insurance businesses.</p>
4 Develop and implement Group Shared Services Policy in line with CBN's Guidelines	<ul style="list-style-type: none"> Develop a clearly defined policy and framework for the shared services Articulate roadmap for realising expected cost savings with immediate focus on Marketing and Corporate Communications, Human Resources and IT 	The Group Shared Services framework is being finalised, subject to CBN approval. Implementation will commence thereafter.
5 Enterprise Risk Management Framework	<ul style="list-style-type: none"> To ensure consistency in the methodology of Risk Management across the Group 	An ERM framework has been developed, the content of which is being implemented both from a governance as well as reporting standpoint.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Attendance at Board meetings

The Group's Board met seven times in 2015. The record of attendance is provided below:

Name	27 Jan	24 Mar	21 Apr	20 May	28 Jul	6 Nov	17 Dec
Dr Oba Otudeko, CFR	✓	✓	✓	✓	✓	✓	✓
Bello Maccido	✓	✓	✓	✓	✓	✓	✓
Abdullahi Mahmoud	✓	✓	✓	✓	✓	✓	✓
Oye Hassan-Odukale, MFR	✓	✓	✓	✓	✓	✓	✓
Bisi Onasanya	✓	✓	✓	✓	✓	✓	✓
Chidi Anya	✓	✓	✓	✓	✓	✓	✓
Dr Hamza Wuro Bokki	✓	✓	✓	✓	✓	✓	✓
Omatseyin Ayida	x	✓	✓	✓	✓	✓	✓
'Debola Osibogun	x	✓	✓	✓	✓	✓	✓
Muhammad Ahmad, OON	Not yet appointed		✓	✓	✓	✓	✓




BOARD AND COMMITTEE GOVERNANCE STRUCTURE

The Board carries out its oversight function through its five standing committees, each of which has a charter that clearly defines its purpose, composition and structure, frequency of meetings, duties, tenure and reporting lines to the Board. The Board monitors these responsibilities to ensure effective coverage of, and control over, the operations of the Group. In line with best practice, the Chairman of the Board does not sit on any of the committees. The following Board Committees have been constituted:

Board Governance Committee

MEMBERSHIP

For 2015, the Committee was composed of the following:

-  Abdullahi Mahmoud, Chairman (resigned from the Board w.e.f. 31 December 2015);
-  Chidi Anya; and
-  Omatseyin Ayida.

KEY RESPONSIBILITIES

The responsibilities of the committee are to:

- ✓ develop and maintain an appropriate corporate governance framework for the Group;
- ✓ develop and maintain an appropriate policy on remuneration of directors, both executive and non-executive;
- ✓ nominate new directors to the Board;
- ✓ initiate and execute succession plans for key positions on the Board of the Holding Company;
- ✓ recommend, nominate and endorse Board appointments for subsidiary companies;
- ✓ recommend directors' remuneration for the Group;
- ✓ oversee board performance and evaluation within the Group;

- ✓ recommend potential appointment and re-election of directors (including the GMD) to the Board, in line with FBNHoldings approved director selection criteria;
- ✓ ensure the Board composition includes at least two independent directors who meet the independence criteria as defined in CBN circular;
- ✓ ensure adequate succession planning for Board of Directors and key management staff across the Group;
- ✓ make recommendations on the amount and structure of the remuneration of the Chairman and other Non-Executive Directors to the Board for ratification;
- ✓ ensure proper disclosure of directors' remuneration to stakeholders;
- ✓ ensure compliance with regulatory requirements such as the SEC Code of Corporate Governance and other global best practices on corporate governance.
- ✓ review and approve amendments to the Group's Corporate Governance framework;
- ✓ review and approve the corporate governance disclosures to be included in the annual report;
- ✓ ensure the performance evaluation of the GMD is performed by the Board on an annual basis and formal feedback provided to the GMD;
- ✓ nominate independent consultants to conduct an annual review/appraisal of the performance of the Board and make recommendations to the Board in this regard. This review/appraisal should cover all aspects of the Board's structure, composition, responsibilities, individual competencies, operations, role in strategy setting, oversight over corporate culture, monitoring role and evaluation of management performance and stewardship towards shareholders;
- ✓ evaluate the performance of the Board Committees and boards of subsidiary companies on an annual basis. The Committee can utilise the service of the independent consultant approved by the Board for the annual board appraisal as it deems fit. The evaluation process will be in line with the Group's Evaluation policy;

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

- ✓ perform such other matters relating to the operations of the Group as may be specifically delegated to the Committee by the Board;
- ✓ evaluate the role of the Board Committees and Boards of subsidiary companies, and ratify the performance appraisals of the Executive Directors as presented by the GMD; and
- ✓ ensure proper succession planning for the Group.

Board Audit and Risk Assessment Committee

MEMBERSHIP

For 2015, the Committee was composed of four members as follows:

- 👤 'Debola Osibogun, Chairperson;
- 👤 Bello Maccido;
- 👤 Chidi Anya; and
- 👤 Dr Hamza Wuro Bokki.

ROLE AND FOCUS

The overall purpose of the Committee is to protect the interest of the Group's shareholders and other stakeholders by overseeing, on behalf of the Board:

- integrity of financial reporting;
- adequacy of the control environment;
- management of risk;
- internal and external audit function; and
- compliance function.

KEY RESPONSIBILITIES

Among the responsibilities of the committee are to:

- ✓ ensure there is an efficient risk management framework for the identification, quantification and management of business risks facing the Group;
- ✓ evaluate the Group's risk profile and the action plans in place to manage the risk;
- ✓ ensure the development of a comprehensive internal control framework for the Group;
- ✓ review the Group's system of internal control to ascertain its adequacy and effectiveness;
- ✓ evaluate internal processes for identifying, assessing, monitoring and managing key risk areas, particularly: market, liquidity and operational risks; the exposures in each category, significant concentrations within those risk categories, the metrics used to monitor the exposures and management's views on the acceptable and appropriate levels of those risk exposures;
- ✓ review the independence and authority of the Risk Management function;
- ✓ review the Group's legal representation letter presented to the external auditors and discuss significant items, if any, with the Company Secretary;

- ✓ receive the decisions of the Statutory Audit Committee on the statutory audit report from the Company Secretary and ensure its full implementation; and
- ✓ assess and confirm the independence of the statutory auditor annually. The report of this assessment should be submitted to the Board and the Statutory Audit Committee.

Board Finance and Investment Committee

MEMBERSHIP

For 2015, the Committee was composed of the following:

- 👤 Oye Hassan-Odukale, MFR, Chairman;
- 👤 Dr Hamza Wuro Bokki;
- 👤 Bello Maccido (replaced by UK Eke for the 2016 financial year on 01 January 2016); and
- 👤 Bisi Onasanya (replaced by Dr Adesola Adeduntan for the 2016 financial year).

ROLE AND FOCUS

The purpose of this Committee is to provide:

- strategic planning;
- investment planning, execution and monitoring;
- mergers, acquisitions and business expansions; and
- long-term financing options for operating companies.

KEY RESPONSIBILITIES

Among the responsibilities of the Committee are to:

- ✓ understand, identify and discuss with management the key issues, assumptions, risks and opportunities relating to the development and implementation of the Group's strategy;
- ✓ participate in an annual strategy retreat for the Board and management, ensuring that the Board retains sufficient knowledge of the Group's business and the industries in which it operates in order to provide strategic input and identify any critical strategic discontinuities in management's assumptions and planning premises;
- ✓ critically evaluate and make recommendations to the Board for approval of the Group's business strategy, at least annually;
- ✓ periodically engage management on informal dialogue and act as a sounding board on strategic issues;
- ✓ regularly review the effectiveness of the Group's strategic planning and implementation monitoring process;
- ✓ review and make recommendations to the Board regarding the Group's investment strategy, policy and guidelines, its implementation and compliance with those policies and guidelines, and the performance of the Group's investments portfolios;
- ✓ oversee the Group's investment planning, execution and monitoring process;
- ✓ Oversee the long-term financing options for the Group;
- ✓ review the Group's financial projections, as well as capital and operating budgets, and review on a quarterly basis with management, the progress of key initiatives, including actual financial results against targets and projections;

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

- ✓ review and recommend for Board approval, the Group's capital structure, which should not be limited to mergers, acquisitions, business expansions, allotment of new capital, debt limits and any changes to the existing capital structure;
- ✓ recommend for Board approval the Group's dividend policy, including nature and timing; and
- ✓ ensure that an effective tax policy is implemented.

Group Executive Committee (GEC)

MEMBERSHIP

The GMD of FBNHoldings serves as Chairman, while other members are:

- MD/CEO First Bank of Nigeria Limited and its Subsidiaries;
- MD/CEO, FBN Merchant Bank;
- MD/CEO, FBN Insurance Limited;
- MD/CEO, FBN Insurance Brokers Limited;
- Company Secretary, FBNHoldings;
- Head Finance, FBNHoldings;
- Head Investor Relations, FBNHoldings;
- Head Risk Management, FBNHoldings;
- Head Strategy & Corporate Development, FBNHoldings;
- Chief Risk Officer, FirstBank;
- Chief Financial Officer, FirstBank; and
- Head, Strategy and Corporate Development, FirstBank.

ROLE AND FOCUS

The role of this Committee is:

- ensuring overall alignment of Group strategy and plans;
- reviewing strategic and business performance against the approved plans and budget of the Group, and agreeing recommendations and corrective actions;
- promoting the identification of synergies and ensuring the implementation of synergy initiatives;
- monitoring the progress of Group synergy realisation initiatives and making recommendations in respect of them;
- discussing and monitoring compliance with Group policies such as risk management, internal audit and HR; and
- reviewing and recommending modifications to Group policies.

KEY RESPONSIBILITIES

- ✓ review and ratify the quarterly and annual financial statements;
- ✓ review and approve the annual internal audit plan encompassing all of the Group's auditable activities and entities and, on a quarterly basis, discuss the status of implementation of the internal audit plan;

- ✓ annually review and reassess the internal audit division's responsibilities and functions, making changes as necessary, and arrange an independent evaluation of the internal audit function's activities every three years in line with SEC Code of Corporate Governance; and
- ✓ oversee the establishment of whistleblowing procedures for the receipt, retention, and treatment of complaints received by the Group regarding accounting, internal controls, auditing matters, unethical activity and breaches of the corporate governance code, and also ensure the confidentiality and anonymity of submissions received with respect to such complaints.

Statutory Audit Committee (SAC)

Section 359(3) of the Companies and Allied Matters Act (CAMA) requires every public company to establish a statutory audit committee composed of an equal number of directors and representatives of its shareholders, provided there are a maximum of six members of the SAC.

