

FORGING AHEAD

FBN Holdings Plc
Corporate Governance Report 2019



PREMIUM
BOARD

LISTED

FORGING AHEAD

In line with our unflinching resolve and commitment, one of the key accomplishments at the end of our last strategic planning cycle was the complete overhaul of our risk management architecture and strengthening of our business and processes for sustainable growth.

Following big audacious action steps, FBNHoldings is well positioned for growth. Now at an inflection point, the Group, in the new planning cycle, will be making further progress in the quest for enhanced customer centricity, utilisation of cutting-edge technology and innovation, improved operational efficiencies, leveraging world class talents towards reclaiming market leadership.



Corporate Governance



19
Attendance at
Board Meetings

37
Whistleblowing
Procedures

45
Directors'
Report

INTRODUCTION

A robust corporate governance structure remains a critical enabler of our ability as an institution to enhance the interests of our stakeholders (shareholders, customers, staff, regulators and the community). Over the years, FBN Holdings Plc (FBNHoldings or FBNH or Holding Company) has maintained an effective governance structure built on accountability, integrity and transparency.

In 2019, the Group remained resolute on the path of good governance, aligning long-term strategy with the governance framework and complying with the highest international standards to promote sound and efficient financial services, as well as to build market confidence.

At FBNHoldings, an engaged, committed and highly effective Board of Directors is vital to the success of the Group. Consequently, we continue to invest in the knowledge of the Directors through bespoke training and other opportunities to deepen their expertise, experience and ability to effectively carry out their role.

The Group's oversight functions are discharged through the respective Boards of each operating entity, which also ensure compliance with industry-specific statutory and regulatory requirements. At the Holding Company and in all its operating entities, the Boards operate through various Committees and FBNHoldings' governance

framework ensures that there is a fine blend of Board autonomy and Group coordination at the operating company level.

The governance framework is in alignment with global best practices and in compliance with the requirements of the Central Bank of Nigeria, National Insurance Commission, Securities and Exchange Commission, the Nigerian Stock Exchange and the Financial Reporting Council of Nigeria.

Diversity

We believe diversity provides the best results and enhances the ability to create superior value. Today, diversity within FBNHoldings is reflected not only in the gender mix, which complies with CBN recommendations, but also through the diversity of thought, experience and academic backgrounds across the Group, and through inclusive policies that tackle all forms of discrimination.

Currently, there are three women on the Board, representing 30% of the total membership, which is in line with CBN recommendation.

Shareholder and Regulatory Engagement

The Board and Management maintain stakeholder focus through continuous engagement with shareholders and shareholder groups. Engagement sessions continue to provide valuable opportunities for Board and Management to listen to external perspectives as well as to gain insights into shareholders' concerns.

Similarly, we are committed to engaging regulators to foster an atmosphere of cordiality and ensure the highest level of compliance with relevant extant regulations across the Group.

Over the years, FBNHoldings has maintained an effective governance structure built on accountability, integrity and transparency.

INTRODUCTION

Appointment Philosophy

Relevant regulatory guidelines and laws guide FBNHoldings' appointment philosophy, including a transparent Board appointment process. The Directors are selected based on their skills, competencies and experience. The Board Governance and Nomination Committee identifies and considers a pool of candidates for appointment. Thereafter, recommendations on candidates' suitability are made to the full Board, which then decides on the appointment of the candidates subject to the approvals of the relevant regulatory authorities and the shareholders at the general meeting.

Changes to Board Composition

The FBNHoldings Board is a blend of diversity, experience and knowledge. The Board continuously seeks to review and refresh its composition to ensure new ideas and experience are embedded in its decision-making processes. However, in 2019, there were no changes to the Board's composition.

Board Composition

The Board has 10 Directors, comprising seven Non-Executive Directors, two Independent Non-Executive Directors and one Executive Director, who is also the Group Managing Director. This is in alignment with global best practice that encourages a higher percentage of Non-Executive Directors to Executive Directors. All members are distinguished by their professional ability, integrity and independence of opinion.

LEADERSHIP



U.K. Eke, *MFR*,

Dr. Oba Otudeko, *CFR*
Group Chairman

Dr. Adesola Adeduntan

Dr. Hamza Wuro Bokki

Omatseyin Ayida

Cecilia Akintomide, *ON*

'Debola Osibogun

Oluwande Muoyo

Oluseye Kosoko

Chidi Anya

Oye Hassan-Odukale, *MFR*

BOARD OF DIRECTORS



Dr. Oba Otudeko, CFR
Group Chairman



U.K. Eke, MFR
Group Managing Director **BFIC**



Oye Hassan-Odukale, MFR
Non-Executive Director **BFIC | SAC**



Chidi Anya
Non-Executive Director **BARAC | SAC**



Dr. Hamza Wuro Bokki
Non-Executive Director **BGNC | BFIC**



'Debola Osibogun
Non-Executive Director **BGNC | BARAC**



Omatseyin Ayida
Non-Executive Director **BGNC | BARAC**



Dr. Adesola Adeduntan
Non-Executive Director



Oluwande Muoyo
Independent Non-Executive Director
BARAC | BGNC



Cecilia Akintomide, OON
Independent Non-Executive Director
BFIC | SAC



Oluseye Kosoko
Company Secretary

BGNC
Board Governance
and Nomination Committee

BARAC
Board Audit and Risk
Assessment Committee

BFIC
Board Finance and
Investment Committee

SAC
Statutory Audit Committee

FBNHOLDINGS MANAGEMENT



U.K. Eke, MFR
Group Managing Director



Oyewale Ariyibi
Chief Financial Officer



Oluseye Kosoko
Company Secretary



Idris Shittu
Head, Risk Management and Compliance



Tolulope Oluwole
Head, Investor Relations



Bode Oguntoké
Head, Internal Audit



Yemi Okojie
Head, Strategy and Corporate Development



Tunde Lawanson
Head, Marketing and Corporate Communications



Oyinade Kuku
Head, Human Resources

STATUTORY AUDIT COMMITTEE



Kolawole Durojaiye
Chairman



Nnamdi Okwuadigbo



Abdulmumini Ado Yola (Deceased)



Oye Hassan-Odukale, MFR
Non-Executive Director



Cecilia Akintomide, OON
Independent Non-Executive Director



Chidi Anya
Non-Executive Director

OUR SUBSIDIARIES



COMMERCIAL BANKING

FIRST BANK OF NIGERIA LTD



Ibukun Awosika
Chairman, First Bank of Nigeria Ltd



Dr. Adesola Adeduntan
Managing Director
First Bank of Nigeria Ltd

DIRECTORS

Gbenga Shobo
Deputy Managing Director

Lawal Ibrahim
Non-Executive Director

Dr. Ijeoma Jidenma
Independent
Non-Executive Director

U.K. Eke, MFR,
Non-Executive Director

Olusola Oworu
Independent
Non-Executive Director

Ibrahim Waziri*
Non-Executive Director

Obafemi Otudeko
Non-Executive Director


Tunde Hassan-Odukale
Non-Executive Director

Lateef Bakare
Independent
Non-Executive Director

Dr. Remi Oni
Executive Director
Corporate Banking


Abdullahi Ibrahim
Executive Director
Public Sector

Ado Wanka**
Non-Executive Director




MERCHANT BANKING AND ASSET MANAGEMENT


FBNQUEST MERCHANT BANK LTD FBNQUEST CAPITAL LTD FBNQUEST TRUSTEES LTD




Bello Maccido
Chairman, FBNQuest Merchant Bank Ltd




Oyewale Ariyibi
Chairman, FBNQuest Capital Ltd




Oluseye Kosoko
Chairman, FBNQuest Trustees Ltd



Kayode Akinkugbe
Managing Director
FBNQuest Merchant Bank Ltd



Tseyi Hammond
Ag. Managing Director
FBNQuest Capital Ltd



Adekunle Awojobi
Managing Director
FBNQuest Trustees Ltd

DIRECTORS

Taiwo Okeowo
Deputy Managing Director

Oluyele Delano, SAN
Independent
Non-Executive Director

Dr. Omobola Johnson
Non-Executive Director

U.K. Eke, MFR,
Non-Executive Director

Akinlolu Osinbajo, SAN
Non-Executive Director

Babatunde Odunayo
Non-Executive Director

Oyinkansade Adewale
Independent
Non-Executive Director

DIRECTORS


Ijeoma Agboti
Non-Executive Director

Ike Onyia
Non-Executive Director

Adekunle Awojobi
Non-Executive Director


DIRECTORS

Patrick Mgbenwelu
Non-Executive Director




INSURANCE


FBN INSURANCE LTD FBN INSURANCE BROKERS LTD




Adenrele Kehinde
Chairperson, FBN Insurance Ltd



Folake Ani-Mumuney
Chairperson, FBN Insurance Brokers Ltd



Valentine Ojumah
Managing Director
FBN Insurance Ltd



Olumide Ibadapo
Managing Director
FBN Insurance Brokers Ltd

DIRECTORS

Margaret Dawes***
Non-Executive Director

Caleb Yaro***
Independent
Non-Executive Director

Aderemi Ogunmefun***
Non-Executive Director

Oyewale Ariyibi
Non-Executive Director

Theuns Botha
Non-Executive Director

Festus Izevbizua
Executive Director
Finance and Administration

Moruf Apampa
Executive Director
Business Development

DIRECTORS

Oluseyi Oyefeso
Non-Executive Director

Oluseye Kosoko
Non-Executive Director

*Resigned July 2019

**Appointed July 2019

***Retired December 2019

LEADERSHIP

The profiles of the members of the FBNHoldings Board of Directors are detailed below:



Dr. Oba Otudeko, CFR
Group Chairman

Dr. Oba Otudeko, CFR, is the pioneer Chairman of FBN Holdings Plc and founding Chairman, Honeywell Group. He is a foremost and visionary Nigerian entrepreneur reputed for his highly successful domestic and foreign investments 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) Ltd.

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 the Chairman of the Council of the Nigerian Stock Exchange. He was also the pioneer

Chairman of the Nigerian-South African Chamber of Commerce and between 2013 and 2014, was the Chairman of the Business Support Group for delivery of the National Integrated Infrastructure Master Plan. In 2011, Dr. Otudeko was awarded the Nigerian National Honour of Commander of the Order of the Federal Republic (CFR).

Dr. Otudeko is a Chartered Banker, Chartered Accountant and Chartered Corporate Secretary. He has also attended executive management training programmes at the International Institute for Management Development, Lausanne, Switzerland; Harvard Business School, USA; and the Arthur D. Little School of Management, USA. He was the 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, a not-for-profit organisation. Dr. Otudeko is married with children.

LEADERSHIP



Urum Kalu (U.K.) Eke, MFR
Group Managing Director

U.K. Eke, MFR, assumed office as Group Managing Director (GMD), FBN Holdings Plc on 1 January 2016. He joined the Board of FirstBank, a subsidiary of FBNHoldings in 2011 as Executive Director, Public Sector South and later became Executive Director, South before his appointment as GMD of FBNHoldings. His sound managerial and motivational skills, coupled with his vast experience, helped develop FirstBank's businesses within the Public Sector, Retail and Private Banking Groups.

He currently sits on the Boards of First Bank of Nigeria Ltd and FBNQuest

Merchant Bank Ltd as a Non-Executive Director.

In 2017, he was appointed to the Board of Nigeria Sovereign Investment Authority. He was also Executive Director, Regional Business, Lagos & West, Diamond Bank Plc. His other work experience includes Deloitte Haskins & Sells International where he rose to the position of Audit Senior. He has over 30 years' experience in financial services, strategy, auditing, consulting, taxation, process re-engineering and capital market operations.

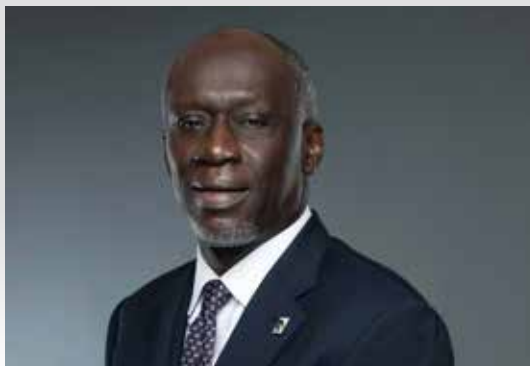
U.K. is a Fellow of the Chartered Institute of Bankers, Institute of Management

Consultants, Institute of Directors, Institute of Chartered Accountants of Nigeria and 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 has attended several Executive Management and Board training programmes at Harvard Business School, USA; Stanford Business School, USA; IESE Business School, Barcelona; International Institute for Management and Development, Lausanne, Switzerland; Wharton Business School, USA; and Lagos Business School, Nigeria.

