

A background image showing a hand using a white card payment terminal on a wooden table. The terminal has a small screen and a keypad. A card is being inserted into the slot. The image is slightly blurred and has a warm, golden-brown color palette.

Coronation Merchant Bank Limited Board Evaluation Report FY23

April 2024

CORONATION





April 12th, 2024

The Board of Directors

Coronation Merchant Bank Limited
10 Amodu Ojikutu St,
Victoria Island,
Lagos, Nigeria

Dear Sir/Madam

Board Appraisal Report for the year ended 31st December 2023

We thank you for engaging us to conduct the annual evaluation exercise for the Board of Coronation Merchant Bank Limited, we have completed the Board Appraisal for the year ended 31st December 2023, and we are pleased to submit our report.

The evaluation was carried out between February and March 2024. The scope of our work, related findings, and recommendations resulting from our review procedures are provided in the detailed report.

Thank you for entrusting us to work with you on this project, we are willing to discuss any aspect of this report with you. If you have any questions regarding our report, please feel free to contact the undersigned Abiodun Ogunoiki on +234 708 645 0517 or e-mail: abiodun.ogunoiki@ng.ey.com

Yours sincerely,

Abiodun Ogunoiki
Associate Partner, Financial Services Risk Management Lead, West Africa

Report of External Consultants on the Board Performance Evaluation of Coronation Merchant Bank Limited.

We have performed the evaluation of the Board of Coronation Merchant Bank Limited for the year ended 2023 in accordance with the guidelines of the Central Bank Of Nigeria (CBN) Corporate Governance Guidelines 2023 and the FRC Nigerian Code of Corporate Governance 2018 (FRC NCCG 2018).

The FRC NCCG 2018 states that Annual Board evaluation assesses how each Director, the Committees of the Board and the Board are committed to their roles, work together and continue to contribute effectively to the achievement of the Bank's objectives. Subsection 15.2 of the FRC NCCG states that the summary of the report of this evaluation should be included in the Bank's annual report and on the investors' portal. Our approach included the review of Coronation Merchant Bank Limited Corporate Governance Framework, and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one on one interviews with the Directors of the Bank.

The appraisal is limited in nature, and as such may not necessarily disclose all significant matters about the or reveal irregularities in the underlying information.

Specific recommendations for the further improvement of Coronation Merchant Bank Limited Corporate Governance practices have been articulated and included in our detailed report to the Board. These recommendations cover the following areas: Strategy, Quality of the Board, Board Operations, Board Risk Management Activities, Relationship with Stakeholders as well as Transparency and Disclosure.

For: Ernst & Young



Abiodun Ogunoiki
Associate Partner, Financial Services Risk Management Lead, West Africa
FRC/2022/PRO/DIR/003/119476

Report of External Consultants on the Board Performance Evaluation of Coronation Merchant Bank Limited.

We have performed the evaluation of the Board of Coronation Merchant Bank Limited for the year ended 2023 in accordance with the guidelines of the Central Bank Of Nigeria (CBN) Corporate Governance Guidelines 2023 and the FRC Nigerian Code of Corporate Governance 2018 (FRC NCCG 2018).

The Central Bank of Nigeria (CBN) Corporate Governance Guidelines (CGG) 2023 section 10.1 mandates an annual appraisal of the Board, its Committees, Chairman and individual directors covering all aspects of the Board's structure, composition, responsibilities, processes, relationships and respective roles in the performance of the Board. Subsection 10.3 requires that such appraisal should be conducted by an independent external consultant with adequate experience, knowledge and competence in corporate governance and performance management.

Our approach included the review of Coronation Merchant Bank Limited Corporate Governance framework, and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with the Directors and key personnel of the Bank.

The evaluation is limited in nature, and as such may not necessarily disclose all significant matters about the Bank or reveal irregularities, if any, in the underlying information.

On the basis of our work, the Board of Coronation Merchant Bank Limited has complied with the requirements of the Central Bank of Nigeria (CBN) Corporate Governance Guidelines (CGG) 2023 during the year ended 31st December 2023.

The outcome of the review and our recommendations have been articulated and included in our detailed report to the Board. This report should be read in conjunction with the Corporate Governance section of Coronation Merchant Bank Limited 2023 Annual Report.

For: Ernst & Young



Abiodun Ogunoiki
Associate Partner, Financial Services Risk Management Lead, West Africa
FRC/2022/PRO/DIR/003/119476

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Restrictions on the use of our report (work product)

This report is intended solely for the information and use of the Board and Management of Coronation Merchant Bank Limited, the Central Bank of Nigeria, and the Financial Reporting Council of Nigeria. It is not intended to be and should not be used by any other parties.

Ernst & Young, therefore, assumes no responsibility to any user of the report other than the parties stated above. Any other persons who choose to rely on our report may do so entirely at their own risk.