Statutory Audit Committee: Shareholder representative profiles

Job Onwughara (Chairman)

Job hails from Abia State. He is a veteran banker, with considerable experience in corporate banking and branch operations. He holds an Associate Diploma of the Chartered Institute of Bankers, London and a Master of Science degree in Banking and Finance from the University of Ibadan. He had over three decades of banking experience garnered with African Continental Bank and Savannah Bank Plc. He is a Fellow of the Chartered Institute of Bankers, London and Nigeria (FCIB). He is an Associate of the Institute of Credit Management, London and a member of the British Institute of Management. Job also holds an LLB Degree in Law. He served on the Audit Committee of several blue-chip companies for several years. He also worked at Crown Flour Mills from 1997-2003. He is currently a management consultant. He is married with children.

Abubakar Yahyah

Abubakar hails from Katsina State and holds a BSc Degree in Business Administration from Bayero University, Kano. He has extensive experience in construction and power projects and brings sectorial diversity to the SAC's cumulative business experience. He was Project Coordinator of the Rural Electrification Project for the substation at Maru, Zamfara State between 2004 and 2005, and was in charge of managing the provision of electricity to 19 villages in Zamfara between 2006 and 2008. He also acted as Supervisor at the Empire Group, Jigawa State Modern Abattoir and Yobe State Modern Abattoir. He coordinated the construction of Deluxe Suites Superior Accommodation, Kaduna and is now a director with the Rosehill Group. He is happily married with children.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Ayodeji Shonubi, FCCA, FCA, FCTI

Ayodeji Shonubi is the Principal Partner of Ayo Shonubi & Co. He attended Huddersfield Polytechnic, England and University of Strathclyde, Glasgow, Scotland. He holds a Post Graduate Diploma in Financial Studies and is a Fellow of the Institute of Chartered Accountants of Nigeria, Association of Chartered Certified Accountants and Chartered Institute of Taxation of Nigeria. A former Managing Director, Frontline Savings and Mortgage Ltd between 1992 and 1993, he is a member of Honeywell Flourmills and Oando Plc. Audit Committees. He was Chairman, Guinness Nigeria Plc. Audit Committee between 1995 and 2008. He was a member of the Finance and General Purpose Committee and currently a member of the Professional Examination Committee of the Institute of Chartered Accountants of Nigeria. Hewas Assistant General Manager (Finance), Federal Mortgage Bank of Nigeria from 1989 to 1992 and Principal Manager, Peat Marwick Ani Ogunde & Co from 1979 to 1989.

He served as Audit Senior and Audit Trainee at Price Waterhouse & Co and Z.O. Ososanya & Co respectively. He is presently a member of the Finance and General Purpose Committee of the Chartered Institute of Taxation of Nigeria after serving as Vice Chairman, Membership Committee of the Institute from 1998 to 2005. He has acquired considerable experience in Auditing and Accountancy Services, Management Consultancy Services, Investigation, Tax Consultancy Services and Financial and General Management. He is happily married with children.

Financial literacy on the Statutory Audit Committee

All the shareholder representatives on the SAC are financially literate and knowledgeable in internal control processes, as may be gleaned from their educational qualifications (see below). The Chairman of the Committee is a Fellow of the Chartered Institute of Bankers, London and Nigeria.

Summary of educational qualifications of Audit Committee members

Name	Role	Status	Educational qualification
Job Onwughara	Chairman	Shareholder representative	ACIB, FCIB, MSc (Banking and Finance)
Abubakar Yahyah	Member	Shareholder representative	BSc Business Administration
Ayodeji Shonubi	Member	Shareholder representative	ACCA, FCA, FCCA, FCIT
Abdullah Mahmoud	Member	Non-Executive Director	FCA, ACA, FCCA, ACCA, AMNIN, FCIB, FIMC, F-IOD, M-IOD
Oye Hassan-Odukale, MFR	Member	Non-Executive Director	BBA (BSc, Business Administration) MBA Finance
Chidi Anya	Member	Non-Executive Director	LLB, BL, MILD

Independence of the Statutory Audit Committee

The independence of the SAC is fundamental to upholding public confidence in the reliability of the SAC's reports and the Company's financials. We have endeavoured to uphold the independence of our SAC.

No Executive Director sits on the SAC. Of the six members of the Committee, three are shareholder representatives including the Chairman. The shareholder representatives are independent and answerable to shareholders. The other three members are two non-executives and an independent Non-Executive Director. This composition underpins the independence of the SAC from executive influence.

TENURE

Each member of the Committee's tenure lasts from the date of election at the Annual General Meeting till the next Annual General Meeting. The membership may however be renewed through re-election at the Annual General Meeting.

ROLE AND FOCUS

The statutory duties and role of the SAC are clearly encapsulated in Section 359 (3) and (4) of CAMA. In addition, the various Codes of Corporate Governance – the CBN and SEC Codes – set out the corporate governance role and responsibilities of the SAC to include the following:

- ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- review the scope and planning of audit requirements;
- review the findings on management matters in conjunction with the external auditor and departmental responses thereon (management letter);
- keep under review the effectiveness of the Company's system of accounting and internal control;
- make recommendations to the Board with regard to the appointment, removal and remuneration of the external auditors of the Company, ensuring the independence and objectivity of the external auditors and that there is no conflict of interest which could impair the independent judgment of the external auditors;
- authorise the internal auditor to carry out investigations into any activity of the Company which may be of interest or concern to the committee; and
- assist in the oversight of the integrity of the Company's financial statements and establish and develop the internal audit function.

The SAC has a responsibility to ensure that the Company's financials are void of any misrepresentation or misleading information. The SAC may also play a significant role in the oversight of the Group's risk management policies and programmes.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

The SAC was established in accordance with the Companies and Allied Matters Act (CAMA); listed below is the attendance record of the members of the SAC for the 2015 financial year.

The record of SAC attendance for year 2015 is provided below:

Attendance at Statutory Audit Committee (SAC) meetings

Name	28 Jan	12 Mar	19 May	29 Jul	10 Dec
Job Onwughara	✓	✓	✓	✓	✓
Waheed Adegbite	✓	✓	✓	Not re-elected	Not re-elected
Ayodeji Shonubi	Not yet elected	Not yet elected	✓	✓	✓
Abubakar Yahyah	✓	✓	✓	✓	✓
Abdullah Mahmoud	✓	✓	✓	✓	✓
Oye Hassan-Odukale, MFR	✓	✓	✓	X	X
Chidi Anya	✓	✓	✓	✓	✓

Going concern

On the recommendation of the SAC, the Board annually considers and assesses the going concern basis for the preparation of the financial statements at the year end. The Board continues to view the Company as a going concern for the foreseeable future.

External auditors

The external auditors for the 2015 financial year were Messrs' PricewaterhouseCoopers (PwC).

Section 33 of the Securities and Exchange Commission (SEC) Code (the Code) of corporate governance regulates the rotation of external auditors and provides that in order to safeguard the integrity of the external audit process and guarantee the independence of the external auditors, companies should rotate both the audit firms and audit partners. It further provided that companies should require external audit firms to rotate audit partners assigned to undertake external audit of the company from time to time. Audit personnel should be regularly changed without compromising the continuity of the external audit process. The Code also stipulates that external audit firms should be retained for no longer than 10 years continuously. External audit firms disengaged after continuous service to company of 10 years may be reappointed after another seven years following their disengagement.

Similarly, the Central Bank of Nigeria's (CBN) Code (CBN Code) of Corporate Governance for Banks (although inapplicable to FBNHoldings) provides that the tenure of the auditors in a given bank shall be for a maximum period of 10 years, after which the audit firm shall not be reappointed in the bank until after a period of another 10 years.

FBNHoldings is in full compliance of the Code as its external auditors were appointed as sole auditors starting from the 2014 financial year and hence have been retained for only a year. They are subject to re-election annually and hence will be considered for re-election at FBNHoldings' 2016 Annual General Meeting.

2015 audit fees

The audit fee paid to the external for the 2015 FBNHoldings statutory audit was ₦25 million.

The external auditors provided non audit services in respect of review of the financial statements of Kakawa Discount House Limited as at 30 September 2014 (acquisition date) and valuation of financial instruments. Payments made in respect of these services, amounts ₦10.5 million.

The ratio of our non audit fees to audit fees is 21:50.

Our approach to risk management and compliance

Our approach to risk management is premised on a risk culture that promotes accountability and responsibility for risks at all levels and across the Group. The business lines are primarily accountable for the risk taken, supported by an independent risk function which provides constructive challenge, towards ensuring risk taken by the businesses are within the acceptable risk appetite, while the internal audit provides independent assurance on the effectiveness of the risk management policies and practices.

Compliance with applicable laws, regulations and standards in all markets and jurisdiction where we operate is considered a shared responsibility for all members of staff across Group, and robust measures are being put in place towards ensuring that these responsibilities are discharged so that the Group is not exposed to compliance risk.

Prohibition of insider dealings

In line with Section 17.2 of the Amendment to the Listing Rules of the Nigerian Stock Exchange, we have in place structures to ensure compliance accordingly and communicate closed periods to both insiders and the Nigerian Stock Exchange. The Company Secretary provides notification to the directors and other insiders directly, and further ensures compliance by instructing the Registrars to ensure that, within this period, Directors, persons discharging managerial responsibility, advisers and other persons with access to insider information or their connected persons are not allowed to deal in the securities of FBNHoldings.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Succession planning

The Board Governance Committee is tasked with the responsibility for the Group's succession planning process. The approach taken by the Committee identifies critical positions on the Board and executive management level deemed important and having significant impact on the operations of the Group and strategic objectives.

These critical positions include the following:

-  Board Chairman
-  Non-Executive Directors
-  Executive Management
-  Subsidiary Managing Directors
-  Subsidiary Board Chairmen

Thereafter, the Committee defines the competency requirements for the key positions. The competency requirement provides a blueprint of what is required to succeed at each position and includes the required knowledge, skills, attitudes as well as ethics, values and code of conduct. The competency requirement is identified and defined in line with the future needs and strategic objectives of the Group and provides the basis to assess potential successors for the identified key positions. In conclusion, the Committee identifies a Talent Pool, discovers skills and competency gaps as well as the developmental needs of the Board.

For the Chairman's position, the existing Chairman of the Board will articulate developmental needs of each individual Non-Executive Director on the Board in order to develop a plan to bridge that gap and position towards potential successors. For Non-Executive Directors, the Governance Committee will periodically undertake a careful analysis of the existing Board's strengths and weaknesses, skills and experience gaps based on exit of directors from the Board and current deficiencies, while noting the Company's long term business strategy and future plans. Based on this assessment, the Governance Committee shall define the skill and competency profile that reflects the need of the Board.

In the case of executive management positions, the Governance Committee in conjunction with the GMD shall note and review the skills gap of the possible successors against expected competency requirements.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

EFFECTIVENESS

Ensuring Board effectiveness

Today's boards have to contend with a host of new pressures, challenges and risks. Held ever more accountable for an organisation's performance and vitality, a board must set its strategic direction, often across diverse product markets and geographies, and monitor the firm's risk profile. The board therefore is no doubt, the most important body in ensuring an organisation's implementation of good corporate governance practices. The right attitude and approach towards such practices are most appropriately cascaded through the organisation from the board of directors. Our approach to ensuring our Board's effectiveness is threefold – through composition, training and a rigorous board appraisal process.