A philanthropist and mentor to many, he is the Founder and Chairman, Elder K.U. Eke Memorial Foundation. He is a Patron, Lagos State Council, Boys' Brigade Nigeria, and a Paul Harris Fellow of The Rotary Club International. He is the Chairman of the Advisory Board, Lifeforte International High School, Ibadan.

U.K. is a recipient of Nigeria's National Honour of Member of the Order of the Federal Republic (MFR).



Oye Hassan-Odukale, MFR
Non-Executive Director

Oye Hassan-Odukale, MFR, is a pioneer Director of FBN Holdings Plc. He holds a Bachelors and Masters degree in Business Administration from the University of Houston. He was until recently, the Managing Director/CEO

of Leadway Assurance Company Ltd, a leading insurance company in Nigeria, a position he held for several years. His appointment was preceded by several years of experience in insurance brokerage, underwriting, investments

and general management. He is a recipient of the National Honour of Member of the Order of the Federal Republic of Nigeria (MFR) and sits on the Boards of several for-profit and non-profit companies in Nigeria. He was a Non-Executive Director on the Board of First Bank of Nigeria Plc (now First Bank Nigeria Ltd), and is currently the Chairman of FBNBank (UK) Ltd, a wholly owned subsidiary of FirstBank. He is a Securities and Exchange Commission-accredited investment manager and portfolio advisor. Oye is married with children and enjoys listening to music, reading and travelling.

LEADERSHIP



Chidi Anya
Non-Executive Director

Chidi Anya joined the Board of FBN Holdings Plc in 2013. He has nearly three decades of professional practice in the Nigerian legal system, including pupillage with L.N Mbanefo SAN, and roles as Associate Counsel at Akin Delano & Company, Ibadan, and Senior Associate Counsel at Debo Akande & Company, Lagos. In 1997, he became a founding Partner of

The Channings Law Firm, where he has provided leadership and strategic direction overseeing its growth. The Firm currently acts as Company Secretary to several leading indigenous companies and conglomerates in various strategic sectors of the Nigerian economy, providing guidance on corporate governance and compliance.

Chidi is recognised by clients and peers as a leading commercial and corporate lawyer with high-level skills and experience in negotiation, administration, communication, management, advocacy and ethical leadership, all of which he brings to the Board of FBNHoldings. A member of the Nigerian Bar Association and its section on Business Law, he is also a Member of the Institute of Directors (MIoD) and a Notary Public. A Certified Management Consultant and Fellow of the Institute of Management Consultants (FIMC), he has attended various executive management courses at the Kellogg School of Management, Northwestern University, Illinois. Chidi is married with children and his interests include reading, writing, intellectual debates and gardening. Committed to building stronger and more resilient communities, he is active in a number of voluntary groups and programmes.



Dr. Hamza Wuro Bokki
Non-Executive Director

Hamza Wuro Bokki, Ph.D, joined the Board of FBN Holdings Plc as a Non-Executive Director in 2014. He is an alumnus of Harvard Business School and an experienced Chief Executive Officer, with a history of working in the financial services industry. He currently serves as Managing Director/CEO of NPF Pensions Ltd.

He is an astute business development professional, skilled in negotiation,

business start-up, planning, analysis, capital markets, Board administration (having served on the Boards of about 20 companies) and business transformation. Hamza was the first student to be awarded a first-class degree in Public Administration from the University of Maiduguri and holds a Masters degree as well as 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 and Chartered Institute of Stockbrokers. Hamza has served on the Boards and audit committees of several companies in the public and private sectors.

Hamza was Managing Director of the Gombe State Investment and Property Development Company Ltd, where he revamped the company's financial position, and the pioneer MD/CEO of APT Pensions, which he brought to profitability within four years. Between 2012 and 2014, he served as Honourable Commissioner for Trade and Industry, Gombe State. During this time, he successfully ran the GMSG/BOI entrepreneurship development programme, which was judged the best in the country. He has attended several executive programmes on corporate governance. Hamza is married with children and enjoys reading as well as travelling.

LEADERSHIP



'Debola Osibogun
Non-Executive Director

'Debola Osibogun was appointed to the Board of FBN Holdings Plc in 2015. She has extensive financial services experience covering real estate financing, trusteeship, retail savings and loans at various institutions, having spent over 33 years in these fields.

'Debola has considerable experience of Boards at both Executive and Non-Executive levels. She is currently the Managing Director of Davidfinn Global Concept Ltd and the President of the Consumer Awareness and Financial

Enlightenment Initiative (CAFEi), a not-for-profit organisation. She also served as the Managing Director of Coop Savings & Loans Ltd and Skye Trustees Ltd, and as Non-Executive Director of FBN Mortgages Ltd. She was the National President of the Mortgage Banking Association of Nigeria.

'Debola is a Fellow and former President of the Chartered Institute of Bankers of Nigeria, a Fellow of the Chartered Institute of Taxation of Nigeria, the Nigerian Institute of Management and

the Association of Enterprise Risk Management Professionals, and a member of the Institute of Directors. She earned an MSc in Banking and Finance and a Bachelors degree in Economics, both from the prestigious University of Ibadan. An astute researcher and writer, she has published several articles and papers on primary mortgage institutions, the creation of mortgages and financial literacy. At the national level, she served as a member of the Presidential Committee on Urban Development and Housing, the Presidential Committee on Mortgage Finance and as an Executive Member of the Nigerian Real Estate Developers Association.

'Debola has attended several executive programmes at prestigious local and international institutions, including INSEAD, Kellogg School of Management, London Business School and Euromoney Learning. 'Debola is married with children and enjoys playing basketball, polo and golf.



Omatseyin Ayida
Non-Executive Director

Omatseyin Ayida joined the Board of FBN Holdings Plc in 2015. He brings to the Board his vast experience in the field of portfolio management and strategic human resource management. He is also very knowledgeable in risk and corporate regulatory issues. He holds a Bachelor of Arts degree in Economics and Politics from the University of Kent, Canterbury.

He is currently the Managing Director of Saken Capital Partners Ltd.

Omatseyin was previously the Managing Director of Capital Bank International Ltd, where he led the well-executed buyout of the Bank from Commercial Bank (Credit Lyonnaise Nigeria) in 2001 as well as the subsequent

successful merger with Access Bank Plc and Marina International Bank Ltd in 2005. During his successful banking career with Commercial Bank (Credit Lyonnaise Nigeria), he worked in various departments and rose to become the Deputy Managing Director in 1998.

After his banking career, Omatseyin set up Ruyat Oil Ltd, which he ran for over a decade before selling it to an international food processing group. He is an honorary member of the Chartered Institute of Bankers and has attended several executive programmes at Harvard Business School, Kellogg School of Management, Centre International de Management et d'Enseignement Strategique and the Lagos Business School. Omatseyin is married with children and enjoys playing golf.

LEADERSHIP



Dr. Adesola Adeduntan
Non-Executive Director

Dr. Adesola Adeduntan (Sola) joined the Board of FBN Holdings Plc as a Non-Executive Director in January 2016. He attended the University of Ibadan, where he obtained a Doctor of Veterinary Medicine degree. He also holds a Masters degree in Business Administration from Cranfield University Business School, UK, which he attended as a British Chevening Scholar. He has attended executive leadership programmes at Harvard, Cambridge and Oxford Universities as well as INSEAD,

and is a Fellow of the Chartered Institute of Bankers and the Institute of Chartered Accountants of Nigeria. Sola is the Managing Director/CEO of First Bank of Nigeria Ltd and subsidiaries. Prior to this appointment, he was an Executive Director and Chief Financial Officer of FirstBank.

Prior to joining FirstBank in 2014, Sola was the pioneer Chief Financial Officer/Business Manager of the Africa Finance Corporation, where he remains a

Director. He served as a Senior Vice-President and Chief Financial Officer at Citibank Nigeria Ltd, a Senior Manager in the Financial Services Group of KPMG Professional Services and a Manager at Arthur Andersen Nigeria. He also had a brief stint at Afribank Nigeria Plc as a graduate trainee, where he worked mainly in banking operations.

Sola is a Director of Nigeria Interbank Settlement System Plc and FMDQ OTC Securities Exchange as well as a member of Sigma Educational Foundation, which focuses on enhancing the quality of the tertiary education system in Nigeria. Over the course of his sterling career, he 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 married with children and enjoys listening to music, especially African folk music.



Oluwande Muoyo
Independent
Non-Executive Director

Oluwande Muoyo was appointed to the Board of FBN Holdings Plc in 2016. She brings to the Board well over three decades of post-professional qualification experience in the private and public sectors, with key strengths in policy formulation, relationship management and business development. She is a Chartered Accountant and Banker and a former Honourable

Commissioner for Budget and Planning in Ogun State.

Prior to this appointment, Oluwande worked with Stanbic IBTC Bank for over 22 years in various parts of the Bank, including Financial Control, Treasury and Financial Services, Trade Finance and Corporate Banking. She holds a BSc degree in Accounting from the University

of Lagos. She started her professional career with the international firm, Price Waterhouse (now PricewaterhouseCoopers). A Fellow of both the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation of Nigeria, Oluwande has acquired competencies and skills in public financial management, banking, budgeting, planning, audit and taxation.

Her past Directorships include the Governing Board of the International Crop Research Institute for Semi-Arid Tropics. Oluwande has attended many training programmes, including Strategic Marketing Management at Harvard Business School, Advanced Strategy at INSEAD and the Advanced Management Programme at the Lagos Business School. Oluwande is married with children and enjoys walking, cycling and playing golf.

LEADERSHIP



Cecilia Akintomide, OON
Independent
Non-Executive Director

Cecilia Akintomide, OON, joined the Board of FBN Holdings Plc in July 2016 and brings considerable executive-level management experience to bear. She was Vice-President/Secretary General of the African Development Bank, where she was responsible for managing the secretariat as well as shareholder relations involving 80 member states. She was also responsible for the delivery of the work programmes of the Boards of Governors and Directors and the institution's diplomatic relations. In addition, she was a member of the

Senior Management Coordination and Operations Committees and chaired the Committee for the preparation of the annual meetings. Prior to this, Cecilia headed the Public and Private Sector Financing Legal Services Team, covering projects across Africa, and served as Chief Counsel Institutional Affairs as well as Finance Counsel.

Cecilia brings to the Board of FBN Holdings her wealth of management experience, particularly from an international financial institution perspective and her legal

experience spanning more than 31 years since her call to the Bar. She has expertise in corporate governance, institutional affairs, business reorganisations and financing. She has practised law in different jurisdictions, including as a business reorganisation associate in the Law Firm of Weil, Gotshal & Manges in New York, and as a Junior Associate at O. Thomas & Co., Lagos. She was also a member of the United Nations Election Monitoring Team for the 1994 elections in South Africa, which saw Nelson Mandela become President.

In 2014, Cecilia was awarded the National Honour of Officer of the Order of the Niger (OON) by the Government of the Federal Republic of Nigeria for her meritorious contributions in the field of international development. Cecilia is experienced in working and leading in a multicultural and bilingual environment and is a frequent speaker at international events on law, development and gender. She is a member of the Nigerian and New York Bars.

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 members.

Independent Non-Executive Directors are appointed for an initial term of four years and can be re-elected for a subsequent term of four years, subject to satisfactory performance and approval of members. The maximum tenure of Independent Non-Executive Directors is eight years and for other Non-Executive Directors, 12 years.

Executive Directors

Executive Directors are appointed for an initial term of three years and can be renewed subject to satisfactory performance. However, the maximum tenure of an Executive Director is 10 years.

Executive Directors are discouraged from holding directorships external to the Group.

EFFECTIVENESS

Board Effectiveness

In today's business environment, an effective Board must be capable of managing a wide range of challenges and risks. With its overarching responsibility for an organisation's performance, a Board must set the strategic direction (often across diverse products, markets and geographies), monitor the Company's risk profile, evaluate the performance of the Group Managing Director and other Executives, and be accountable to all stakeholders.

The approach to ensure the Board's effectiveness is threefold: composition, training and a rigorous Board appraisal process.

Guiding Principles on Composition

The first approach is to appoint the right people; individuals who have displayed excellent business knowledge and Board experience.

Effective observance of Codes of Corporate Governance (Codes) must be complemented by an ethical Board. It is essential that members of the Board are persons of integrity, willing to comply with the letters and spirit of the Codes as well as monitor the harnessing of available resources. With this understanding, we have ensured that the current composition of the Board is the best mix of competence and experience required for a company to enhance shareholder value.

We have aligned with global best practice on the ratio of Non-Executives to Executives on the Board. The Non-Executive Directors outnumber the Executive Director by 9:1, underscoring the overwhelming independence of the Board from the Management of the Company.

