

# REPORT OF THE EXTERNAL CONSULTANT ON THE BOARD APPRAISAL



We conducted the appraisal of the board of First Bank of Nigeria Plc ("First Bank" or "the Bank") for the year ended March 31, 2009 in accordance with the standards set by the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks in Nigeria Post Consolidation ("the CBN Code"). Corporate governance is the system by which business corporations are directed and controlled to enhance performance and long term shareholder value.

First Bank's board size and composition are in line with the CBN Code, except for the appointment of independent directors and ensuring that the number of non-executive directors exceeds the number of executive directors. Board members demonstrate the requisite business experience and are knowledgeable about financial matters. The roles of the chairman of the board and the managing director of the Bank are clearly defined and separated and the board chairman is neither a chairman nor member of any board committee. There are formal documented charters for the board and board committees.

The board has an annual cycle of agenda items. Board and board committee meetings were held regularly on at least a quarterly basis except for certain board committee meetings. In each of the meetings held, an adequate quorum was formed and advance notice and board papers were sent to the board members prior to the meetings. The board is involved in formulating the overall corporate strategy for the Bank and organises an annual retreat to review and approve changes to the Bank's strategy. The Board has established a risk management framework for managing the risk of the Bank.

The principal recommendations arising from our appraisal of the board of directors of First Bank of Nigeria Plc, in accordance with the CBN Code, were in the following areas: appointment of independent directors, director's induction and training programme, directors' remuneration and frequency of board committee meetings.

KPMG PROFESSIONAL SERVICES

Lagos, Nigeria  
June 25, 2009