Composition

The first step towards having an effective board is to ensure the right people, who have previously displayed excellent business knowledge and board experience, are appointed. We believe the effectiveness of a board is closely aligned to the inclination of its individual members to effectively observe sound corporate governance principles. Understanding this, we have ensured the composition of our present Board is the best mix of the competencies and experiences required for a company primarily designed for the enhancement of shareholder value.

We have aligned with global best practice on the ratio of non-executives to executives on the Board. Our Non-Executive Directors outnumber our Executive Directors by eight to one.

A similar composition philosophy runs through all the boards of the operating entities within the FBN Holdings Group. Non executives outnumber executives on all the boards of companies within the Group. This is in line with best global practice and underscores the overwhelming independence of the respective boards within the Group from the executive management of the respective operating companies.

Non-Executive Directors are expected to focus on Board matters and not stray into 'executive direction', thus providing an independent view of the company that is removed from its day-to-day running. Non-Executive Directors, then, are appointed to bring to the Board independence, impartiality, wide experience and specialist knowledge. In strategy formulation, Non-Executive Directors are also expected to provide monitoring, to contribute creative and informed ideas to the company, and to look critically at the objectives and plans devised by the executive team.

Board training process

Regardless of the expected or current depth of knowledge and experience of those appointed to the Board, we ensure regular domestic and international training programmes are organised for Board members to improve their decision-making capacity, thereby contributing to the overall effectiveness of the Board.

The following Policy Statements guide our director training policy;

- Newly appointed directors must undergo an induction programme within one month of assumption of office.

- Every Board member must attend a minimum of one training programme each financial year. In addition, Board members are expected to attend mandatory training programmes as may be directed from time to time by regulatory authorities.
- The GMD or the Company Secretary through the CEO shall make training recommendations for the Executive Directors.
- The Board Chairman shall ratify the training programmes for the CEO while each Board Committee shall recommend training programmes for its members.

In some cases, in-planted programmes are organised to train directors as a group where it is considered that the training may be beneficial to all the members of the Board. An example of this in-planted training was the Enterprise Risk Management training which was organised for all the members of the Board in December 2015.

The Board ensures that its knowledge base is constantly refreshed through continuous training and development programmes. More specifically, the process of executing our director's training policy is depicted below:



BUDGETING

The budget for yearly training of directors is usually made up of the estimated cost of programs in the training schedule for all the directors; and seminars/workshops to be attended by Executive Directors for the year.

TRAINING NEEDS IDENTIFICATION

Results of the directors' peer appraisal are usually utilised in identifying the training needs for directors. In addition to the peer appraisal results, the performance assessment for the GMD (as evaluated by the Chairman) is also utilised in identifying training needs.

These identified training needs of directors is discussed with the Chairman and forwarded to the Company Secretary for inclusion in the annual training plan.

TRAINING DELIVERY

A schedule of training programs for all directors is drawn up annually. The training schedule shall be prepared following the training needs assessment of each director. Directors are expected to fully participate in all identified training programs and provide feedback to the Board on lessons learnt in a structured manner.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Board appraisal

In compliance with the Securities and Exchange Commission (SEC) Code of Corporate Governance (the Code) and due to our commitment to strengthening the Group's corporate governance practices and enhancing the capacity of the Board in the effective discharge of its responsibilities, the Board engaged the services of an independent consultant, KPMG Professional Services, to conduct an appraisal of the Board of Directors and individual director peer appraisal for the year ended 31 December 2015. The Board appraisal covered the Board's structure and composition, processes, relationships, competencies, roles and responsibilities. The scope of work performed covered the following activities:

- review of Board operations and existing governance documentation;
- observation of a meeting of the Board of Directors;
- facilitation of a director peer; and
- feedback session with the entire Board.

The evaluation criteria focused on the following five key areas of Board responsibility:

- operations (the Board's ability to manage its own activities);
- strategy (the Board's role in the strategy process);
- corporate culture (the Board's role in setting and communicating standards of ethical organizational behavior);
- monitoring and evaluation (the Board's role in monitoring management and evaluating its performance against defined goals); and
- stewardship towards shareholders and other stakeholders (the Board's responsibility towards shareholders and other stakeholders and responsibility for their interests).

Work approach

KPMG's work approach incorporated the following corporate governance models:

- the Central Bank of Nigeria's (CBN's) Guidelines For Licensing And Regulation Of Financial Holding Companies In Nigeria 2014;
- the CBN's Code of Corporate Governance for Banks and Discount Houses 2014 - CBN Code;
- the Securities and Exchange Commission's (SEC's) Code of Corporate Governance (Nigeria) - SEC Code;
- King III Report on Corporate Governance (South Africa); and
- the UK Corporate Governance Code.

What do we expect to learn from this process?

The appraisal process provides a mechanism for measuring directors' performance. The appraisal report and recommendations on areas of improvement are presented to the Board for deliberation. The outcome of the Board's evaluation is fed back, as appropriate, in reviews of the Board's composition, the design of induction and development programmes and other relevant areas of the Board's operations.

In addition to the general Board evaluation, individual directors are also evaluated and the assessments communicated to the Chairman. The cumulative results of the performance of the Board and individual directors will be considered by the Board as a guide to deciding eligibility for re-election and other matters.

In 2014, KPMG's appraisal of the Board revealed FBNHoldings' corporate governance practices were largely in compliance with the key provisions of the CBN Code and SEC Code. Specific recommendations for further improving our governance practices were also articulated and included in a detailed report to the Board. This related to Board composition, risk management, the structure of directors' remuneration, and directors' induction and training.

We have taken these recommendations on board and improved on our corporate governance practices. New appointments to the Board have been made with these recommendations in mind. A Group Compliance Policy and Framework is being considered by the Board while an induction programme was organised for all members of the Board in December 2015. Specifically, the strength, gaps and corrective measures taken from the 2014 Board Appraisal report are as follows:

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

STRENGTHS	STATUS
The presence of two Independent Non-Executive Directors.	Sustained
The establishment of a governance framework and policies to guide Board operations.	Sustained
The majority of Directors are Non-Executive Directors and that the position of the Group Chief Executive Officer (Group Managing Director) is separate from that of the Group Chairman.	Sustained
The Board held meetings at least quarterly and each Director attended at least two-thirds of all Board meetings.	Sustained
IDENTIFIED GAPS	STATUS
Inadequacies in the composition and structure of the Board.	Corrected through the new appointments to be approved at the AGM.
Inadequate involvement of the Board in strategy implementation and monitoring.	Increased Board involvement as strategy implementation updates now form part of the Board agenda at each Board meeting.
Inadequacies in the Internal Audit, Internal Control and Risk Management functions.	Inadequacies tackled through the adoption of the Board approved Enterprise Risk Management Framework. Similarly, a Group Compliance Policy and Framework is being prepared for the Board's consideration and work should be completed on same by Q2, 2016.

Similarly, the Board appraisal for 2015 has also been concluded and the evaluation report can be seen on page 23.

Performance monitoring

As part of its oversight role, the Board continuously engages with management and contributes ideas to the Group's strategy from the planning phase to execution and impact evaluation. The Board usually holds an annual Board retreat, where the strategy for the coming year is rigorously debated and agreed between Management and the Board. Once a strategy is defined, updates on specific strategic objectives become part of the on-going Board agenda, providing the Board with access to sufficient detail to critique the implementation of the strategy. During this process, the Board is continuously updated on significant issues, risks or challenges encountered in the course of strategy implementation across the Group, and on the steps taken to alleviate those risks.

We run a three-year strategic planning cycle or period for all group companies driven by the Holdco Board to ensure shared vision and direction. The process starts with setting out the broad business philosophy which is cascaded to key performance indicators tracked on a quarterly basis by the individual boards for ownership and Holdco Board for oversight.

On a quarterly basis, Management reviews the Group's financial and performance indicators with the Board, and the Board will continuously assess progress and confirm alignment or otherwise with the strategic goals and objectives of the Group. The Group's actual performance is presented relative to its planned/budgeted performance to provide the Board with on-going insight into the level of achievement. In addition, peer benchmarking forms a continuous part of our Board meetings in order to put our performance into perspective against that of our competitors.

REMUNERATION POLICY AND PHILOSOPHY

The foregoing narrative aims to provide clarity to stakeholders with an understanding of the remuneration philosophy and policy applied at FBNHoldings for Non-Executive Directors and Executive Directors.

FBNHoldings' compensation and reward philosophy represents the values and beliefs that drive compensation policy in the organisation. Our compensation philosophy is in line with the Group's quest to attract and retain highly skilled personnel who will keep the Group ahead of competition. In reviewing our compensation package, some of the triggers for compensation review include organisational policy, market positioning, financial performance of the Group, government policies, regulations, industry trends, inflation and the cost of living index.

Board remuneration

As a Board, we are mindful of the views of our various stakeholders on remuneration. We aim to motivate, incentivise and retain our talent while remaining mindful of the current economic outlook.

NON-EXECUTIVE DIRECTORS

In line with the CBN/SEC Codes, Non-Executive Directors receive fixed annual fees and sitting allowances for service on Boards and Board Committee meetings as well as reimbursable expenses. There are no contractual arrangements for compensation for loss of office. Non-Executive Directors do not receive short-term incentives, nor do they participate in any long-term incentive schemes.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

EXECUTIVE DIRECTORS

The remuneration for Executive Directors is determined by the Board and is usually benchmarked to competition or within the top quartile to ensure that it adequately attracts and retains the best and most experienced individuals for the role. Remuneration for Executive Directors is performance-driven and restricted to base salaries, allowances, performance bonuses and share options. Executive Directors are not entitled to sitting allowances.

The amounts specified below represent the total remuneration paid to Executive and Non-Executive Directors for the Group in the period under review.

Performance indicators	31 December 2015 ₦ million	31 December 2014 ₦ million
Fees and sitting allowance	79	57
Executive compensation	90	83
Total	169	140

The Group has continually ensured that its remuneration policies and practices remain competitive, and are in line with its core values to incentivise and drive performance.

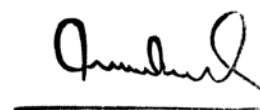
Statement of compliance with the Nigerian Stock Exchange (NSE) listing rules on Securities Trading Policy

In line with Section 14.4 of the Nigerian Stock Exchange (NSE) Amendments to the Listing Rules (Rules), we wish to state that we have adopted a code of conduct regarding securities transactions by our directors and that it is in line with the required standard set out in the Rules.

The FBNHoldings Securities Trading Policy (Policy) is embedded in the Board-approved Group Disclosure Policy and having made specific enquiry of all our directors regarding compliance with the Policy, we hereby confirm to the best of our knowledge that our Board of Directors are in compliance with our Securities Trading Policy and the provisions of the Rules on Securities Trading.



Dr Oba Otudeko, CFR
Group Chairman



Tijjani Borodo
Company Secretary

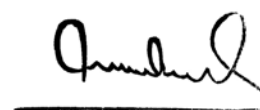
Statement of compliance with SEC Code of Corporate Governance

In compliance with Section 4.2 of the Listings Rules of the Nigerian Stock Exchange on Listing on the Premium Board, we wish to state that the SEC Code of Corporate Governance (Code) governs the operations of FBN Holdings Plc.