In strategy formation, Non-Executive Directors are also expected to monitor and contribute creative and informed ideas to the effective management of the Company as well as critically examine the objectives

and plans developed by the Executive team.

Training of Directors

Given the Company's commitment to maintaining a highly effective Board, in 2019, Directors attended local and international executive education programmes to improve their decision-making capacity and contributions. An annual Training Plan is agreed by the Board with the Company Secretariat tasked with its implementation.

“

We have aligned with global best practice on the ratio of Non-Executives to Executives on the Board. The Non-Executive Directors outnumber the Executive Director by 9:1, underscoring the overwhelming independence of the Board from the Management of the Company.

”

EFFECTIVENESS

2019 Board Training Plan

S/N	NAMES	COURSE	INSTITUTION	DATE	STATUS
Foreign Training					
1.	Oye Hassan-Odukale, <i>MFR</i>	Boards that Lead: Corporate Governance that Builds value	Wharton Business School	11-12 February	Attended
2.	Dr. Oba Otudeko, <i>CFR</i>	Leading Organisational Change	Wharton Business School	8-11 April	Attended
3.	'Debola Osibogun	Leading Business into the Future	London Business School	23-28 June	Attended
4.	Dr. Hamza Wuro Bokki	Advanced Strategy for Directors	INSEAD	1-5 July	Attended
5.	Oluwande Muoyo	Advanced Strategy for Directors	INSEAD	1-5 July	Attended
Local Training					
6.	Chidi Anya	Stakeholders Forum on Nigerian Code of Corporate Governance	Institute of Directors	28 March	Attended
7.	'Debola Osibogun	Stakeholders Forum on Nigerian Code of Corporate Governance	Institute of Directors	28 March	Attended
8.	Oluwande Muoyo	Stakeholders Forum on Nigerian Code of Corporate Governance	Institute of Directors	28 March	Attended
9.	Cecilia Akintomide, <i>ON</i>	Stakeholders Forum on Nigerian Code of Corporate Governance	Institute of Directors	28 March	Attended
10.	Chidi Anya	Company Direction Course	Institute of Directors	17-18 September	Attended
11.	Oluwande Muoyo	FITC Continuous Education Programme for Directors	Central Bank of Nigeria and Financial Institution Training Centre	24-25 September	Attended
12.	Cecilia Akintomide, <i>ON</i>	FITC Continuous Education Programme for Directors	Central Bank of Nigeria and Financial Institution Training Centre	24-25 September	Attended
13.	Oluwande Muoyo	Company Direction Course	Institute of Directors	3-4 December	Attended

Board Appraisal

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 2019. The Board appraisal covered the Board's structure and composition,

processes, relationships, competencies, roles and responsibilities.

KPMG's appraisal revealed that FBNHoldings' corporate governance practices were largely in compliance with the key provisions of the Codes of Corporate Governance

of the Central Bank of Nigeria, the Securities and Exchange Commission and the Financial Reporting Council of Nigeria. Specific recommendations for further improvement of the governance practices were also articulated and included in a detailed report to the Board.

EFFECTIVENESS

Access to Independent Professional Advice

The Board has the power to obtain advice and assistance from such independent or external professional advisers or experts as it deems necessary or appropriate to aid its effectiveness at the Company's expense. This option was exercised at different times within the 2019 financial year.

Board Responsibilities

The Board's principal responsibility is to promote the long-term success of the Group by creating and delivering sustainable shareholder value. The Board leads and provides direction by setting policy directions and strategy as well as overseeing its implementation. The Board seeks to ensure 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 the strategy, consideration is given to the impact of those decisions on the Group's obligations to various stakeholders (shareholders, employees, suppliers and the community).

The Board is also responsible for ensuring that effective systems of internal controls and risk management are maintained across the Group. In addition, the Board is responsible for determining and promoting the collective vision of the Group's purpose, values and culture.

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, the Board's responsibilities as enumerated in the Board Charter include:

- Building long-term shareholder value by ensuring that adequate systems, policies and procedures are in place to safeguard the Group's assets;
- Appointing, developing and refreshing the overall competency of the Board as necessary;
- Articulating and approving the Group's strategies and financial objectives as well as monitoring the implementation of those strategies and objectives;
- Approving the appointment, retention and removal of the Group Managing Director (GMD) and any other Executive Director in the Group;
- Reviewing, on a regular and continuous basis, the succession planning for the Board and Senior Management staff, and recommending changes where necessary;
- 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 encountered by 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 regards to its economic, social and environmental obligations.

EFFECTIVENESS

The Role of the Group Chairman

The roles of the Group Chairman and Group Managing Director are distinct and are not performed by one individual. The principal role of the Group Chairman is to manage and provide leadership to the Board of Directors of FBNHoldings. The Group Chairman is accountable to shareholders and responsible for the effective and orderly conduct of Board and general meetings.

More specifically, the duties and responsibilities of the Group Chairman are to:

- Act as a liaison between the Management and the Board;
- Provide independent advice and counsel to the GMD;
- Keep abreast of the activities of the Company and its Management;
- Ensure the Directors are properly informed, and that sufficient information is provided to enable the Directors to form appropriate judgements;
- Together with the GMD, develop and set the agenda for Board meetings;
- Assess and make recommendations to the Board annually regarding the effectiveness of the Board, its Committees and individual Directors; and
- Ensure that regularly, upon completion of the ordinary business of a Board meeting, the Directors hold discussions without members of Management present.

The Role of the 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 are to:

- Lead, in conjunction with the Board, the development of the Company's strategy and oversee the implementation of the Company's long- and short-term plans in accordance with its strategy;
- Ensure the Company is appropriately organised and staffed as well as to hire and terminate staff as deemed necessary to enable the Company achieve the approved strategy;
- Ensure the Group has appropriate systems to conduct its activities both lawfully and ethically;
- Ensure the Company maintains a high standard of corporate citizenship and social responsibility wherever it does business;
- Act as a liaison between the Management and the Board, and communicate effectively with shareholders, employees, government authorities, other stakeholders and the public;
- Ensure the Directors are properly informed, and sufficient information is provided to the Board to enable the Directors form appropriate judgments;
- 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;
- Manage the Group within established policies, maintain a regular policy review process, and revise or develop policies for presentation to the Board;
- Ensure the Group operates within approved budgets and complies with all regulatory requirements of a holding company; and
- Develop and recommend to the Board the annual operating and capital budget and upon approval with fully delegated authority, to implement the plan in its entirety.

EFFECTIVENESS

The Role of the Company Secretary

The Company Secretary's appointment and duties are regulated by statutes, particularly the Companies and Allied Matters Act (Sections 293-298), regulations and the Articles of Association of the Company. The duties of the Company Secretary include:

- Attending meetings of the Company, Board of Directors, and Board committees, and rendering all necessary secretarial services in respect of such meetings and advising on compliance and regulatory issues;
- Setting the agenda of 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;
- Providing a central source of guidance and advice to the Board and the Company on matters of ethics, conflict of interest and good corporate governance;
- Carrying out such administrative and 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.

Leadership Appointments Across Operating Companies

In order to reposition the Group to achieve optimal value, the Board initiated changes across the Boards of its operating companies in 2019. On the recommendation of the Board Governance and Nomination Committee, the following leadership changes were made in some of the subsidiaries of FBNHoldings:

01

Tseyi
Hammond

Tseyi Hammond was appointed the Acting Managing Director of FBNQuest Capital Ltd. His appointment as Managing Director is, however, subject to the approval of the Securities and Exchange Commission.

02

Oyinkansade
Adewale

Oyinkansade Adewale was appointed as a Non-Executive Director of FBNQuest Merchant Bank Ltd.

03

Ado
Wanka

Ado Wanka was appointed as a Non-Executive Director of First Bank of Nigeria Ltd.

EFFECTIVENESS

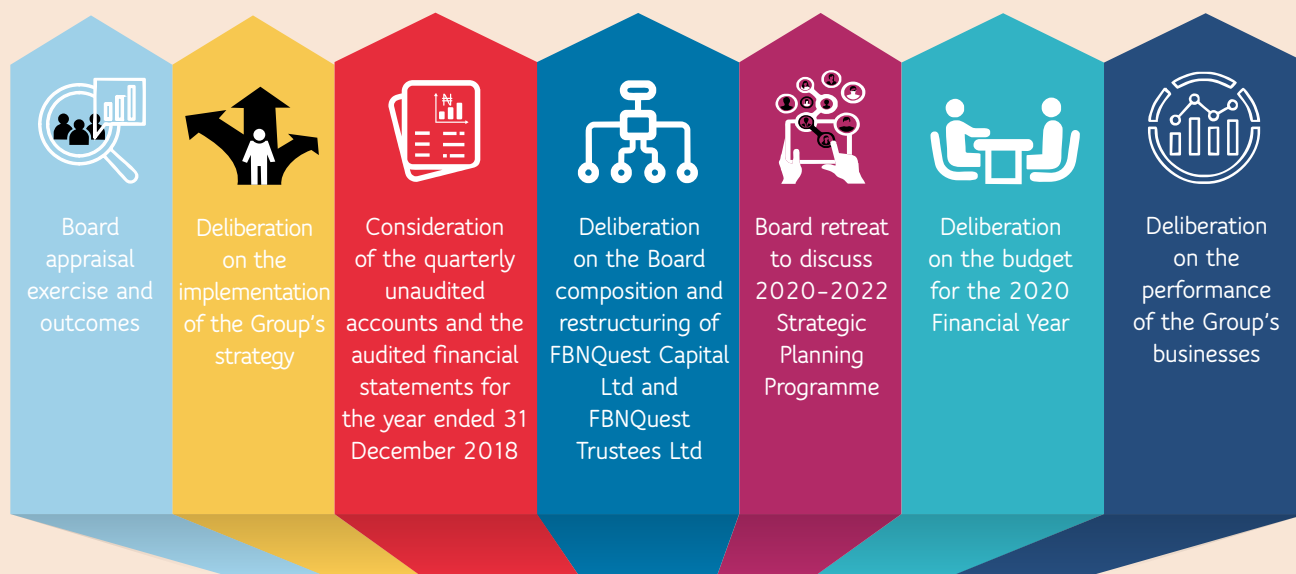
MAKING BOARD MEETINGS EFFECTIVE

How FBNHoldings Board Meetings Work

- The Board meets quarterly and as required;
- The annual calendar of Board meetings is approved in advance at the last Board meeting of the preceding year;
- The annual calendar of Board activities includes a Board retreat at an off-site location to consider strategic matters and Group policy directions, and to review opportunities as well as challenges encountered by the Group;
- Urgent and material decisions may be taken between meetings through written resolutions;
- Notices for meetings are transmitted to Board members at least two weeks before the scheduled meeting;
- The Company Secretariat circulates memoranda electronically to members of the Board;
- All Directors are provided with 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;
- Meetings last for an average of five 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; and
- Any Director may request that a topic should be considered at meetings. In addition, any Director may bring any issue deemed deserving of discussion, and this is usually considered under Any Other Business during the meeting.

Board Discussion

In 2019, major Board discussions were:



EFFECTIVENESS

Attendance at Board Meetings

The Board of FBNHoldings met eight times in 2019.

NAMES	JANUARY 24	MARCH 13	APRIL 25	MAY 02	JULY 29	OCTOBER 18	OCTOBER 30	DECEMBER 18
Dr. Oba Otudeko, <i>CFR</i>	✓	✓	✓	✓	✓	✓	✓	✓
U.K. Eke, <i>MFR</i>	✓	✓	✓	✓	✓	✓	✓	✓
Oye Hassan-Odukale, <i>MFR</i>	✓	✓	✓	✓	✓	✓	✓	✓
Chidi Anya	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Hamza Wuro Bokki	✓	✓	✓	✓	✓	✓	✓	✓
'Debola Osibogun	✓	✓	✓	✓	✓	✓	✓	✓
Omatseyin Ayida	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Adesola Adeduntan	✓	✓	✓	✓	✓	✓	✓	✓
Oluwande Muoyo	✓	✓	✓	✓	✓	✓	✓	✓
Cecilia Akintomide, <i>OON</i>	✓	✓	✓	✓	✓	✓	✓	✓

BOARD COMMITTEE REPORTS

Board and Committee Governance Structure

The Board carries out its oversight function through its standing Committees, each of which has a charter that clearly defines its purpose, composition and structure, frequency of meetings, duties and tenure. 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.

EFFECTIVENESS

FBNHoldings has the following constituted Board Committees:

Board Governance and Nomination Committee Membership

- 'Debola Osibogun
- Dr. Hamza Wuro Bokki
- Oluwande Muoyo
- Omatseyin Ayida



'Debola Osibogun
Chairman

Attendance at the Board Governance and Nomination Committee Meetings

The Board Governance and Nomination Committee met four times in 2019.

