



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

In compliance with the provisions of the Central Bank of Nigeria (CBN) Code of Corporate Governance for Bank and Discount Houses in Nigeria and the Securities and Exchange Commission Code of Corporate Governance ("the Codes"), FBN Holdings Plc. ("FBNHoldings") engaged KPMG Advisory Services to carry out an appraisal of the Board of Directors ("the Board") for the year ended 31 December 2016. The Codes mandate an annual appraisal of the Board and individual Directors with specific focus on the Board's structure and composition, responsibilities, processes and relationships, individual Director competencies and respective roles in the performance of the Board.

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

Our approach to the appraisal of the Board involved a review of FBNHoldings' key corporate governance structures, policies and practices. This included the review of the corporate governance framework and representations obtained during the on-on-one interviews with the members of the Board and management.

On the basis of our review, except as noted below, FBNHoldings' corporate governance practices are in compliance with the key provisions of the CBN Code. Specific recommendations for further improving the governance practices have been articulated and included in our detailed report to the Board. These include recommendations in the following key areas: oversight of subsidiary companies, related party disclosures, and directors' training.

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

Olumide Olayinka

Partner, KPMG Advisory Services
FRC/2013/ICAN/00000000427
25 April, 2017