We hereby confirm to the best of our knowledge that we are in compliance of the Code.



Dr Oba Otudeko, CFR
Group Chairman



Tijjani Borodo
Company Secretary

CHAIRMAN'S INTRODUCTION	3
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6
LEADERSHIP	7

EFFECTIVENESS	22
ACCOUNTABILITY	26
ENGAGEMENT	35
DIRECTORS' REPORT	40

ACCOUNTABILITY

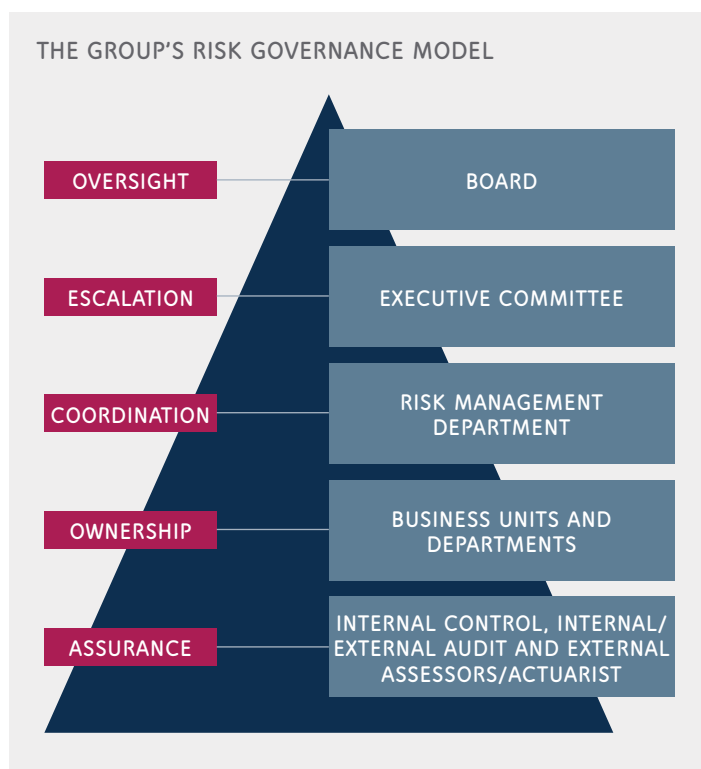
Risk governance framework

Effective management of risk requires a robust governance structure in which everyone is aware of their individual and collective accountabilities for risk management, risk oversight and risk assurance. This is reinforced by appropriate delegation of authority from the Board, which sets the appropriate tone down through the management hierarchy, and is supported by a committee-based structure designed to ensure that the risk management system across the Group is in line with regulations and leading practices.

The various components of risk governance include:

- clearly defined accountabilities and expectations of relevant parties in the risk management process;
- a clearly defined policy for the management of various risks; and
- a system of internal control and appropriate assurance in the risk management process.

Presented below is the hierarchy of the risk governance model in the Group.



- The Board, at the top of the pyramid, has ultimate responsibility for risk management and is responsible for approving all risk management policies and associated amendments. The risk oversight responsibilities of the Board are delegated to the Board Audit and Risk Assessment Committee (BARAC). Details of these roles and responsibilities are contained on page 17.
- The Management Committee is responsible for reviewing and challenging risk report and escalating issues to the Board.
- Risk Management department facilitates and coordinates risk management activities across the Group.
- Business units and other departments are the risk takers responsible for identifying, assessing, measuring, monitoring and reporting risks associated with their respective functions.
- Internal Control, Internal/External Audit and External Assessors are responsible for independently assessing the effectiveness of risk management process and practices and for providing timely, objective assurance and control of risk.

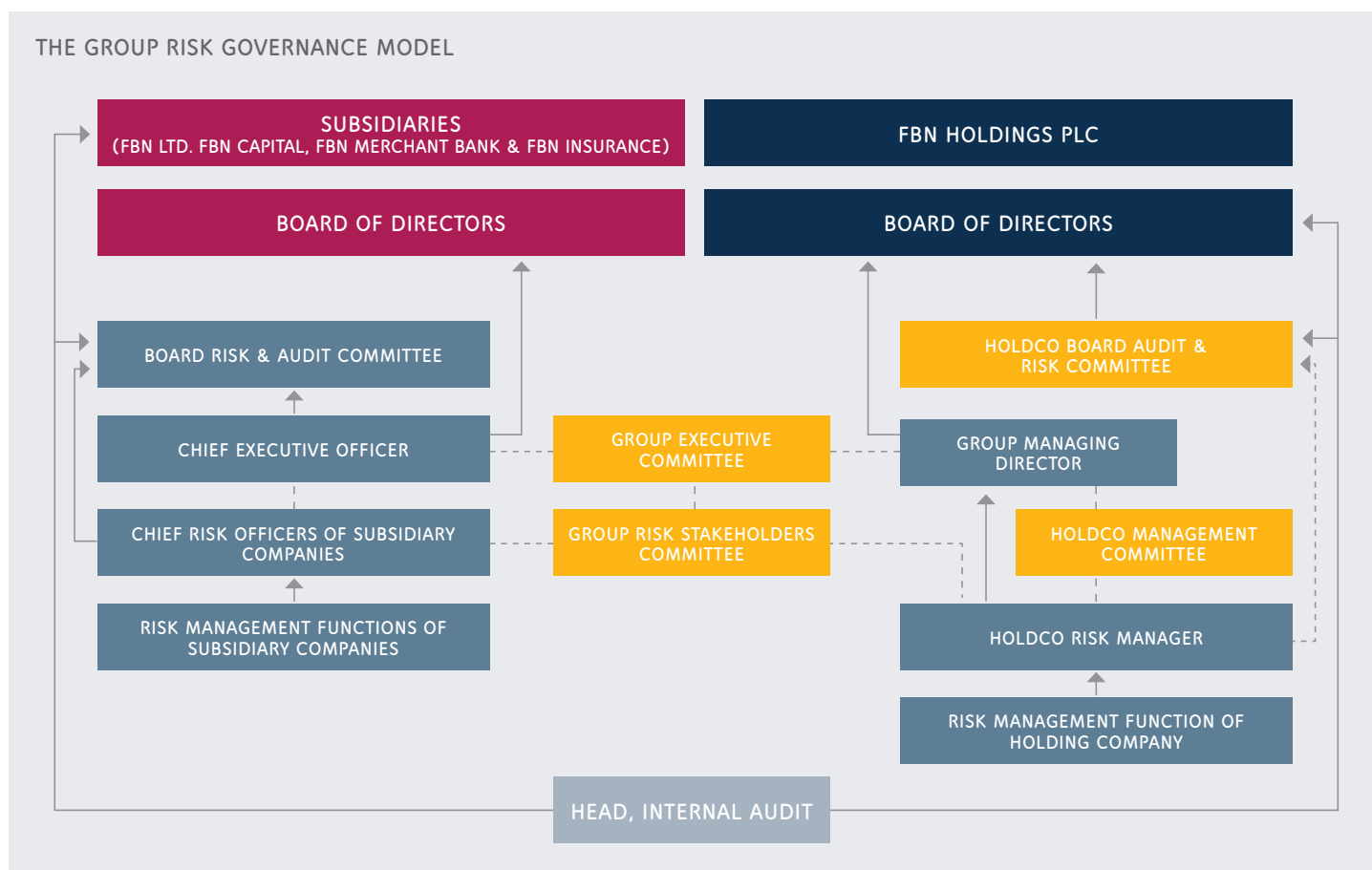
Further details of the above responsibilities, which are in line with the three lines of defence risk governance model, are presented on page 27.

As reported in the prior year, a leading risk consulting firm was engaged to review the Group Enterprise Risk Management (ERM) framework and the targeted operating model (risk governance framework). This exercise was completed in 2015. The approved risk governance model (inclusive of the major findings of the review) of the Group is characterised by the following:

- The Board of Directors of the holding company (through the Board Audit & Risk Assessment Committee) will provide robust oversight of the Group's risk strategy, approve the Group risk appetite, and review the adequacy of the risk management framework and control effectiveness.
- The Group Risk Stakeholders Committee comprises the Chief Risk Officers (CROs) and Chief Compliance Officers (CCOs) of the operating companies and the Group Risk Manager. The committee will ensure a strong and effective relationship between the risk management function of the business units and the holding company, as well as enhance the risk coordination process across the Group. The committee is accountable to the Group Executive Committee and the FBNHoldings Board Audit & Risk Assessment Committee.