NAMES	JANUARY 23	APRIL 23	JULY 25	OCTOBER 17
'Debola Osibogun	✓	✓	✓	✓
Dr. Hamza Wuro Bokki	✓	✓	✓	✓
Oluwande Muoyo	✓	✓	✓	✓
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;
- Develop succession plans for the Board of Directors and key Management staff across the Group;
- Nominate and endorse Board appointments for subsidiary companies;
- Recommend Directors' remuneration to the Group;
- Oversee Board performance and evaluation within the Group;
- Identify individuals for consideration for Board appointment and recommend to the Board for approval;
- 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 Non-Executive Directors who meet the independence criteria as defined by the CBN;
- Make recommendations on the amount and structure of the remuneration of the Chairman and other Non-Executive Directors to the Board for approval;
- Review and make recommendations to the Board on all retirement and termination payment plans to the Executive Directors;
- Ensure proper disclosure of Directors' remuneration to stakeholders;

EFFECTIVENESS

- Ensure compliance with regulatory requirements and other international best practices in corporate governance;
- Review and approve amendments to the Group's Corporate Governance framework;
- Nominate independent consultants to conduct an annual review or appraisal of the performance of the Board and make recommendations to the Board in this regard. This review or appraisal should cover all aspects of the Board's structure, composition, responsibilities, individual competencies, operations, role in strategy setting, oversight of corporate culture, monitoring role and evaluation of Management's performance and stewardship towards shareholders;
- Evaluate the performance of the Board Committees and Boards of subsidiary companies on an annual basis. The Committee may 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;
- 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 compliance with the Codes of Corporate Governance of SEC, CBN, FRCN and global best practices on corporate governance.

EFFECTIVENESS

Board Audit and Risk Assessment Committee Membership

- Oluwande Muoyo
- 'Debola Osibogun
- Omatseyin Ayida
- Chidi Anya



Oluwande Muoyo
Chairman

Attendance at the Board Audit and Risk Assessment Committee Meetings

The Board Audit and Risk Assessment Committee met seven times in 2019.

NAMES	JANUARY 21	MARCH 11	APRIL 16	MAY 02	JULY 16	JULY 25	OCTOBER 15
Oluwande Muoyo	✓	✓	✓	✓	✓	✓	✓
'Debola Osibogun	✓	x	✓	✓	✓	✓	✓
Omatseyin Ayida	✓	✓	✓	✓	✓	✓	✓
Chidi Anya	✓	✓	✓	✓	✓	✓	✓

Key Responsibilities

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 controls in place to mitigate 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;
- 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 External Auditor annually. The report of this assessment should be submitted to the Board and the Statutory Audit Committee.

EFFECTIVENESS

Board Finance and Investment Committee Membership

- 👤 Oye Hassan-Odukale, *MFR*
- 👤 Cecilia Akintomide, *OON*
- 👤 Dr. Hamza Wuro Bokki
- 👤 U.K. Eke, *MFR*



Oye Hassan-Odukale, *MFR*
Chairman

Attendance at the Board Finance and Investment Committee Meetings

The Board Finance and Investment Committee met six times in 2019.

NAMES	JANUARY 23	APRIL 17	JULY 17	JULY 25	OCTOBER 15	DECEMBER 12
Oye Hassan-Odukale, <i>MFR</i>	✓	✓	✓	✓	✓	✓
Cecilia Akintomide, <i>OON</i>	✓	✓	✓	✓	✓	✓
Dr. Hamza Wuro Bokki	✓	✓	✓	✓	✓	✓
U.K. Eke, <i>MFR</i>	✓	✓	x	✓	✓	✓

Key Responsibilities

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 the Board retains sufficient knowledge of the Group's business and the industries in which it operates to provide strategic input and identify any critical strategic relevance of Management's assumptions for planning purposes;
 - Critically evaluate and make recommendations to the Board
- for approval of the Group's business strategy periodically;
 - Periodically engage the Management 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 investment/portfolio;
 - Oversee the Group's investment planning, execution and monitoring processes;
- 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 the Management, the progress of key initiatives, including appraising actual financial results against targets and projections;
 - 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 an effective tax policy is implemented.

EFFECTIVENESS

Group Executive Committee (GEC)

The role of the Committee is ensuring implementation and alignment of the Group's strategy. The GEC is a management committee and meets quarterly, or as may be required. The Committee met four times in 2019.

Membership

The GMD of FBN Holdings Plc serves as the Chairman, while other members are:

- MD/CEO, First Bank of Nigeria Ltd
- MD/CEO, FBNQuest Merchant Bank Ltd
- MD/CEO, FBNQuest Capital Ltd
- MD/CEO, FBNQuest Trustees Ltd
- MD/CEO, FBN Insurance Ltd
- MD/CEO, FBN Insurance Brokers Ltd
- MD/CEO FBN General Insurance Ltd
- Chief Financial Officer, FBN Holdings Plc
- Company Secretary, FBN Holdings Plc
- Head, Strategy and Corporate Development, FBN Holdings Plc
- Chief Financial Officer, First Bank of Nigeria Ltd
- Chief Risk Officer, First Bank of Nigeria Ltd



U.K. Eke, MFR
Chairman

Key Responsibilities

The responsibilities of the Committee are to:

- Ensure overall alignment of the Group strategy and plans;
- Review strategic and business performance against approved plans and budget of the Group, and agree recommendations and corrective actions;
- Promote the identification of synergies and ensure the implementation of synergy initiatives;
- Monitor progress of Group synergy realisation initiatives and make recommendations;
- Discuss and monitor compliance with group policies such as risk management, internal audit etc; and
- Review and recommend modifications to group policies.

EFFECTIVENESS

Management Committee (MANCO)

The role of the Committee is to deliberate and take policy decisions on the effective and efficient management of the Holding Company.

Membership

The GMD of FBN Holdings Plc serves as the Chairman, while other members are:

- Chief Financial Officer
- Company Secretary
- Head, Risk Management and Compliance
- Head, Investor Relations
- Head, Internal Audit
- Head, Strategy and Corporate Development
- Head, Marketing and Corporate Communications
- Head, Human Resources



U.K. Eke, MFR
Chairman

Key Responsibilities

The responsibilities of the Committee are to:

- Develop and review, on an ongoing basis, the Holding Company's business focus and strategy, subject to the approval of the Board;
- Confirm alignment of the Holding Company's plan with the Group's overall strategy;
- Recommend proposals to the Board on the strategies to achieve the Group's objectives regarding investment and divestment activities;
- Track and manage strategic and business performance against approved plans and the budget of the Holding Company; and
- Make proposals to the Board and Board Committees on major policies and decisions relating to staff compensation, major capital spending, organisational structure, etc.

EFFECTIVENESS

STATUTORY AUDIT COMMITTEE (SAC)

Section 359 (3) of the Companies and Allied Matters Act, requires every public company to establish a Statutory Audit Committee composed of an equal number of Directors and representatives of its shareholders, subject to a maximum of six members.

Shareholder Representative Profile



Kolawole Durojaiye, FCA
Chairman,
Statutory Audit
Committee

Kolawole Durojaiye, FCA, was re-elected as Shareholders' Representative on the Statutory Audit Committee on 3 May 2019 and brings to the Committee 25 years' experience in auditing and banking. Prior to his appointment, he worked with the Central Bank

of Nigeria for 24 years, rising to the position of Director. He was Assistant Manager at KPMG Nigeria between 1986 and 1996, leading teams in commercial and merchant banks, finance companies and other financial institutions. Kolawole was part of the team that codified the Nigeria

Microfinance Policy Framework, following the international study tour of countries with successful microfinance histories and was fully involved in the implementation as Secretary to the Joint CBN-NDIC Consultative Committee on Microfinance Banking.

A Fellow of the Institute of Chartered Accountants of Nigeria, Kolawole has attended several training courses and conferences; he also participated in the sixth Global Housing Finance Conference led by the World Bank Group, Washington DC, USA in May 2014, and led the specialist team that formulated the recent reforms of primary mortgage banks in Nigeria. Kolawole is married with children.



Nnamdi Okwuadigbo, FCA
Shareholders' Representative
Statutory Audit Committee

Nnamdi Okwuadigbo, FCA, was elected as Shareholders' Representative on the Statutory Audit Committee on 3 May 2019 and brings to

the Committee over 30 years' experience in auditing, accounting/financial reporting, taxation, debt recovery, business advisory, financial

management, portfolio management and management consulting, within the public and private sectors. He is the Founder and Managing Partner of the firm of Nnamdi Okwuadigbo & Co. He is a professional with industry responsibility, having worked with Gearhart Nigeria Ltd as Financial Controller and Barclays Bank Nigeria Ltd.

He is a fellow and the current President of the Institute of Chartered Accountants of Nigeria (ICAN). He holds a certification in International Financial Reporting (CertIFR). Nnamdi is married with children.

EFFECTIVENESS



Abdulmumini Ado Yola*
Shareholders' Representative
Statutory Audit Committee

Abdulmumini Ado Yola had over 35 years' work experience which spans the Nigerian financial and public sectors. He was skilled in business planning, capital markets, financial reporting and financial modelling.

Prior to joining the Central Bank of Nigeria as an Assistant Director, Market Development Office, his work experience spanned the Nigerian Stock Exchange, where he rose through the ranks. Abdulmumini started his career at the Ministry of Commerce, Industry and Cooperative,

Kano State, where he acquired his skill in financial services.

Abdulmumini graduated from Bayero University, Kano with a BSc in Business Administration and held a Masters in Business Administration from the same institution.

He was appointed at different times by the Kano State Government, as a member of the Kano State Technical Committee on Privatisation and a member of the Kano State Committee on the Revitalisation of Industrial Activities. He was also appointed a member of the Task Force on Privatisation of banks and he attended local and international trainings. Abdulmumini was married with children. Abdulmumini died in February 2020.

Audit Committee Members

S/N	NAMES	ROLE	STATUS	EDUCATIONAL QUALIFICATIONS
1.	Kolawole Durojaiye, <i>FCA</i>	Chairman	Shareholder representative	FCA, MBF, BSc (Agric Economics)
2.	Nnamdi Okwuadigbo, <i>FCA</i>	Member	Shareholder representative	FCA, BSc (Accounting)
3.	Abdulmumini Ado Yola*	Member	Shareholder representative	MBA, BSc (Business Administration)
4.	Oye Hassan-Odukale, <i>MFR</i> **	Member	Non-Executive Director	MBA Finance, BBA, BSc (Business Administration)
5.	Chidi Anya **	Member	Non-Executive Director	MILD, BL, LLB
6.	Cecilia Akintomide, <i>ON</i> **	Member	Independent Non-Executive Director	LLM, BL, LLB

*Deceased

**Please refer to the Leadership section for the profile of the Directors

EFFECTIVENESS

Independence of the Statutory Audit Committee

The independence of the SAC is fundamental to upholding public confidence in the reliability of its reports and the Company's financials. The Committee has access to the external auditor to seek explanations and additional information.

The Committee is composed of six members as statutorily required; three, including the Chairman, are shareholder representatives, who are independent and answerable to the shareholders.

The other three members are two Non-Executive Directors and an Independent Non-Executive Director. This composition underpins the independence of the SAC from executive influence.

Attendance at Statutory Audit Committee Meetings

The Statutory Audit Committee met four times in 2019.

NAMES	MARCH 12	JUNE 26	SEPTEMBER 17	DECEMBER 12
Kolawole Durojaiye	✓	✓	✓	✓
Nnamdi Okwuadigbo*	N/A	✓	✓	✓
Abdulumuni Ado Yola*	N/A	✓	x**	x
Oye Hassan-Odukale, <i>MFR</i>	✓	✓	✓	✓
Chidi Anya	✓	✓	✓	✓
Cecilia Akintomide, <i>ON</i>	✓	✓	✓	✓

*Nnamdi Okwuadigbo and Abdulumuni Ado Yola were elected to the Committee at the Annual General Meeting of 3 May 2019.

** Abdulumuni Ado Yola began medical leave on 1 September 2019; he died in February 2020.

The Responsibilities of the Committee

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 including the CBN, SEC and FRCN Codes set out the corporate governance role and responsibilities of the SAC, which are to:

- Ascertain whether the Company's accounting and reporting policies 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 regarding the appointment, remuneration and removal of the external auditor of the Company, ensuring the independence and objectivity of the external auditor and that there is no conflict of interest which could impair the independent judgement of the external auditor;
- Authorise the internal auditor to carry out investigations into any activity of the Company that 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.