CHAIRMAN'S INTRODUCTION
KEY CORPORATE GOVERNANCE
DEVELOPMENTS IN NIGERIA
LEADERSHIP

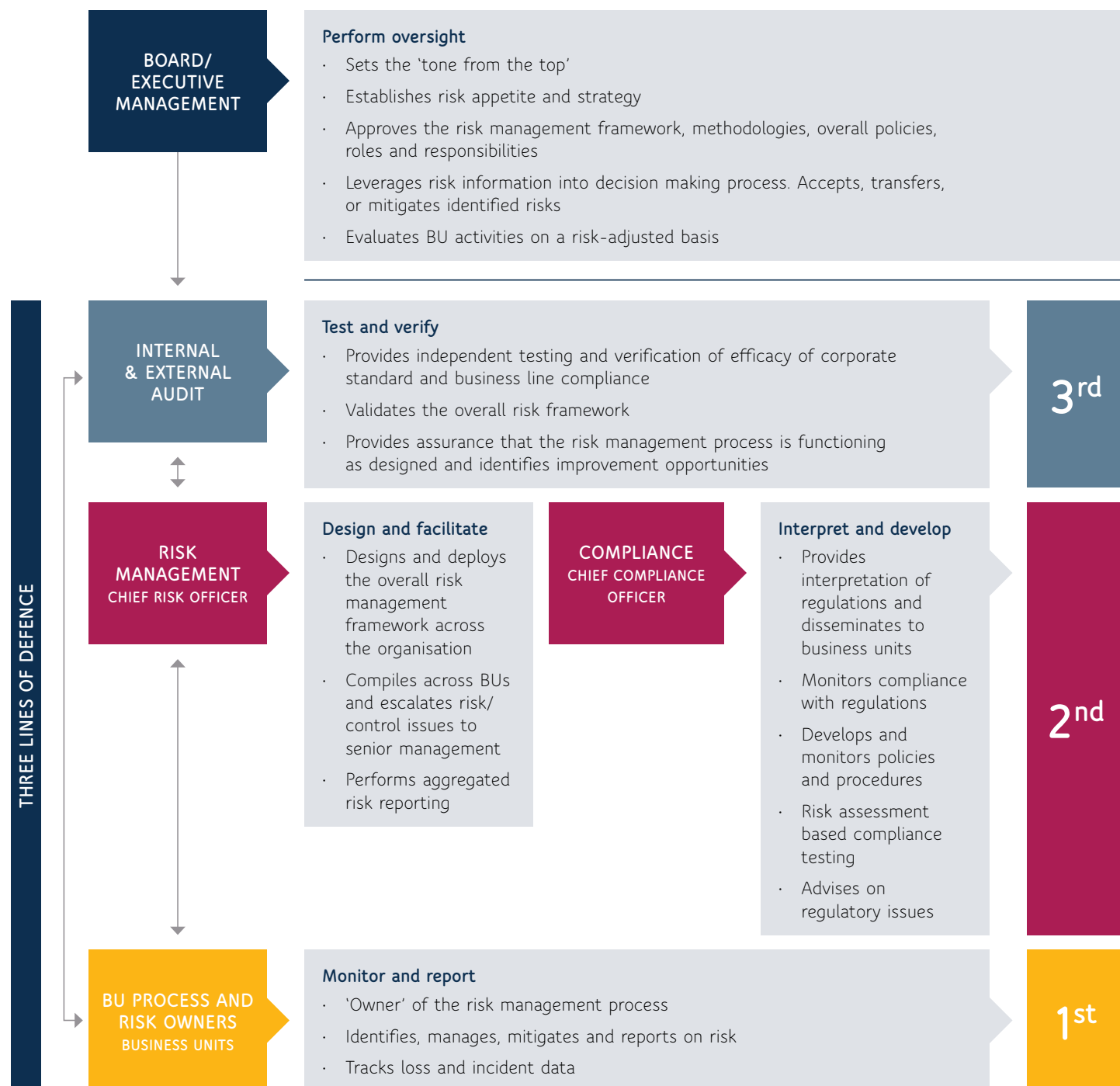
3	EFFECTIVENESS	22
6	ACCOUNTABILITY	26
7	ENGAGEMENT	35
7	DIRECTORS' REPORT	40



This target operating model will further ensure clarity and simplicity of the risk management process and also enhance a robust and practical risk governance structure in the Group.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

In reinforcing the risk governance framework of FBNHoldings, the 'three lines of defence' model is also used.



This model helps reinforce the effectiveness of the Group risk management framework by identifying and documenting the responsibilities and accountabilities for risk management and internal control across the Group's business units. The model also helps to ensure clarity between the roles and responsibilities within each line, all of which play an integral role in ultimately providing assurance as to the effectiveness of risk management and the systems of internal control.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA LEADERSHIP	6	ACCOUNTABILITY	26
	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

The table below describes the respective accountabilities of each line of defence.

RESPONSIBILITIES AND ACCOUNTABILITIES IN THE THREE LINES OF DEFENCE

First line of defence	Business line responsibilities
Risk identification control	<ul style="list-style-type: none"> Identify and manage risks on a day-to-day basis. Ensure activities are within the Group risk appetite. Design, implement and maintain effective internal control within the business lines. Implement risk-based approval process for new activities and products. Monitor and report on risk profile.
Second line of defence	Governance, risk and oversight function responsibilities
Standard setting and challenging	<ul style="list-style-type: none"> Develop ERM (enterprise risk management) framework, and risk and control strategies and practices. Provide oversight and independent challenge on the first line of defence through review, enquiry and discussion. Develop and communicate governance, risk and control policies. Provide training, tools and advice to support the first line of defence. Monitor and report on compliance with risk appetite and policies. Review policies and framework where and when necessary.
Third line of defence	Internal audit responsibilities
Independence assurance	<ul style="list-style-type: none"> Verify that the Group's risk management framework is operating effectively. Validate the effectiveness of the first two lines of defence.

Roles and responsibilities of the Board Audit and Risk Assessment Committee (BARAC)

The primary role of BARAC is to report to the Board and provide recommendations on matters relevant to risk management control and audit. The specific roles and responsibilities of the Committee are listed above under the Board Committee reports on page 17.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

WHISTLEBLOWING IN FBN HOLDINGS PLC

Commitment to high ethical standards

The Group's Board prioritises high ethical standards and probity, and expects all its employees and executives to observe such standards in all their dealings within the Group. In ensuring a high ethical standard, we established a code of ethics which sets out the minimum standards of conduct expected in the management of our businesses across the Group. All stakeholders are expected to comply with these standards in the discharge of their duties. Whilst the Group's operating procedures are intended to detect and prevent or deter improper activities, we realise that even the best systems of controls may not provide absolute safeguards against irregularities.

We recognise that there may be instances where these ethical guidelines may be violated. To ensure that these possible violations receive attention from the appropriate office, we adopted a Whistleblowing Policy (Policy) which provides a channel for the Group's employees and other relevant stakeholders to raise concerns about workplace malpractices in a confidential manner, to enable the relevant authorities to investigate and deal with such in a manner consistent with the Group's policies and relevant regulations. The Policy is therefore intended to investigate and take appropriate action against any reported misconduct or concern.

The Policy applies to both internal whistleblowers (staff, contract employees, management or directors) and external whistleblowers (customers, service providers, applicants, auditors, consultants, regulators and other stakeholders).

The Policy outlines the Group's Procedure on whistleblowing and dealing with all reported cases of illegal and unethical conduct or other misconduct across the Group.

This Policy is in compliance with the requirements of various regulatory authorities with oversight on the activities of the Group on whistleblowing, particularly section 3.1 of the Central Bank of Nigeria (CBN) "Guidelines for whistleblowing for banks and other financial institution in Nigeria", and section 5.3.1 of "Code of Corporate Governance for banks and discount houses".

Objective of the Policy

The Policy is intended to encourage staff and other relevant stakeholders to report perceived unethical or illegal conduct of employees, management, directors and other stakeholders across the Group to appropriate authorities in a confidential manner without any fear of harassment, intimidation, victimisation or reprisal of anyone for raising concern(s) under the Policy. Specific objectives of the policy are:

- To ensure all employees feel supported in speaking up in confidence and reporting matters they suspect may involve; improper, unethical or inappropriate conduct within the Group;
- To encourage all improper, unethical or inappropriate behavior to be identified and challenged at all levels of the organisation;
- To provide clear procedures for reporting and handling such concern(s);

- To proactively prevent and deter misconduct which could damage the Group's reputation;
- To provide assurance that all disclosures will be taken seriously, treated as confidential and managed without fear of reprisal of any form; and
- To help promote and develop a culture of openness, accountability and integrity.

Scope of the Policy

The Policy is designed to enable employees and other relevant stakeholders report any perceived act of impropriety which should not be based on mere speculation, rumors and gossips but on knowledge of facts. Reportable misconducts covered under this policy include:

- All forms of financial malpractices or impropriety such as fraud, corruption, bribery, theft;
- Failure to comply with legal obligations, statutes regulatory directives;
- Actions detrimental to Health and Safety or the Environment;
- Any form of criminal activity;
- Improper conduct or unethical behavior; that undermines universal and core ethical values such as integrity, respect, honesty, accountability and fairness etc.;
- Other forms of corporate governance breaches;
- Connected transactions not disclosed or reported in line with regulations;
- Insider abuse;
- Non-disclosure of interest;
- Sexual or physical abuse of any staff, customer, applicant, service provider and other relevant stakeholders; and
- Attempt to conceal any of the above listed acts.

The above listed reportable misconducts or concerns are not exhaustive. However judgment and discretion is required to determine misconduct that should be reported under this policy. The general guide in identifying reportable misconduct is to report concerns which would be in the interest of the Group and the general public to stop and appropriate sanctions applied.

The Policy regulates our activities as a Holding Company and all the subsidiaries within our Group. This is without prejudice to the requirements by regulators of the various subsidiaries to put in place their respective whistleblowing policies.

Furthermore, the Policy is in compliance with the X-Whistle program of the Nigeria Stock Exchange (NSE); where such issue concerns: FBN Holdings Plc. as an entity, being a listed member of the NSE. The Policy is also to be read in conjunction with the whistleblowing guidelines that may be issued from time to time by different regulators governing the Group's subsidiaries.

Lastly, the Policy does not cover individual staff grievances and other employee related matters already covered in staff hand-books.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Board and management commitment to the Policy

The Board and Management are aware that a robust internal system for employees and other relevant stakeholders to disclose workplace malpractices without fear of reprisal shows that employees take their responsibilities seriously, and also helps to avoid the negative publicity that often accompanies disclosures to external parties.

Hence the Board of Directors and Management are committed towards promoting a culture of openness, accountability and Integrity, and will not tolerate any harassment, victimization or discrimination of the whistleblower provided such disclosure is made in good faith with reasonable belief that what is being reported is fact.

Policy statement

We are committed to the highest standards of openness, probity, accountability and high ethical behavior by helping to foster and maintain an environment where employees and other stakeholders can act appropriately, without fear of reprisal.

We therefore encourage employees and relevant stakeholders who have material concerns about suspected misconduct or any breach or suspected breach of law or regulation that may adversely impact the Group, to come forward and report them through appropriate channels (in certain cases on a confidential basis) without fear of retribution or unfair treatment.

We are committed to investigating promptly any reported misconduct and to protect those who come forward to report such activities. The Group further assures that all reports shall be treated in strict confidence.

Internal whistleblowing procedure

Internal whistleblowing involve staff members across the Group raising concerns about unethical conduct. An internal whistleblower may raise concern through any of the following media (this can be done either by declaration or in confidence/anonymously):

- Formal letter to the GMD FBN Holdings Plc. or the Head, Internal Audit
- Call or text a dedicated phone number 08127166777; 0802 290 2268
- All internal whistleblowers can use Microsoft Office Communicator
- Dedicated email address (whistleblowing@fbnholdings.com)
- Via FBNHoldings website: www.fbnholdings.com/whistleblowing

Where the concern is received by staff other than the GMD or the Head, Internal Audit, the recipient of such concerns shall be required to:

- Immediately pass the concerns to the Head Internal Audit and copy to the GMD FBNHoldings
- If the concerns affect the Head Internal Audit, the GMD is notified and when a director is involved, such concern shall be directed to the chairman Board Audit & Risk Committee

The concern(s) shall be presented in the following format:

- Background of the concerns (with relevant dates)
- Reason(s) why the whistleblower is particularly concerned about the situation.

In the event that the whistleblower is not satisfied with the extent of investigation and or the action taken based on the outcome of the investigation, the whistleblower is at liberty to report to the Chairman of the Board Audit and Risk Committee.

Any internal whistleblower that feels victimised can report his/her grievance(s) to the Chairman, Board Audit and Risk Assessment Committee. This is without prejudice to the fundamental right of the internal whistleblower to seek redress in the court of law.

External whistleblowing procedure

External whistleblowers are non-staff of the Group. They can fall into any of these categories: contractors, service providers, shareholders, depositors, analysts, consultant, job applicants, and the general public. An external whistleblower may raise concern through any of the following media (this can be done either by declaration or in confidence/anonymously):

- By a formal letter to the Group Managing Director, FBN Holdings Plc and/or Head Internal Audit
- Dedicated phone number as contained in the website; www.fbnholdings.com
- Dedicated email address; whistleblowing@fbnholdings.com
- Electronically log into; www.fbnholdings.com
- Directly to the Group Managing Director, FBNHoldings
- Directly to the Head Internal Audit, FBNHoldings.

The concern(s) shall be presented in the following format:

- Background of the issue (with relevant dates)
- Reason(s) why the whistleblower is particularly concerned about the situation.

In the event that the whistleblower is not satisfied with the extent of investigation and/or the action taken based on the outcome of the investigation, the whistleblower is at liberty to report to the Chairman of the Board Audit and Risk Assessment Committee for further action.

An external whistleblower shall be at liberty to report to appropriate regulatory body or even seek further redress in the court of laws if he/she is not satisfied with the action taken to address the concern(s).

If preliminary investigation shows that the concerns falls within the whistleblowing reportable concerns, then further investigation shall be carried out. If otherwise or the concerns is outside the reportable misconduct, then the Head, Internal Audit shall refer the matter to appropriate quarter for further action. Where necessary the Head, Internal Audit shall give update of the progress of investigation to the whistleblower if the concerns fall within the reportable concerns. Finally, if the concern raised by the whistleblower is frivolous or unwarranted, the Head internal Audit shall ignore such concern, if necessary disciplinary measure in line with Human Resources policy shall apply to staff that raise concern out of malice.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Protection and compensation for whistleblower

It shall be the policy of the Group to protect whistleblowers who disclose concerns, provided the disclosure is made:

- in the reasonable belief that it is intended to show malpractice or impropriety
- to an appropriate person or authority; and
- In good faith without malice or mischief.

While all disclosures resulting from whistleblowing shall be treated with high level of confidentiality, staff and other relevant stakeholders are encouraged to disclose their name to make the report more credible.

We will not subject a whistleblower to any detriment and where necessary, compensation of whistleblowers, whether internal or external, that have suffered detriment shall be at the discretion of Management taking into consideration regulatory guidance on compensation of whistleblower to be issued from time to time.

Wider disclosure

A whistleblower, whether internal or external, may elect to disclose directly to any of the following regulatory bodies that have oversight on the activities of FBN Holdings Plc.:

REGULATOR	ADDRESS
Central Bank of Nigeria (CBN)	Central Business District. P.M.B 0187, Garki Abuja. Phone: +234 (0) 946237401 Email: anticorruptionunit@cbn.gov.ng
Nigeria Deposit Insurance Corporation (NDIC)	Plot 447/448 Constitution Avenue Central Business District P.M.B. 284, Garki Abuja Phone: +234 (0) 94601380 - 9 +234 (0) 96171380 - 9 Email: info@ndic.org.ng helpdesk@ndic.org.ng
Securities and Exchange Commission (SEC)	SEC Towers, Plot 272, Samuel Adesujo Ademulegun Street, Central Business District P.M.B:315 Garki Abuja. Phone: +234 (0) 94621159 Email: sec@sec.gov.ng

Nigeria Insurance Commission (NAICOM)	Plot 1239, Ladoke Akintola Boulevard, Garki II, P.M.B 457 Garki, Abuja, Nigeria. Telephone: +234 (0) 92915101 Email: info@naicom.gov.ng
National Pension Commission (PENCOM)	Plot 174, Adetokunbo Ademola Crescent, Wuse, Abuja, Nigeria. Phone: +234 (0) 94603930 Email: info@pencom.gov.ng
Nigerian Stock Exchange (NSE)	Stock Exchange House 2/4, Custom Street, P. O. Box 2457 Marina, Lagos Phone: +234 (0) 14489373 +234 (0) 817243061 +234 (0) 81206463 Email: x-whistle@nse.com.ng

The culture of whistleblowing

In the drive to entrench the culture of whistleblowing among members of staff, emails and fliers on the advantages of whistleblowing, and the channels through which the whistleblower could send in their concerns, were publicised on the Group's intranet. The provisions of the whistleblowing policy, and the Group's core values, encourage members of staff to speak up when they believe something is wrong, with the assurance that management is always ready to address concerns and feedback as part of the process.

Whistleblowing	2014	2015
Probable irregularities and non-compliance with the policies of the Group	7	10
Disciplinary measures	3	12
Cases under investigation	7	5
Unsuccessful attempts by outsiders to lure members of staff into committing fraud	2	4
Cases investigated but found to be untrue	2	10
Total	21	41

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Internal control

Internal control in FBNHoldings and its subsidiaries refers to the overall operating framework of the practices, systems, organisational structures, management philosophy, code of conduct, policies, procedures and actions that exist within the Group and are designed to ensure:

- essential business objectives are met, including the effectiveness and efficiency of operations and the safeguarding of assets against losses;
- the reliability of financial reporting and compliance with general accounting principles;
- compliance with applicable laws and regulations, including internal policies;
- systematic and orderly recording of transactions; and
- provision of reasonable assurance that undesired events will be prevented or detected and corrected.

The FBNHoldings Board is committed to creating and maintaining a world-class internal control environment that is capable of mitigating risks and losses inherent in the business.

Group internal control framework

The Group's framework is predicated on the Committee of Sponsoring Organisations of the Treadway Commission (COSO) standards, which provide guidelines aimed at achieving internal control objectives of:

- reliability of financial statements;
- effectiveness and efficiency of operations; and
- compliance with applicable laws and regulations.

It also aligns the control responsibilities of the Board of Directors, MDs, management and staff within the Group. Our basic conceptual structure is based on the COSO 2013 Integrated Internal Control Framework.

This is the most widely acceptable international framework used to evaluate the existence and functionality of control principles covering the following five components:

1. Control environment
2. Risk assessment
3. Control activities
4. Information and communication
5. Monitoring.

The framework was created to identify critical activities within the Group, assess the risk exposures, determine appropriate preventive and detective control measures, and monitor such measures to ensure compliance, thereby minimising the risks and losses.

Adoption of COSO 2013 updated internal control framework

In August 2008, FirstBank adopted the COSO Internal Control Integrated Framework as a basis for assessing and evaluating the effectiveness of internal control. This framework was updated by the COSO committee in May 2013.

Consequently, in 2014, FirstBank initiated and commenced the transition and upgrade of its internal control processes with a view to aligning it with the updated 2013 COSO Framework. This project was championed by ICEG in collaboration with a reputable external consultant. The project was successfully concluded in April 2015, with FirstBank effectively pioneering this feat in the Nigerian financial services sector. The adoption of the COSO 2013 Framework has been of immense benefit, as it has resulted in better entity level controls, improved control consciousness and a stronger control environment within the Group.

Establishment of a 24/7 fraud desk

In line with CBN's regulatory requirements on the operation of instant payments and other electronic payment options, FirstBank established a 24/7 Behavioural Monitoring Centre during the year. The centre represents a state-of-the-art operations unit focused on behavioural monitoring designed to detect and prevent suspicious internet banking activities as well as other doubtful transactions. The successful implementation of the centre has harnessed the resources of already existing applications, such as the Internal Control Anti-Fraud Solution (ICAFAS) and the FraudWatch application in FirstBank. The centre has further extended its activities to card transactions monitoring, which we believe will also lead to a further reduction in fraud. Additionally, as required by CBN, the FirstBank has set up a 24/7 fraud desk. The fraud desk activities include:

- Verifying suspicious transactions from other banks.
- Acting as a liaison between FirstBank and other banks on fraud-related issues.
- Communicating fraud trends in the industry to the central unit with the control team to escalate as required.

Major achievements in 2015

The key milestones achieved by internal control in the course of the year include:

- Introduction of the 24/7 behavioural monitoring of internet banking activities, with notable decrease in online banking fraud. This was extended to cards and ATM transactions and Introduction of a 24/7 fraud desk to address fraud issues across banks as mandated by CBN.
- Successful strengthening of control consciousness of frontline staff in risk management through regular control awareness.
- Monitoring subsidiaries activities to ensure strict adherence to policies and procedures.
- Expanding the scope of revenue assurance to additional income lines, thereby eliminating income leakages.
- Strengthening IT control to safeguard all the software used by the Group.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Priorities for 2016

- Increased use of automated tools to monitor controls and improve turnaround time. Continuous process improvements, post-implementation of the COSO 2013 Integrated Internal Control Framework.
- Expanding the scope of control monitoring and review to ensure compliance with policies and procedures.
- Continuous training of branch staff through control awareness campaign with a view to enhancing service delivery.
- Implementing measurable processes to enhance and maintain high-quality documentation and reduce turnaround time of the internal audit function in performance of its duties.
- Creating of knowledge hubs to guide staff on control activities and ensure adequate communication and clarification of control policies and procedures to all staff.
- Improving synergies across fraud desks in all other banks in Nigeria to reduce the fraud rate in the banking industry.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

ENGAGEMENT

The Board is committed to engaging in constructive and meaningful communications with its investors, shareholders and other stakeholders. We believe engagement, consistent with the Group's disclosure controls, is a fundamental and long-term aspect of the Board's oversight responsibility.

Introduction

Global economic and regulatory changes have had, on balance, negative impact on the performance of most listed companies. As a result of market changes, the need to restore shareholder value has become paramount and at its core, calls for improved business performance, as well as enhanced focus on increased engagement across various stakeholders which could impact valuation. Given the continued interest by current and potential shareholders in the performance of companies especially in the current macro environment, there is a need to deepen and further centralise engagement with shareholders to provide better understanding of our corporate governance mechanism, strategy, performance and outlook. This relationship is increasingly, important providing access to senior management, reducing the information gap with the financial community to build confidence, trust and understanding between the company, Board and other stakeholders.

Regulatory engagement

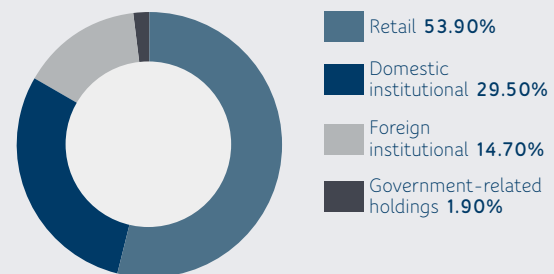
As part of efforts to deepen regulatory interface across all sectors within the financial services industry where we operate¹, the Board of FBNHoldings through its management, has set up a framework that ensures a coordinated approach to engaging regulators on an on-going basis. This is geared towards ensuring hitch-free operations across markets and sectors by all operating companies as well as eliminating regulatory infractions which could potentially lead to negative publicity, fines and cancellation of licenses, in extreme cases. To this end, the highest management organ of the Group - Group Executive Committee (GEC) has with the responsibility of tracking and measuring implementation of engagements with regulators. The framework also emphasises a coordinated approach to engaging regulators through joint calls by executives of operating companies and periodic engagements at a more senior management level.