EFFECTIVENESS

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 auditor for the 2019 financial year was Messrs. PricewaterhouseCoopers (PwC).

FBNHoldings is in full compliance with the Code as its external auditor was appointed as auditor in the 2012 financial year and hence have been retained for eight years.

2019 Audit Fees

The audit fee paid by FBNHoldings (the Company) to the external auditor for the 2019 statutory audit was ₦25million. There were no non-audit services rendered to the Company during the year.

Prohibition of Insider Dealings

In line with Section 17.2 of the Amendment to the Listing Rules of the Nigerian Stock Exchange, structures have been put in place to ensure compliance accordingly and to communicate closed periods to insiders and the Nigerian Stock Exchange. Compliance is ensured through the Registrars 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.

Succession Planning

The Board Governance and Nomination Committee is tasked with the responsibility for the Group's succession planning process. The Committee identifies critical positions on the Board and Executive Management level that are deemed important to the achievement of the Company's business objectives and strategies and have a significant impact on the operations of the Group. 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 requirements provide a blueprint of what is required to succeed at each position and includes the required knowledge, skills and attitudes as well as ethics, values and code of conduct.

The competency requirements are identified and defined in line with the future needs and strategic objectives of the Group and provide the basis to assess potential successors for the identified key positions and to identify skills gaps and developmental needs.

On conclusion of this phase, the Committee identifies a talent pool, following which the Committee determines the skills and competency gaps.

For the Chairman's position, the existing Chairman of the Board will articulate the developmental needs of each individual Non-Executive Director on the Board, develop a plan to bridge that gap and thereafter position them as potential successors.

For Non-Executive Directors, the Governance Committee will periodically undertake a detailed analysis of the existing Board's strengths and weaknesses, skills and experience gaps based on the exit of Directors from the Board and current deficiencies, while noting the Company's long-term business strategy and plans. Based on this assessment, the Governance Committee shall define the skills and competency profile that reflect the needs of the Board.

For 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.

Performance Monitoring

As part of its oversight role, the Board continuously engages the Management and contributes ideas to the Group's strategy, from the planning phase to its execution. The Board holds an annual Board retreat, at which 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 ongoing Board agenda, providing the Board with access to sufficient detail to critique the implementation of the strategy.

EFFECTIVENESS

During this process, the Board is continuously updated on significant issues, risks or challenges encountered during strategy implementation across the Group, and on the steps taken to alleviate those risks.

On a quarterly basis, the Management reviews the Group's financial and performance indicators with the Board, and the Board continuously assesses progress and confirms alignment or otherwise with the Group's strategic goals and objectives.

The Group's actual performance is presented relative to its planned or budgeted performance in order to provide the Board with ongoing insights into the level of achievement.

In addition, peer benchmarking forms a continuous part of the Board meetings to put FBNHoldings' performance into perspective against competitors.

REMUNERATION STRUCTURE

Introduction

This section provides stakeholders with an understanding of the remuneration philosophy and policy adopted at FBNHoldings for Non-Executive Directors, Executive Directors and employees.

Remuneration Philosophy

FBNHoldings' compensation and reward philosophy represent the values and beliefs that drive the Company's compensation policy. The 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 the compensation package, factors to be considered include organisational policy, market positioning, the Group's financial performance, government policies, regulations, industry trends, inflation and the cost of living index.

Remuneration Strategy

FBNHoldings' compensation and reward strategy aims at attracting, rewarding and retaining a motivated talent pool to drive the Company's

values, ideology and strategic aspirations. The compensation strategy supports the corporate strategy and is reviewed as required to reflect changes in internal and external environmental conditions. The compensation and reward strategy seeks to position the Group as an employer of choice within its market by offering an attractive and sustainable compensation package. Compensation is also differentiated and is used as a tool for retaining high-potential talent and driving desired culture and values.

Compensation Policy

The Group's Compensation Policy provides the guidelines for administration of staff compensation and is aimed at attracting, rewarding and retaining a motivated talent pool. The compensation structure is categorised into Remuneration, Perquisites and Benefits. Remuneration includes base pay and allowances as well as performance-based bonuses and incentives, as follows:

FBNHoldings' compensation and reward strategy aims at attracting, rewarding and retaining a motivated talent pool to drive the Company's values, ideology and strategic aspirations.

EFFECTIVENESS

Base pay includes the salary component for the defined job grade and is mainly cash-based. It is guaranteed and payable monthly in arrears, as per the employment contract. It is the basis for the computation of some allowances and most benefits.

Allowances are other pay items outside base pay and are structured to support a standard of living for respective grades. These allowances include housing, furniture, lunch and clothing. They are payable in cash and are paid monthly, quarterly or yearly for tax planning, liquidity planning and staff convenience. Allowances are separated into two: those that form part of staff salary and those categorised purely as allowances.

Bonuses and incentives are related to achievement of organisational and individual targets and may be cash or non-cash, such as performance bonuses and commendation letters.

Perquisites are usually lifestyle-oriented and designed to ensure comfort, motivation, commitment and retention of staff, particularly those at the senior level or with high potential. These may include status cars, power generators, gym equipment and other items.

Benefits are entitlements, usually attainable subject to organisational conditions. They include leave, medical allowance and social club subscriptions. To guarantee staff convenience and in line with the Group's ethical stance of being socially responsible and a good corporate citizen, payments are structured so that, while ensuring

adequate cash flow for staff, the Group does not run contrary to tax laws and other statutory regulations.

Executive Remuneration

As a Board, we are mindful of the views of the various stakeholders on Executive remuneration. We aim to motivate, incentivise and retain best talents while keeping an eye on prevailing economic outlook.

The remuneration for Executive Directors is determined by the Board and usually reflects competitive benchmarking in the industry while ensuring that it adequately attracts and retains the best and most experienced individuals for the role. This also applies to Non-Executive Directors who are entitled to Directors' fees, reimbursable expenses and sitting allowances.

BOARD COMPENSATION

Non-Executive Directors

In line with the CBN and SEC Codes, Non-Executive Directors receive fixed annual fees and sitting allowances for their services on Board and Board Committee meetings. 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.

Remuneration for Executive Directors

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.

For more details on the remuneration, please refer to Note 48 of the FBNHoldings' 2019 financial statements.


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

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE WITH THE NIGERIAN STOCK EXCHANGE (NSE) LISTING RULES ON SECURITIES TRADING POLICY

In line with Section 14 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 it is in line with the required standard set out in the Rules.

The FBNHolding's Securities Trading Policy (Policy) is embedded in the Board-approved Group Disclosure Policy and having made specific enquiries from all our Directors regarding compliance with the Policy, we hereby confirm to the best of our knowledge that our Board of Directors are compliant with FBNHolding's Securities Trading Policy and the Rules on Securities Trading.



Oluseye Kosoko
Company Secretary

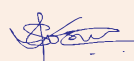


Dr. Oba Otudeko, CFR
Group Chairman

STATEMENT OF COMPLIANCE WITH THE NIGERIAN STOCK EXCHANGE ON LISTING ON THE PREMIUM BOARD

In compliance with Section 4 of the 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 FBNHolding's is in full compliance with the Code.



Oluseye Kosoko
Company Secretary



Dr. Oba Otudeko, CFR
Group Chairman

STATEMENT OF COMPLIANCE WITH SECTION 34 OF THE SEC CODE OF CORPORATE GOVERNANCE

In compliance with Section 34 of the SEC Code of Corporate Governance (SEC Code), we hereby confirm to the best of our knowledge the following.

- That FBNHolding's has in place effective internal audit functions and the Risk Management Control and Compliance system operates efficiently and effectively.
- That FBNHolding's sustainability initiatives are in alignment with Part D of the SEC Code.
- That FBNHolding's related party transactions are being monitored in compliance with the provisions of the SEC Code.



Oluseye Kosoko
Company Secretary

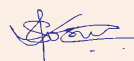


Dr. Oba Otudeko, CFR
Group Chairman

STATEMENT OF COMPLIANCE WITH THE CENTRAL BANK OF NIGERIA (CBN) AND SECURITIES AND EXCHANGE COMMISSION'S (SEC) CODES 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 CBN and SEC Codes of Corporate Governance (Code) governs the operations of FBN Holdings Plc.

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



Oluseye Kosoko
Company Secretary



Dr. Oba Otudeko, CFR
Group Chairman

ACCOUNTABILITY

Risk Governance Framework

At FBN Holdings Plc, risk management is prioritised through a robust governance structure that establishes individual and collective accountabilities for risk management, risk oversight and risk assurance, and it is clearly documented in the Group's Enterprise Risk Management Framework. The approved risk management framework is consistently communicated across the Group.

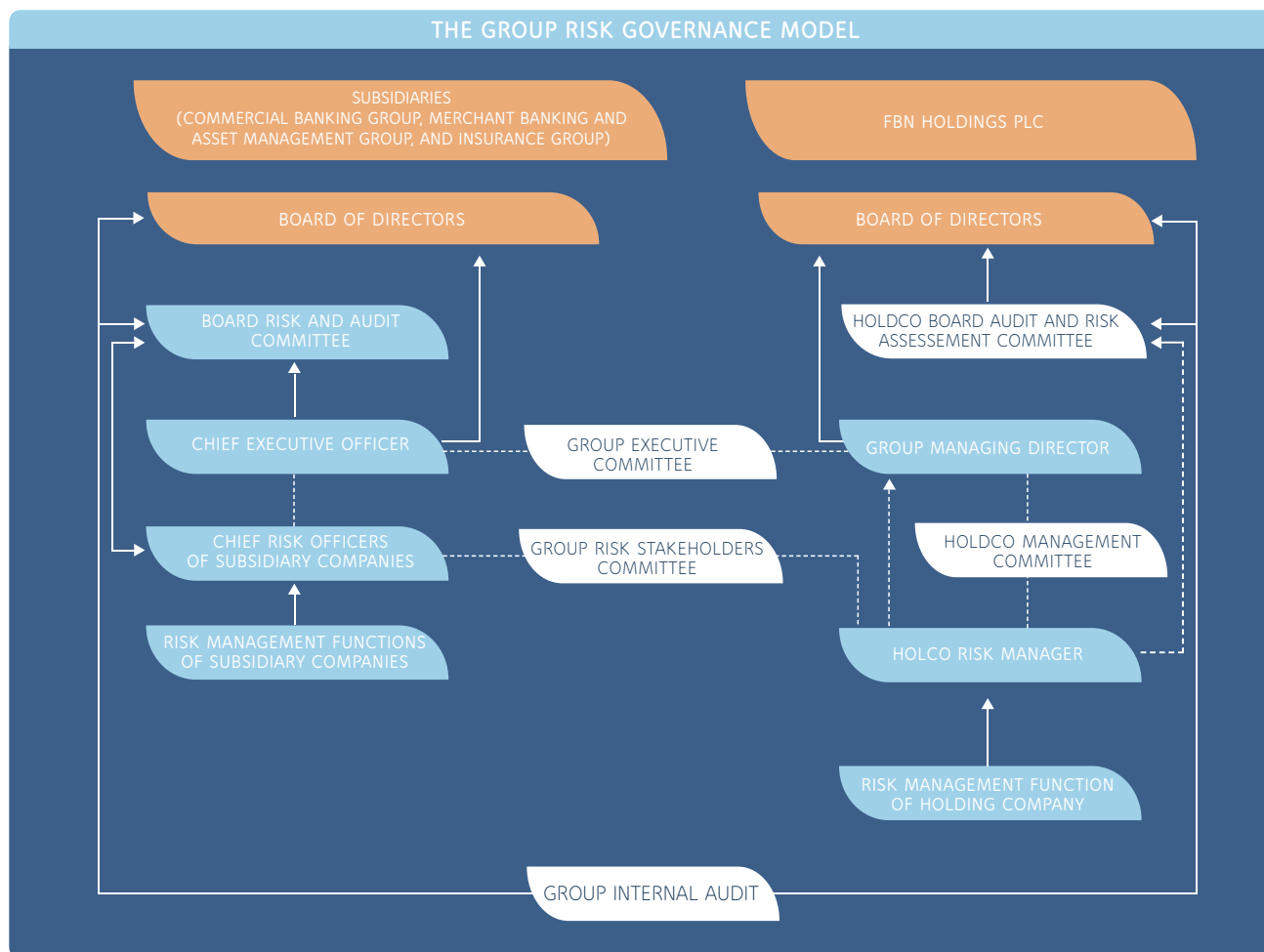
The framework ensures risks are managed in a consistent way across the Group and provides important considerations for the Board and its subcommittees in defining and addressing their oversight responsibilities. This is reinforced by the Board's delegation of authority,

which sets the appropriate tone through the Management hierarchy. The Risk Governance Framework is supported by a committee-based structure designed to confirm that the risk management system across the Group is in line with regulations and best practices.

The components of the Group's risk governance architecture include:



ACCOUNTABILITY



- | | | |
|---|---|--|
| <p>a. The Board has ultimate responsibility for risk management and it is responsible for approving risk management policies and associated amendments. The Board's risk oversight responsibilities are delegated to the Board Audit and Risk Assessment Committee (BARAC). Every year, BARAC decides on and supervises the risk appetite, including the risk strategy. The Committee is also responsible for the development of a sound and consistent Group-wide risk culture, based on clear understanding of the risks that</p> | <p>could be encountered by the Group and the management of such risks, taking into consideration the Group's risk appetite. The Chief Risk Officers of the various subsidiaries have access to BARAC through the Head, Risk and Compliance of FBNHoldings who makes quarterly presentations for the consideration of the Committee. This is to ensure effective management of risk by the Board across the Group. The specific roles and responsibilities of BARAC are listed under the Board Committee reports on page 22.</p> | <p>b. The Executive Committee is responsible for reviewing and challenging risk information and escalating issues to the Board. The Executive Committee ensures the integrity of the reporting and monitoring system making sure the reporting structure does not distort or suppress material information presented to the Board, and that the reporting process promotes timely response to material risk.</p> |
|---|---|--|

ACCOUNTABILITY

- c. The Risk Management directorate of all the subsidiaries are headed by the Chief Risk Officers who are well qualified individuals with requisite experiences, who occupy Senior Management levels. They facilitate and coordinate risk management activities across their entities.
 - d. The strategic business units and other departments are the risk takers responsible for implementing internal control procedures. They identify risks in products, activities, processes and systems as well as initiate actions and apply mitigating strategies, and report risks associated with their respective functions.
 - e. Internal Control, Internal or External Audit and External Assessors are responsible for providing independent assurance on the effectiveness of the risk management processes, practices and control systems.
 - The Group Risk Stakeholders Committee comprises the Chief Risk Officers, Heads of Department of the risk directorates, Chief Compliance Officers and Chief Internal Auditors of all the operating entities as well as the Head of Risk Management and Compliance of the Group.
- The Committee ensures that a strong and effective relationship exists between the business units risk management functions and the Group, and enhancing the risk coordination and aggregation processes across the Group.
- The Committee is accountable to the Group Executive Committee and the Board Audit and Risk Assessment Committee.

The Group's approved Risk Governance Model is characterised by the following:

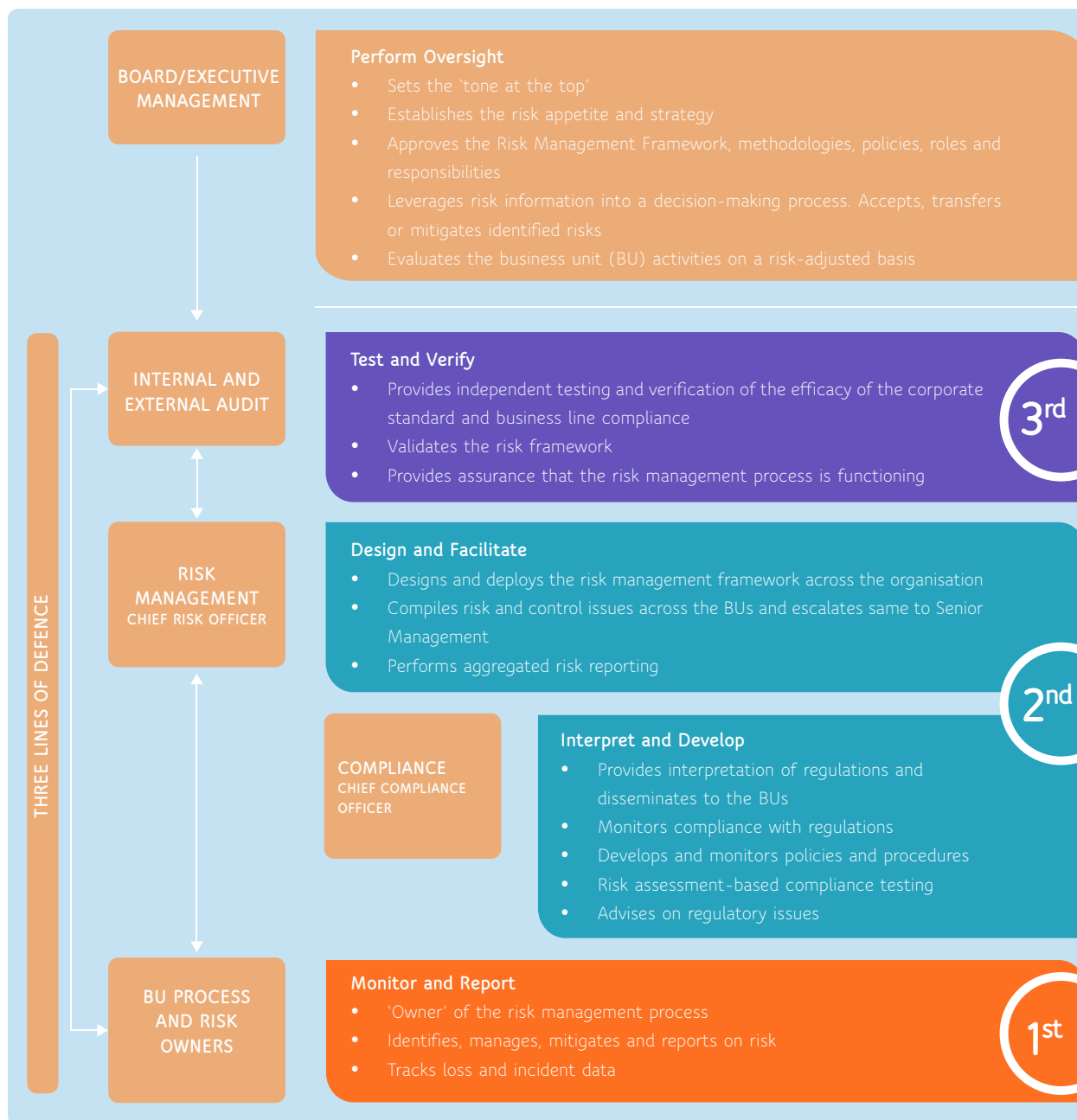
- The FBNHoldings Board of Directors assisted by BARAC provide robust oversight of the Group's risk strategy, approves the Group's risk appetite, reviews the adequacy of the Risk Management Framework and control effectiveness.

THE GROUP RISK OPERATING MODEL

The target operating model ensures clarity and simplicity of the risk management processes, and enhances a robust and practical risk governance structure in the Group.

The 'three lines of defence' model is adopted in reinforcing the Risk Governance Framework.

ACCOUNTABILITY



The model improves the effectiveness of the Group Risk Management Framework by identifying and documenting the responsibilities and accountabilities for risk management and internal control across the business units with the Group. The model provides clarity between the roles and responsibilities within each line and all of which play an integral role in providing assurance to the

effectiveness of the risk management and the internal control systems.

For more information on the Group's Risk Management and the Three Lines of Defence models, please refer to the Risk Review section of the FBNHoldings 2019 Annual Report.

WHISTLEBLOWING PROCEDURES

At FBNHoldings, a culture where people can speak up is promoted. Individuals are encouraged to raise concerns about perceived wrongdoing or unethical conduct.

Whistleblowing is a process of raising concerns about wrongdoing, illegal actions or unlawful conduct such as fraud, corruption, bribery or theft. The Group guarantees confidentiality, noting that there are circumstances where people need to raise concerns discreetly without fear of harassment, intimidation, victimisation, reprisal or retaliation. The Board of FBN Holdings Plc attaches importance to high ethical standards and integrity and expects its employees and officers to do the same in all their dealings.

The Group's Whistleblowing 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). Reports made through this policy should not be based on mere speculation, rumours or gossip, but on factual knowledge. The full version of the Group's Whistleblowing Policy can be viewed on the website: www.fbnholdings.com/whistle-blowing/.

The whistleblower can report through any of the following, either by declaration or in confidence/anonymously:

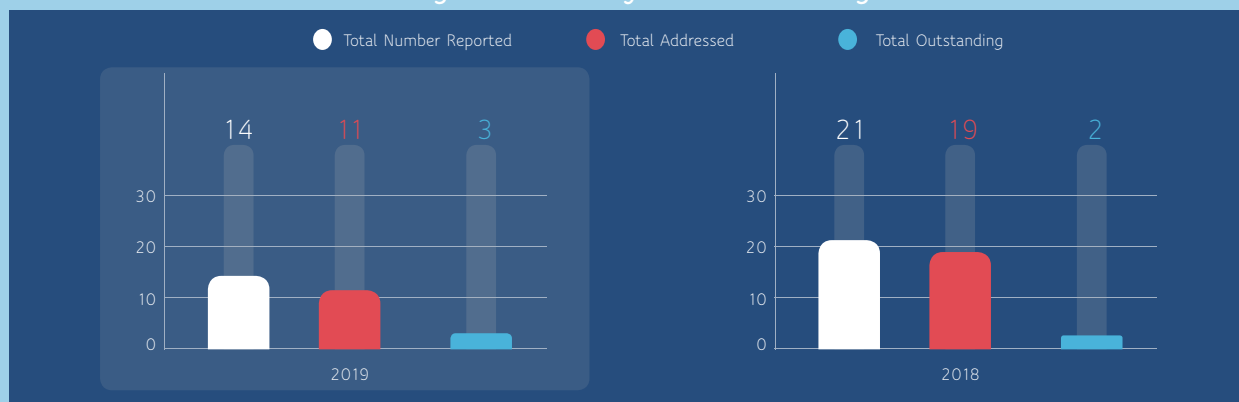
- Formal letter to the Group Managing Director, FBN Holdings Plc and/or Head, Internal Audit FBN Holdings Plc;
- Dedicated phone number as contained on the website, www.fbnholdings.com: 0817 597 8505; and
- Dedicated email address: FBNHoldingsWhistleBlowing@fbnholdings.com.

Any issue raised should include all relevant background information

(including dates) as well as the reason(s) why the whistleblower is particularly concerned about the situation.

The Policy was developed by the Group to protect whistleblowers who disclose concerns in good faith and without frivolity, malice or mischief. The concern raised is thoroughly investigated and reported to the appropriate authorities, including the Chairman, Board Audit and Risk Assessment Committee. The whistleblower, whether internal or external, may elect to disclose information directly to any of the listed regulatory bodies such as the Central Bank of Nigeria (anticorruptionunit@cbn.gov.ng), the Nigeria Deposit Insurance Corporation (info@ndic.org.ng), the Securities and Exchange Commission (sec@sec.gov.ng), the Nigeria Insurance Commission (info@naicom.gov.ng), the National Pension Commission (info@pencom.gov.ng) and the Nigerian Stock Exchange (x-whistle@nse.com.ng).

FBNHoldings Two-Year Analysis of Whistleblowing Cases



ENGAGEMENT

Across the Group, communication with stakeholders is given high priority. The Group is committed to promoting effective communication channels and upholding good corporate governance as a means of building stronger relationships with our stakeholders (shareholders, employees, industry regulators, government, customers and suppliers) to make responsible and balanced decisions with shared benefits.

At FBNHoldings, great emphasis is placed on stakeholder engagement, as this provides opportunities to build trust and confidence as well as promote stakeholder participation.

By promoting open and frequent dialogue, the Board and Management keep stakeholders informed of the activities relating to the Company and provide insights into the strategy, performance and outlook of the business. Furthermore, constant dialogue provides clearer understanding of stakeholder requirements and how best to address as well as balance their needs with the Company's objectives.

Across the Group, general meetings are considered important platforms for the Board to engage stakeholders, to facilitate greater understanding of the Company's business, governance and performance. The platform provides a forum particularly for shareholders to exercise their ownership rights and express their views to the Board on areas of concern.



Employee Engagement

Our people are crucial to the long-term success of our business. In view of this, the Board and Management are committed to making the Group a great place to work by fostering a value-based environment, encouraging dialogue, promoting positive conduct and making sure the corporate culture is ingrained in our workplace ethics.

In keeping with the culture, the Boards through the Management, encourages a diverse and inclusive workforce in which employees of all backgrounds are treated equally and given opportunities to succeed as well as achieve their full potential. Read more about how we support employees in the 'Empowering Our People' section.



Regulatory Engagement

The Board and Management of FBNHoldings are committed to engaging regulators to foster an atmosphere of cordiality and ensure the highest level of compliance with relevant regulations across the Group.