Engagement with investors

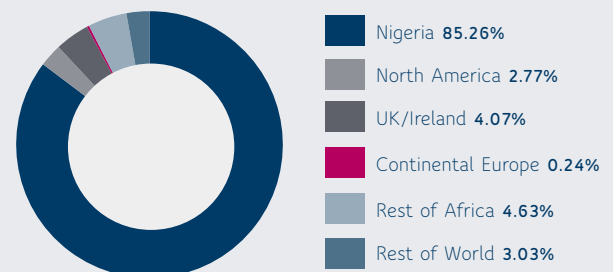
FBNHoldings is a publicly quoted company with a diverse shareholder profile with about 1.2 million shareholder accounts globally, with no beneficial shareholder having more than 5% of the issued ordinary shares. This makes the ownership structure one of the most diversified in the country. The current distribution of FBNHoldings shares is heavily dominated by domestic owners, who in turn can be broadly split into retail and institutional shareholders, while international holders are entirely institutional. Given the macroeconomic challenges, the composition of international holders has dipped, from a peak of 21.68% to 14.70% as at December 2015.

As at year December 31, 2015, the shareholding structure was:

BREAKDOWN OF SHAREHOLDERS BY TYPE



GEOGRAPHICAL BREAKDOWN OF SHAREHOLDING STRUCTURE



We approach engagements across types of shareholders/investors differently.

Domestic retail investors - This group represents all individual holders of FBNHoldings shares and is made up of high net-worth individuals (HNIs) and mass retail. The mass retail covers a wide spectrum of shareholders and within this range are the very small holders of the FBNHoldings stock, some of which belong to shareholder associations. Typically, retail shareholders are updated on the strategy, performance and outlook via the annual general meeting (AGM), research notes from analysts, the investor relations (IR) and corporate website, fund managers, shareholder associations, and their stockbrokers. We continue to seek avenues to narrow any perceived information gaps.

Institutional investors - This group holds shares both directly and on behalf of underlying beneficiaries, be they individuals and other corporates with fiduciary responsibilities. In the wake of the financial crisis, institutional investors are under increasing pressure to better understand the companies in which they invest and use their influence to minimise corporate governance risk.

¹The different regulatory bodies supervising different business groups within FBNHoldings include the Central Bank of Nigeria, The Nigerian Stock Exchange, The Securities and Exchange Commission, The National Insurance Commission, The Pension Commission and the Financial Reporting Council of Nigeria.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Engagement generally, aids us in understanding external perspectives on the Group's performance and can provide added context on shareholders' views to assist in fine-tuning strategies. Our interaction with the institutional investors also provides some validation of existing initiatives and as well as offering valuable insights given their exposure to a broad spectrum of companies and business strategies in different sectors.

The investor relations team, supported by the executives and senior management team, engages with analysts/shareholders/investors through a variety of platforms including: Facts Behind the Figures on the Nigerian Stock Exchange, website, press releases, publications in newspapers, meetings with shareholder institutions, results conference calls, investor forum/conferences, non-deal road shows and social media.

Rights of shareholders

The Companies & Allied Matters Act of 2004 (CAMA) provides several basic rights for shareholders which include, but is not limited to the following:

- Every shareholder shall have the right to attend any general meeting of the Company in accordance with the provisions of section 81 (CAMA). It does not matter how many units of shares the person has in the Company. A shareholder has the right to query a company for not receiving notice to attend any general meeting.
- Shareholders have the right to speak and vote on any resolution before the meeting in accordance with the provision of section 81 of CAMA.
- Shareholders have the right to vote in person or in absentia, and equal effect shall be given to votes whether cast in person or in absentia.
- Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of the general meetings, as well as full and timely information regarding the issues to be decided at the meeting.
- They shall be given the opportunity to ask the Board questions and to place items on the agenda at the general meetings, subject to reasonable limitations.
- They have the right to be informed of any resolution appointing or approving the appointment of a director for the purpose of section 256 of CAMA.
- Shareholders have the right to sue for dividends in accordance with section 385 of CAMA.
- Shareholders have the right to a copy of the memorandum and articles, if any, and a copy of any enactment that alters the memorandum in accordance with section 42 of CAMA.
- Shareholders have the right of a preference share to more than one vote in accordance with section 143, subsection (1) (3) of CAMA.
- Shareholders have the right of conveying or transferring shares.
- Shareholders have the right of sharing in the residual profits of the Company.
- Shareholders have the right to bonus and rights issue of the Company.
- Shareholders have the right to inspect the register of members of the Company.

- Shareholders have the right to be issued within three months without any payment a certificate after the close of offer (S. 146 (1&2)).
- Shareholders have the right vis-à-vis a prospectus that is being issued in an offer for sale or subscription of shares by an issuer.
- Shareholders have the right to be represented in the Statutory Audit Committee of the Company.
- Aggrieved shareholders have the right to seek redress. The Investment and Securities Tribunal (IST), the Administrative Proceedings Committee (APC) and the Securities and Exchange Commission mechanism can be used to address such grievances.
- Shareholders have the right to inspect the register of members and to a share certificate when a new share is bought.
- Shareholders have the right to transfer shares.
- Shareholders have the right to request an extra general meeting.

At FBNHoldings, we consider these rights sacrosanct and we always ensure they are upheld.

What are our shareholders' responsibilities?

The Statutory Audit Committee (SAC) acts on behalf of the shareholders in overseeing the operations of the Group. In an age of increasing transparency, our shareholders' perceptions of the Group, expectations and understanding of the Group's operations and performance, matter to our business value. Hence, it is important for our shareholders to be aware of the expected roles through representatives in the SAC as provided by Section 359 (2) & (3) as follows:

- to ascertain the accounting and reporting policies of the Group are in compliance with legal requirements and agreed ethical practices;
- to review the scope and planning of audit requirements; to review the findings on management matters in conjunction with the external auditor;
- to keep under review the effectiveness of the Company's system of accounting and internal controls; to make recommendations to the Board with regards to the appointment, removal and remuneration of external auditors to the Company; and
- to authorise the internal auditor to carry out investigations into any activities.

In addition, our shareholders' roles extend to holding the Board accountable for the observance of effective corporate governance practices. They also have the responsibility of approving the appointment of the members of the Board of Directors and the external auditors, as well as granting approval for certain corporate actions that are by legislation or the Company's articles of association specifically reserved for shareholders, such as approval of dividend payment. Decision-making is not restricted to the Board, but extends to shareholders, who ultimately own the Group.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

What does Investor Relations do?

The Investor Relations (IR) function involves the engagement of shareholders, investors and analysts to ensure the effective and proactive dissemination of FBNHoldings' strategic information and corporate disclosures. Investor Relations plays a pivotal role in providing detail about the health of the organisation to a wide range of interested parties. The information disseminated through the IR function not only projects the financial strength of the company, but also enables a two-way relationship between the Company and its stakeholders. Investor Relations leads and manages relations between FBNHoldings and the financial community by positively projecting the intrinsic value of the Group, enhancing investor confidence and ultimately creating value for the shareholders.

Essentially, the Investor Relations function aims to:

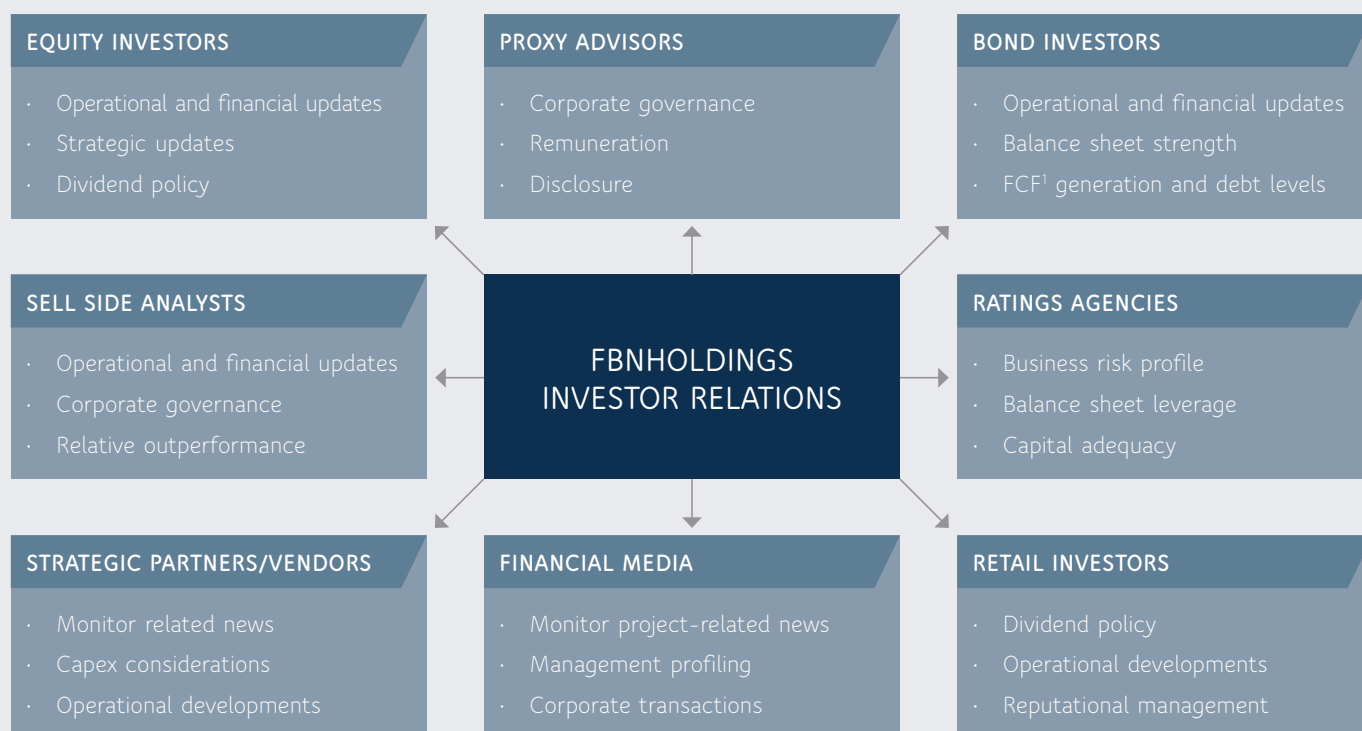
- Develop and implement investor, shareholder and proxy advisory firms' engagement and communication processes, to increase the visibility and valuation;
- Manage relationships with the market and build positive investor understanding and sentiment for the Company's strategy;
- Proactively disseminate FBNHoldings strategic information and corporate disclosures to key stakeholders including current and prospective investors, financial analysts etc.;

- Develop and implement the framework monitor and resolve investors' enquiries and issues;
- Ensure continuous gathering of market intelligence and monitoring of investor and analyst perception of FBNHoldings to drive efficiency to the IR programme, help manage shareholders expectations and ensure an upward flow of information to senior management;
- Expand the potential pool of capital the Group can access to finance its growth objectives; and
- Promote the fair value of the Company's shares.

At FBNHoldings, there is a clear and well documented IR programme, which includes detailed information of planned investor engagements for the year. The financial reporting calendar, a part of the IR programme, which highlights the financial reporting dates for the year, is published on the IR website, as well as the annual report.

The diagram below shows the diversity of the Investor Relations stakeholders and the information requirements.

FIG 1: DIVERSITY OF THE INVESTOR RELATIONS UNIVERSE AND INFORMATION REQUIREMENTS



¹ FCF: Free cash flow

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

Website enhancement

The website remains a veritable platform to engage a wide variety of stakeholders. As such, the quality of information and content management of the website remains a priority. To improve the level of disclosure, transparency and visibility on the IR website, the existing IR website has been enhanced to incorporate additional information to meet disclosure requirements from a regulatory and practice standpoint.

To further enhance our engagement to ensure easier access to information and meet best practice disclosure requirement, we will continue to improve on the quality of information hosted on our website including its look and feel. We will ensure good functional accessibility from a variety of platforms e.g. tablets, including other mobile devices. For further details please visit the website on <http://ir.fbnholdings.com/>

What happens at our Annual General Meeting (AGM)?

Section 213 of CAMA makes provision for holding an Annual General Meeting (AGM) and provides that every company shall in each year hold a general meeting as its AGM, in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it. The dissemination of AGM & EGM materials are published in the national dailies; sent to the shareholders addresses via surface or registered mail or disseminated electronically. All businesses transacted at the AGM are deemed special business, except declaring a dividend, the presentation of the financial statements and the reports of the directors and auditors, the election of directors in the place of those retiring, the appointment, and the fixing of the remuneration, of the auditors and the appointment of the members of the Audit Committee, which shall be ordinary business.

The usual practice at the AGM is to have shareholder meetings duly convened and held in an open manner in line with the provisions of the Articles of Association and the provisions of CAMA. The AGM also serves as a medium for promoting interaction between the Board, Management and shareholders.

Attendance at the AGM is open to shareholders or their proxies, and proceedings at the meeting will be monitored by members of the press, representatives of the Nigerian Stock Exchange, the Central Bank of Nigeria, the Securities and Exchange Commission and the Corporate Affairs Commission.

At the general meeting, the shareholders have the opportunity to comment/deliberate on all items on the agenda and vote for or against the proposed resolutions. At the meeting, shareholders are free to discuss anything of concern to them with regards to the Company, Board of Directors, management, etc.

The general meeting affords shareholders the opportunity to appraise the Company's performance, especially as they are not actively involved in the day-to-day running of the Group. This medium provides the chance to give approval on certain decisions, assess the Group's performance and, by implication, the performances of the directors responsible for the effective management of stakeholders' interest.

The conduct of voting at the AGM is either by show of hands or by poll for any one agenda. In recent times, however there has been an increase in voting by poll, indicating increased shareholder interest and participation at the AGM. Polls are demanded by shareholders in line with the provision of CAMA.

The Registrars officiate at the AGM; this involves accreditation and registration of shareholders and verification of shareholdings. The Registrars conduct the elections and ensures a seamless process.

Voting by poll

Voting by polls is provided for under sections 224 and 225 of CAMA. At the AGM, resolutions put to vote are decided by a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by any of the following:

- the Chairman, where he is a shareholder or a proxy;
- at least three members present in person or by proxy;
- any member or members present in person or by proxy and representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting; or
- any member or members holding shares in the company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

Conclusion

Given the continued interest by shareholders/investors in the performance of companies, especially in the current macro environment, we remain committed to providing high quality disclosures to shareholder, investors and other stakeholders to ensure effective dialogue on performance and outlook.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

DIRECTORS' REPORT

The directors present their report on the affairs of FBN Holdings Plc ('the Company') together with the financial statements and auditors' report for the period ended 31 December 2015.

a. Legal form

The Company was incorporated as a private limited liability company in Nigeria in 2010 and was converted to a public company in September 2012, when it commenced operations. The Company's shares were listed on the floor of the Nigerian Stock Exchange on 26 November 2012 after the shares of First Bank of Nigeria Plc were delisted on 23 November 2012.

b. Principal activity and business review

The principal activity of the Company is the raising and allocation of capital and resources.

The Company is also tasked with the responsibility of coordinating Group-wide financial reporting to shareholders and managing shareholder, investor and external relations to the Group, and the task of developing and coordinating implementation of Group strategies.

The Company consists of four groups, namely:

- Commercial Banking group made up of First Bank of Nigeria Limited, FBNBank (UK) Limited, FBN Mortgages Limited, First Pension Custodian Nigeria Limited, FBNBank DRC Limited (formerly Banque Internationale de Cr dit), FBNBank Ghana Limited, FBNBank Sierra Leone Limited, FBNBank Guinea Limited and FBNBank Gambia Limited.
- Merchant Banking and Asset Management group (MBAM), made up of FBN Capital Limited, FBN Securities Limited, FBN Funds Limited and FBN Trustees Limited.
- Insurance group made up of FBN Insurance Limited, Oasis Insurance Limited and FBN Insurance Brokers Limited.
- Other Financial Services made up mainly of Kakawa Discount House Limited and FBN Microfinance Bank Limited.

The Company prepares separate and consolidated financial statements.

c. Directors' shareholding

The direct and indirect interests of directors in the issued share capital of the Company as recorded in the register of directors' shareholding and/or as notified by the directors for the purposes of sections 275 and 276 of the Companies & Allied Matters Act and the listing requirements of the Nigerian Stock Exchange are noted:

Name	Direct holding	Indirect holding
Dr Oba Otudeko, CFR	5,895,264	532,075,839
Oye Hassan-Odukale, MFR	1,854,003	276,612,369
Bello Maccido (resigned w.e.f. 31.12.2015)	2,633,279	-
Bisi Onasanya (resigned w.e.f. 31.12.2015)	10,091,032	-
Abdullahi Mahmoud (resigned w.e.f. 31.12.2015)	531,956	-

Name	Direct holding	Indirect holding
Chidi Anya	-	52,168
Dr Hamza Wuro Bokki	359,700	
Omatseyin Ayida	1,100,000	
'Debola Osibogun	95,968	
Muhammad Ahmad, OON	-	

d. Operating results

The directors recommend for approval a dividend of 15 kobo per share, amounting to ( 5,384,293,918.80). Highlights of the operating results for the period under review are as follows:

	Group	
	31 December 2015 � million	31 December 2014 � million
Gross earnings	505,191	481,774
Profit before tax	21,512	94,056
Taxation	(6,364)	(10,045)
Total profit for the year	15,148	84,011
Appropriation:		
Transfer to statutory reserves	1,369	13,204
Transfer (from)/to statutory credit reserve	(44,240)	38,686
Transfer to contingency reserves	221	110
Transfer to retained earnings reserve	57,799	32,011

	Company	
	31 December 2015 � million	31 December 2014 � million
Gross earnings	6,794	16,969
Profit before tax	2,180	5,683
Taxation	-	-
Total profit for the year	2,180	5,683
Appropriation:		
Transfer to statutory reserves	-	-
Transfer (from)/to statutory credit reserve	-	-
Transfer to contingency reserves	-	-
Transfer to retained earnings reserve	2,180	5,683

e. Directors interests in contracts

For the purpose of section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004, none of the directors had direct or indirect interest in contracts or proposed contracts with the company during the year.

CHAIRMAN'S INTRODUCTION	3	EFFECTIVENESS	22
KEY CORPORATE GOVERNANCE DEVELOPMENTS IN NIGERIA	6	ACCOUNTABILITY	26
LEADERSHIP	7	ENGAGEMENT	35
		DIRECTORS' REPORT	40

f. Property and equipment

Information relating to changes in property and equipment is given in Note 35 to the Accounts. In the directors' opinion, the market value of the FBNHoldings' properties is not less than the value shown in the financial statements.

g. Shareholding range analysis RANGE ANALYSIS AS AT 31/12/2015

Range	No of holders	Holders %	Units	Units %
1-1,000	285,340	23.35	210,909,179	0.59
1,001-5,000	496,359	40.62	1,195,731,430	3.33
5,001-10,000	174,978	14.32	1,203,018,013	3.35
10,001-50,000	217,983	17.84	4,442,092,175	12.38
50,001-100,000	23,092	1.89	1,605,151,736	4.47
100,001-500,000	19,487	1.59	3,872,086,201	10.79
500,001-1,000,000	2,320	0.19	1,608,277,951	4.48
1,000,001-5,000,000	1,945	0.16	3,654,899,618	10.18
5,000,001-10,000,000	226	0.02	1,560,170,652	4.35
10,000,001-50,000,000	186	0.02	3,549,801,895	9.89
50,000,001-100,000,000	27	0.00	1,799,226,165	5.01
100,000,001-500,000,000	30	0.00	7,805,057,797	21.74
500,000,001-35,895,292,791	4	0.00	3,388,869,979	9.44
	1,221,977	100.00	35,895,292,791	100

SHAREHOLDING ANALYSIS AS AT 31 DECEMBER 2015

Category	Holdings	Holdings %
Retail	19,352,806,311	53.90
Domestic institutional	10,579,552,190	29.50
Foreign institutional	5,287,901,441	14.70
Government-related holdings	675,032,850	1.90
	35,895,262,792	100

h. Substantial interest in shares

According to the register of members as at 31 December 2015, there was no shareholder with up to 5% of the shares of FBN Holdings Plc.

i. Human resources

EMPLOYMENT OF DISABLED PERSONS

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop.

In the event of members of staff becoming disabled, efforts will be made to ensure that their employment with the Company continues and appropriate training arranged to ensure that they fit into the Company's working environment.

j. Health, safety and welfare at work

Health and safety regulations are in force within the Company's premises and employees are aware of existing regulations. The Company provides subsidy to all levels of employees for medical, transportation, housing, etc.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

The Company has a Group Life Assurance cover and operates a defined contributory pension plan in line with the Pension Reform Act 2014. It also operates the Employees Compensation Scheme (which replaced the Workmen Compensation Scheme) in line with the Employee's Compensation Act 2011 for the benefit of its employees.

k. Employee involvement and training

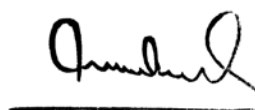
The Company ensures, through various fora, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism.

In accordance with the Company's policy of continuous development, training facilities are provided in a well-equipped training school. In addition, employees of the Company are sponsored to both local and foreign courses and trainings. These are complemented by on-the-job training.

l. Auditors

The auditors, Messrs PricewaterhouseCoopers, have indicated their willingness to continue to act in that office.

BY ORDER OF THE BOARD



Tijjani Borodo
FRC/2013/NBA/00000002367
Company Secretary
Lagos, Nigeria



Shareholder enquiries

Email: info@firstregistrarsnigeria.com

Tel: +234 1 2799880

www.firstregistrarsnigeria.com

Head, Investor Relations

Olujemisi Lanre-Phillips

Email: investor.relations@fbnholdings.com

Tel: +234 1 9052720

Customer enquiries

Email: firstcontact@firstbanknigeria.com

Tel: 0700 FIRSTCONTACT

Tel: +234 1 4485500

Tel: +234 708 0625000

Registered address

Samuel Asabia House

35 Marina, Lagos

PO Box 5216, Nigeria

Registration No. RC916455

www.fbnholdings.com

www.fbnholdings.com/annualreport/2015