The implementation of these engagements and compliance with regulatory pronouncements is tracked by the Group Executive Committee to uphold a high standard and reputation.



Across the Group, communication with stakeholders is given high priority. The Group is committed to promoting effective communication channels and upholding good corporate governance as a means of building stronger relationships with our stakeholders.



ENGAGEMENT

SHAREHOLDER ENGAGEMENT

Domestic Retail Investors

As a Group, we aim to drive increased participation of retail and institutional shareholders within the local market. In line with the practice, domestic retail shareholders are updated on the Group's governance mechanism, strategy direction, financial performance and outlook through the annual general meetings, information uploaded to the Investor Relations and corporate websites, research notes circulated by analysts, fund managers' engagements, visits to shareholder associations and stockbrokers.

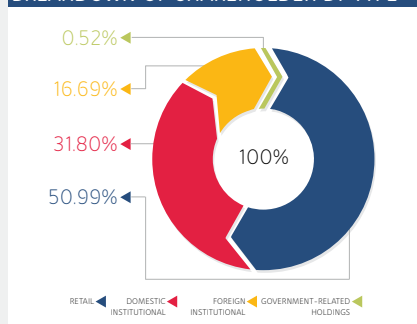
Institutional Investors

In 2019, a further increase in the participation of international shareholders was witnessed. This indicates rising institutional interest amidst challenging macroeconomic factors. This was driven by increased engagement with investors and

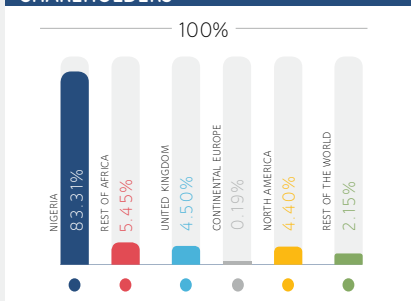
shareholders, allowing opportunities for existing and potential investors to engage regularly on strategic developments and the financial performance of the Group. The FBNHoldings Investor Relations team drives the participation of the various forms of engagements.

SHAREHOLDING STRUCTURE AS AT 31 DECEMBER 2019

BREAKDOWN OF SHAREHOLDER BY TYPE



GEOGRAPHICAL BREAKDOWN OF SHAREHOLDERS



What Does Investor Relations Do?

The Investor Relations (IR) function engages existing and potential shareholders, investors and analysts for effective and proactive dissemination of FBNHoldings' strategic information and corporate disclosures.

IR plays a pivotal role in providing details about the organisation's performance and outlook to a wide range of interested parties.

IR leads and manages relations between FBNHoldings and the financial community by positively projecting the Group's intrinsic value, enhancing investor confidence and ultimately creating value for the shareholders.

The IR function aims to:

- develop the Group's external relationships with existing and potential investors, shareholders and analysts;
- ensure continuous gathering of market intelligence and monitor investor and analyst perception of the Group;
- manage shareholders' expectations and ensure an upward flow of information through the Executive Management to the Board;
- keep the market informed of developments and events that may influence the share price in a reliable, consistent, comparable and transparent manner;

- expand the potential pool of capital that the Group can access to finance its growth objectives; and
- promote the fair value of the Company's shares.

Communication with shareholders includes one-on-one meetings, regular financial results and strategy announcements, conference calls, roadshows and the Annual General Meeting (AGM). Extensive information about FBNHoldings Group and activities are available to shareholders in the Annual Report and Accounts, financial results, ad hoc press releases, financial results presentations and on the website, <https://www.fbnholdings.com/>. The Investor Relations section of the website, www.fbnholdings.com/

ENGAGEMENT

investor-relations/ facilitates effective distribution of information in a timely, clear and consistent manner.

Enquiries on matters relating to the Group are welcome and should be directed to companysecretariat@fbnholdings.com or investor.relations@fbnholdings.com.

What Are the Rights of Shareholders?

The Companies and Allied Matters Act 2004 (CAMA) provides several basic rights for shareholders. These rights include but are 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 of 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; and

- 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.

At FBNHoldings Group, shareholders' rights are respected and upheld. For support with shareholders and stakeholders' enquiries, please refer to the contact details provided on the rear cover of the Annual Report.

What Are the Responsibilities of the Shareholders?

The Statutory Audit Committee (SAC) oversees the Group's operations on behalf of shareholders. In this age of increasing transparency, the shareholders' perceptions, expectations and understanding of the Group's operations and performance are important to the value. SAC's duties are to:

- Ascertain that the Group's accounting and reporting policies comply 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;
- Keep under review the effectiveness of the Company's

system of accounting and internal controls;

- Make recommendations to the Board regarding the appointment, removal and remuneration of external auditors to the Company; and
- Authorise the internal auditor to carry out investigations into any activities.

In addition, the shareholders' roles extend to holding the Board accountable for the observance of effective corporate governance practices.

Shareholders are responsible for approving the appointment of members of the Board of Directors and the external auditors as well as granting approval for certain corporate actions, such as approval of dividend payments.

ENGAGEMENT

Key Activities in FBNHoldings Investor Relations in 2019

ACTIVITY	DESCRIPTION	CHANNEL	TARGET AUDIENCE
Financial Results Press Release	<ul style="list-style-type: none"> Financial results press releases describe the Group's performance and outlook for the period under review This typically happens quarterly when the financial results are made public The first, second and third quarter as well as the full-year 2019 financial results press releases can be accessed at https://www.fbnholdings.com/press-releases/ 	<ul style="list-style-type: none"> Website Email interactions 	<ul style="list-style-type: none"> Shareholders Investors Analysts Credit-rating agencies
Operational/Ad Hoc Press Release	<ul style="list-style-type: none"> Operational or ad hoc press releases provide requisite up-to-date information to stakeholders on key operational developments or corporate actions outside scheduled reporting periods 	<ul style="list-style-type: none"> Website Email interactions 	<ul style="list-style-type: none"> Shareholders Investors Analysts Credit-rating agencies
Financial Results Conference Call	<ul style="list-style-type: none"> This activity occurs after the publication of the financial results and it is led by the Senior and Executive Management across the Group The financial results presentation is prepared quarterly and uploaded to the IR website The financial results presentation provides further disclosures on the performance of the business during the relevant period The first, second and third quarter as well as the full-year 2019 financial results presentations can be accessed at www.fbnholdings.com/financial-information/results-presentations/ A question-and-answer session is held as part of the conference call 	<ul style="list-style-type: none"> Teleconference calls An audio-recording is usually available on the IR website 48 hours after the call, while the transcript is available from one week after teleconference calls 	<ul style="list-style-type: none"> Shareholders Investors Analysts Credit-rating agencies
International Non-Deal Roadshows	<ul style="list-style-type: none"> This entails engagement with key international institutional investors and shareholders on the performance, outlook and key strategic objectives of the Group The objective is to develop a supportive pool of capital and enhance international visibility Key locations visited in 2019 reflect where the majority of the international investors reside, largely in the US, UK (with teleconference to continental Europe) and South Africa 	<ul style="list-style-type: none"> One-on-one meetings Conference calls Group meetings 	<ul style="list-style-type: none"> International investors

ENGAGEMENT

ACTIVITY	DESCRIPTION	CHANNEL	TARGET AUDIENCE
Domestic Investor Meetings	<ul style="list-style-type: none"> A forum where the Group's Senior Management address issues relating to performance, strategy direction and outlook Meetings with Shareholder Associations across zonal offices in Nigeria 	<ul style="list-style-type: none"> One-on-one meetings Group meetings Conference calls 	<ul style="list-style-type: none"> Shareholders Investors Analysts
Investor Conferences	<ul style="list-style-type: none"> Local and international conferences The forum creates a platform for the Group's Senior Management to address performance and market outlook relating to the business Engenders confidence in the Management team and enhances local and international visibility Conferences attended in 2019 include: <ul style="list-style-type: none"> Standard Bank West Africa Investors' Conference, Lagos Renaissance Capital Pan-Africa Conference, Lagos J. P. Morgan 10th Annual Global Emerging Market Corporate Conference, Miami EFG Hermes 15th Annual One on One Conference, Dubai 	<ul style="list-style-type: none"> One-on-one meetings Small group meetings 	<ul style="list-style-type: none"> Equity and debt investors and analysts
Annual General Meeting	<ul style="list-style-type: none"> FBNHoldings held its 7th AGM on Friday, 3 May 2019 at the Oriental Hotel, Victoria Island, Lagos. At the AGM, the following resolutions were presented and approved: <ul style="list-style-type: none"> Annual Report and Accounts Dividend Declaration Election of Directors Remuneration of Auditors Election of the Audit Committee 	<ul style="list-style-type: none"> Group meeting 	<ul style="list-style-type: none"> Shareholders Regulators (NSE, SEC, CBN, CAC) External Auditors, Consultants, Registrars, Legal Advisers Investors and Analysts Other professional advisers Observers Press
Pension Fund Managers Forum (PFAs and CPFAs)	<ul style="list-style-type: none"> Engagement with domestic Pension Fund Administrators (PFAs) and Closed Pension Fund Administrators (CPFAs) to facilitate better understanding of the Group's governance mechanism, strategy direction, financial performance and outlook A brokered group meeting held in Lagos with Pension Fund Administrators and the Senior and Executive Management of the Group 	<ul style="list-style-type: none"> One-on-one meetings Group meetings Email interactions Conference calls 	<ul style="list-style-type: none"> Pension Fund Managers (PFAs and CPFAs)

ENGAGEMENT

DIVERSITY OF THE INVESTOR RELATIONS WORLD AND INFORMATION REQUIREMENTS



ENGAGEMENT

What Happens at the Annual General Meeting?

FBNHoldings' 8th AGM is scheduled to be held on Monday, 27 April 2020 at 10.00am at the Oriental Hotel, Victoria Island, Lagos. The Notice of AGM can be found in a separate document, which is sent out at least 21 days before the AGM and published in at least two national daily newspapers. Documents for consideration at the meeting are sent to the shareholders' addresses through surface or registered mail or disseminated electronically.

All businesses transacted at the AGM are deemed special businesses with the exception of specific businesses stipulated by the section, which are ordinary businesses. These include: declaring a dividend; presentation of the financial statements and the reports of the Directors as well as the Auditors; election of Directors in the place of those retiring; appointment and fixing of the remuneration of the Auditors; and the appointment of the members of the Audit Committee.

The AGM is a forum to engage shareholders, particularly domestic holders, on key issues regarding the Group and any questions that may arise. Resolutions to be considered at the AGM are published on the FBNHoldings Investor Relations website (www.fbnholdings.com/investor-relations).

The AGM is also an avenue for shareholders to appraise the Company's performance, deliberate on all items on the agenda, vote for or against the proposed resolutions, and discuss related matters of concern with regards to the Company, Board of Directors and Management.

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

The AGM proceedings will be monitored by members of the press, representatives of the Nigerian

Stock Exchange, the Central Bank of Nigeria, the Securities and Exchange Commission, the Financial Reporting Council and the Corporate Affairs Commission.

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

Voting by Poll

Voting by poll 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 (before or on the declaration of the result of the show of hands) is demanded by any of the following:

- The Chairman, where he or she 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, and equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

However, there shall be no right to demand a poll on the election of the Audit Committee members.

Conclusion

In pursuit of the objective of the Group and based on the increasing interest from different stakeholders, the focus in the coming year is to

define ways to further enhance the engagement model and strengthen the relationships with existing and potential stakeholders.

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 2019.

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 (now First Bank of Nigeria Ltd) 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 responsible for coordinating Group-wide financial reporting to shareholders and managing shareholder, investor and external relations of the Group as well as developing and coordinating implementation of Group strategies.

The Company consists of three groups, namely:



Commercial Banking Group comprising:
First Bank of Nigeria Limited
FBNBank (UK) Limited
FBNBank DR Congo Limited
FBNBank Ghana Limited
FBNBank Sierra Leone Limited
FBNBank Guinea Limited
FBNBank Gambia Limited
FBNBank Senegal Limited
First Pension Custodian Nigeria Limited



Merchant Banking and Asset Management Group comprising:
FBNQuest Merchant Bank Limited
FBNQuest Capital Limited
FBNQuest Asset Management Limited
FBNQuest Securities Limited
FBNQuest Funds Limited
FBNQuest Trustees Limited



Insurance Group comprising:
FBN Insurance Limited
FBN General Insurance Limited
FBN Insurance Brokers Limited

DIRECTORS' REPORT

c. Operating Results

The Directors recommend for approval a dividend of ₦0.38k per share, amounting to ₦13,640,211,261.00

Highlights of the operating results for the period under review are as follows:

	GROUP		COMPANY	
	31 Dec 2019 ₦'mn	31 Dec 2018 ₦'mn	31 Dec 2019 ₦'mn	31 Dec 2018 ₦'mn
Gross Earnings	627,008	587,406	18,396	13,649
Profit Before Tax	83,595	63,853	13,874	9,440
Taxation	(9,783)	(5,544)	(12)	(98)
Profit for the year from continuing operations	73,812	58,309	13,862	9,342
Loss for the year from discontinued operations	(147)	(77)	-	-
Profit for the year	73,665	58,232	13,862	9,342
Profit attributable to:				
Equity holders of the parent entity	69,918	57,692	13,862	9,342
Non-controlling interests	3,747	540	-	-
Earnings per share (kobo) - Basic	195	161	39	26
Earnings per share (kobo) - Diluted	195	161	39	26

DIRECTORS' REPORT

d. 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 and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange are noted as follows:

S/N	Name	2019 HOLDINGS		2018 HOLDINGS		Entities
		Direct	Indirect	Direct	Indirect	
1.	Dr. Oba Otudeko, <i>CFR</i>	5,895,264	113,079,843	5,895,264	113,079,843	Metropolitan Trust Nig. Ltd
			44,188,168		44,188,168	Honeywell Staff Ct & Cs
			70,206,271		70,206,271	Orbit International Ltd
			111,663,659		111,663,659	Springwater Ltd
			72,138,423		72,138,423	Landbond Ltd
			52,394,669		52,394,669	Coral Products Ltd
			68,404,806		68,404,806	Network Securities Ltd
	TOTAL	5,895,264	532,075,839	5,895,264	532,075,839	
2.	Oye Hassan-Odukale, <i>MFR</i>	8,854,003	112,552	1,854,003	112,552	Lac Investments Ltd
			13,229,148		13,229,148	Haskal Holdings Ltd
			29,917,410		24,223,469	Oho Investments Ltd
			4		-	Oho Investments Ltd Account II
			1,004,528		2,175,578	Leadway Capital & Trusts Ltd
			266,697,449		266,697,449	Leadway Assurance Co. Ltd
	TOTAL	8,854,003	310,961,091	1,854,003	306,438,196	
3.	Chidi Anya	-	500,000	-	52,168	Muonta and Guonta Ltd
4.	Dr. Hamza Wuro Bokki	6,680,863		5,389,061	-	-
5.	'Debola Osibogun	1,171,612		1,171,612	-	-
6.	Omatseyin Ayida	1,100,000	4,018,131	1,100,000	4,018,131	Alemaje and Company Ltd
			40,627,606		9,914,780	Apricot Securities Ltd
			99,994,505		79,994,505	Jurewa Investment Ltd
		1,100,000	134,680,565		93,927,416	
7.	U.K. Eke, <i>MFR</i>	65,196,390	-	22,453,436	-	-
8.	Dr. Adesola Adeduntan	18,871,689	-	18,871,689	-	-
9.	Oluwande Muoyo	1,971,481	798,596	771,481	798,596	Clayder Ltd
10.	Cecilia Akintomide, <i>ON</i>	5,500		5,500	-	-

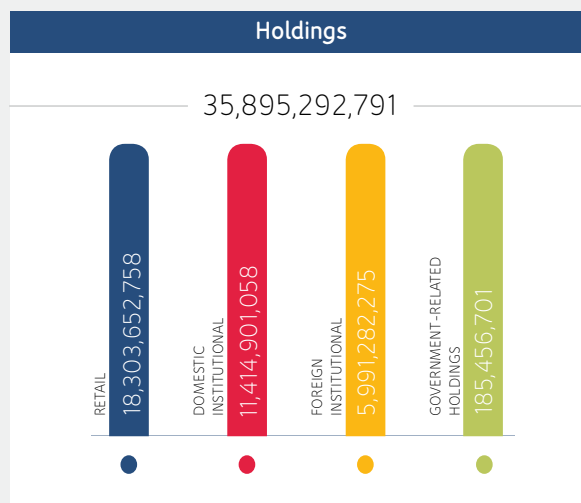
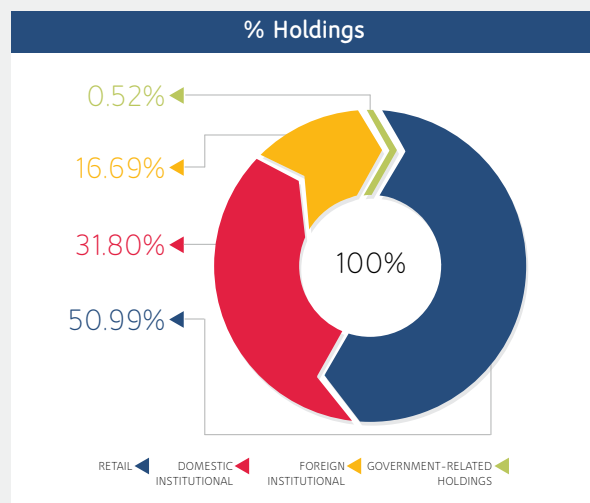
DIRECTORS' REPORT

e. Shareholding Analysis

Shareholding Range Analysis as at 31 December 2019

RANGE	No. of Holders	% Holders	Units	% Units
1 - 1,000	291,327	24.22	212,523,003	0.59
1,001 - 5,000	492,240	40.93	1,183,777,660	3.30
5,001 - 10,000	170,953	14.22	1,175,333,005	3.27
10,001 - 50,000	205,566	17.09	4,175,780,245	11.63
50,001 - 100,000	20,998	1.75	1,461,803,363	4.07
100,001 - 500,000	17,309	1.44	3,440,943,180	9.59
500,001 - 1,000,000	2,092	0.17	1,468,250,952	4.09
1,000,001 - 5,000,000	1,697	0.14	3,255,520,537	9.07
5,000,001 - 10,000,000	193	0.02	1,375,077,586	3.83
10,000,001 - 50,000,000	179	0.01	3,703,861,628	10.32
50,000,001 - 100,000,000	21	0.00	1,413,476,922	3.94
100,000,001 - 35895292791	43	0.00	13,028,944,710	36.30
	1,202,618	100.00	35,895,292,791	100.00

Shareholding Analysis as at 31 December 2019



f. Substantial Interest in Shares

According to the Register of Members as at 31 December 2019, there is no shareholder with up to 5% of the shares of FBN Holdings Plc.

g. 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.

DIRECTORS' REPORT

h. Donations and Charitable Gifts

The Company did not make any donations during the year ended 31 December 2019.

i. Property and Equipment

Information relating to changes in property and equipment is given in Note 32 to the Accounts. In the Directors' opinion, the market value of the Company's properties is not less than the value shown in the financial statements.

j. Post Balance Sheet Events

1. Towards the end of 2019, there was an outbreak of the novel coronavirus disease, codenamed COVID-19, which has spread globally. The outbreak has been declared a global pandemic i.e. a public health emergency of international concern by World Health Organization (WHO) in March 2020. As at the date of this Report, the Nigeria Centre for Disease Control (NCDC) had confirmed COVID-19 cases in some States in Nigeria. The disease has caused a significant reduction in social interaction and disruption in economic activities while some public facilities have been shut down in a bid to contain the spread of the virus. The Directors have considered the potential implications of this outbreak on the Group's activities and operations and are taking measures to ensure that the Group's ability to continue to operate is not affected significantly. The various measures instituted by the government to contain the pandemic have not curtailed the Group's ability to continue to operate and serve its customers. The Directors are confident that the Group will continue to operate into the foreseeable future.
2. The new Finance Act was signed into law on 13 January 2020 and this was the basis upon which the Company's tax was calculated.
3. In line with the Group's 2020-2022 strategic objective, FBN Holdings Plc has commenced discussions with Sanlam (PTY) Limited (the owners of the 35% equity of FBNInsurance) and engagement with the relevant regulators with a view towards divesting from FBNInsurance and selling its 65% holdings to Sanlam.

k. Human Resources Policy

Recruitment

The Company conforms with all regulatory requirements in the employment of staff, whilst also ensuring that only fit and proper persons are approved for appointment to board or top management positions. All prescribed pre-employment screening for prospective employees and other requirements for regulatory confirmation of top management appointments are duly implemented.

Employment of Physically Challenged 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.

Employee Involvement and Training

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their well-being through various forums including town hall meetings. Towards this end, the Company provides opportunities where employees deliberate on issues affecting the Company and employees' interests, with a view to making inputs to decisions thereon.

The Company places a high premium on the development of its workforce. Consequently, the Company sponsored its employees for various training courses, both locally and overseas, in the year under review.

Health, Safety and Welfare at Work

The Company maintains business premises designed with a view to guaranteeing the safety and healthy working conditions of its employees. Employees are adequately insured against occupational and other hazards.

DIRECTORS' REPORT

The Company has a comprehensive health insurance scheme for staff, through which medical needs of staff and their immediate family members are met.

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

The Company operates a Group Life and Group Personal Accident (formerly known as Workmen's Compensation)

Insurance cover and Employee Compensation Act contributions for the benefits of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2004 (amended in 2014).

Gender Analysis

The number and percentage of males and females employed as at 31 December 2019 vis-a-vis total workforce is as follows:

	Number		%	
	Male	Female	Male	Female
Employees	24	13	65	35

Gender analysis in terms of Board and Top Management as at December 31, 2019 is as follows:

	Number			%	
	Male	Female	Total	Male	Female
Board	7	3	10	70	30
Management Staff	7	2	9	78	22

I. Auditors

The external auditors, Messrs. PricewaterhouseCoopers (PwC), have acted as auditors of FBN Holdings Plc for eight years and for its largest subsidiary, First Bank of Nigeria Ltd, for ten consecutive years. In line with paragraph 5.2.12 of the CBN Code of Corporate Governance, the auditors have indicated that they will not be seeking re-appointment as auditors of both FBN Holdings Plc and First Bank of Nigeria Ltd. In accordance with Section 357(1) of CAMA, a resolution will be proposed, and if considered appropriate passed, by shareholders, at the next annual general meeting (AGM) of the Company, to appoint new auditors. Shareholders will also be required to authorise the Directors to fix the remuneration of such new auditors.

BY ORDER OF THE BOARD



Seye Kosoko

Company Secretary

FRC/2013/NBA/00000002006

Lagos, Nigeria



REPORT OF THE INDEPENDENT CONSULTANT TO THE BOARD OF DIRECTORS OF FBN HOLDINGS PLC ON THEIR APPRAISAL FOR THE YEAR ENDED 31 DECEMBER 2019

In compliance with the guidelines of Section 2.8.3 of the Central Bank of Nigeria (CBN) Revised Code of Corporate Governance for Banks in Nigeria Post Consolidation ("the CBN Code") and the Securities and Exchange Commission (SEC) Code of Corporate Governance ("the SEC Code"), FBN Holdings Plc ("FBNHoldings" or "the Company") engaged KPMG Advisory Services to carry out an appraisal of the Board of Directors ("the Board") for the year ended 31 December 2019. The CBN Code mandates an annual appraisal of the Board with specific focus on the Board's structure and composition, responsibilities, processes and relationships, individual Director competencies and respective roles in the performance of the Board.

We have performed the procedures agreed with FBNHoldings in respect of the appraisal of the Board in accordance with the provisions of the CBN Code and SEC Code. These procedures, which are limited in scope but sufficient for the Board's objectives in line with the Codes, are different in scope from an external audit. Consequently, no opinion is expressed by us on the activities reported upon.

Our approach to the appraisal of the Board involved a review of the Company's Board papers and minutes, key corporate governance structures, policies and practices. This included the review of the corporate governance framework and representations obtained from questionnaires and interviews with members of the Board and Senior Management.

On the basis of our review, the Company's corporate governance practices are largely in compliance with the key provisions of the CBN Code. Specific recommendations for further improving the Company's governance practices have been articulated and included in our detailed report to the Board. This includes the recommendation that will further strengthen the whistleblowing process.

Olumide Olayinka

Partner, KPMG Advisory Services
FRC/2013/ICAN/00000000427
5 March, 2020



Shareholder Enquiries

✉ info@firstregistrarsnigeria.com
☎ +234 1 2799880, 2701078, 2701079
☎ +234 1 2701071, 2701072
P. M. B. 12692, Marina
🌐 firstregistrarsnigeria.com

Head, Investor Relations

Tolulope Oluwole
✉ investor.relations@fbnholdings.com
☎ +234 1 9052720

Customer Enquiries

✉ firstcontact@firstbanknigeria.com
☎ 0700 FIRSTCONTACT
☎ +234 1 4485500
☎ +234 708 0625000

Registered Address

Samuel Asabia House
35 Marina, Lagos
PO Box 5216, Nigeria
Registration No. RC916455