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Executive Summary

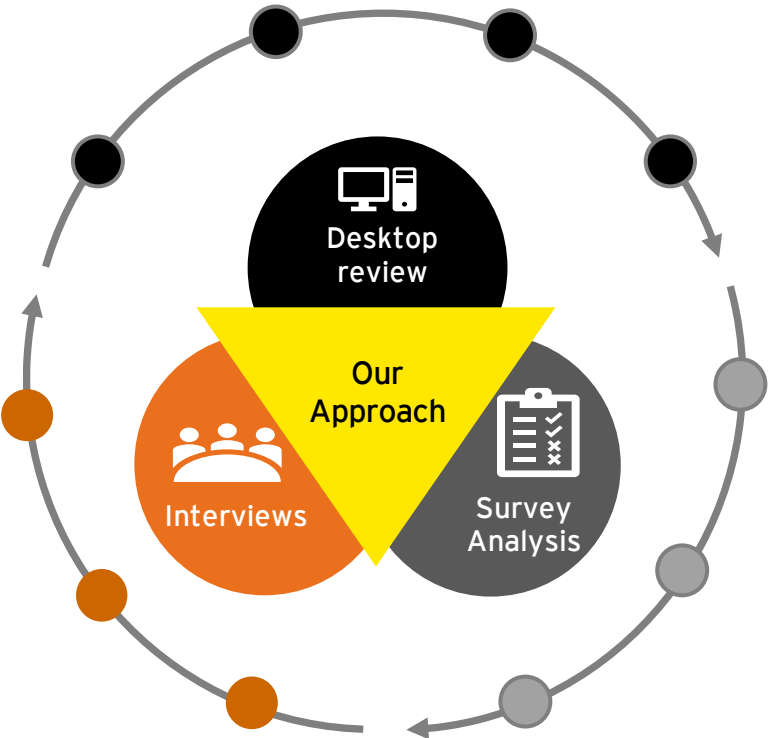


Project Overview

EY was engaged to conduct an evaluation of the performance of the Board of Directors of Coronation Merchant Bank Limited (“The Bank ”) or (“CMB”) for the year 2023. Our evaluation was based on benchmarking the Board’s practices against the Central Bank Of Nigeria (CBN) Corporate Governance Guidelines 2023, Financial Reporting Council (FRC) Nigeria Code of Corporate Governance (NCCG), as well as EY’s Corporate Governance Framework.

Objectives:

- The objectives of the Board Evaluation review were to:
- 1. Obtain a general understanding of the Board and governance activities structures, policies and practices for Coronation Merchant Bank Limited.
 - 2. Review the performance of the Board and Board Committees.
 - 3. Review the compliance with relevant regulations and leading practices
 - 4. Review the performance of the Directors individually and their contribution to the operations of the Board.
 - 5. Appraise the communication between the Independent Non-Executive Directors, Non-Executive Directors, Executive Directors and Senior Management.



Desktop Review of Relevant Documents

Desktop review

We reviewed documents from Coronation Merchant Bank Limited, including the Board composition, Board Charters and Policies, Directors’ Code of Conduct, Organogram, minutes of Board meetings, annual audited accounts, and other relevant documentation to assess the activities of the Board of Directors of Coronation Merchant Bank Limited for the period under review.

Director Survey and Peer and Self Assessment

Survey Analysis

The Board evaluation questionnaire was administered to the Directors and responses were collated. The questionnaire was sent ahead of the interviews and responses were analyzed. Where applicable, we have included selected comments received in the assessment process in relation to areas of improvement and suggestions for improvement.

Director Interviews

Interviews

In addition to the questionnaires administered, Interviews were conducted with Board members, including the Chairperson of the Board and Board Committees, to enable us to get further insights into the responses provided in the questionnaires as well as to elicit comments about other observations made during the review.

EY's Corporate Governance Framework

Focus Area	Specific Governance Elements Considered	
Strategy	<ul style="list-style-type: none"> ▶ Existence of a Strategic plan with vision, mission, objectives and goals ▶ Strategic guidance ▶ Succession Planning ▶ Oversight of Management 	<ul style="list-style-type: none"> ▶ Clear definition of Key Performance Indicators (KPIs) for Board members ▶ Accountability & ultimate balance of authority
Board Structure and Composition	<ul style="list-style-type: none"> ▶ The Board's governance structure ▶ Clarification of roles & responsibilities ▶ Board size, structure & composition in terms of Executive, Non-Executive and Independent Directors 	<ul style="list-style-type: none"> ▶ Committee structures ▶ Diversity and balance of relevant skills and experience between Executive and Non-Executive Directors
Board Operations	<ul style="list-style-type: none"> ▶ Discharge of duties ▶ Contribution of members ▶ Effectiveness of Board meetings: agenda, notice, quality of packs, frequency, objectivity, and inclusion in decision-making and implementation 	<ul style="list-style-type: none"> ▶ Competence, experience and effectiveness of secretary; ▶ Remuneration ▶ Existence of Board and Committee Policies & Charters
Quality of the Board	<ul style="list-style-type: none"> ▶ Profile and Industry of Board members ▶ Developmental Activities e.g. induction programme and continuous Training 	<ul style="list-style-type: none"> ▶ Board performance appraisal ▶ Appointment, re-appointment & removal of members
Board Risk Management Activities	<ul style="list-style-type: none"> ▶ Existence of Risk Management policies and Framework ▶ Internal Audit and Control system ▶ Board oversight on Risk Management, Internal Audit, Compliance, Internal Control and implementation 	<ul style="list-style-type: none"> ▶ Risk Governance Structure in terms of composition of Board Governance, Nomination and Remuneration Committee and Board Audit Committee. ▶ Compliance with regulatory requirements
Relationship with stakeholders	<ul style="list-style-type: none"> ▶ Board active involvement with all stakeholders ▶ Understanding differing views of relevant stakeholder groups ▶ Conflicts of interest 	<ul style="list-style-type: none"> ▶ Protocols for how and when to communicate to relevant stakeholder groups
Transparency and Disclosure	<ul style="list-style-type: none"> ▶ Ensuring that the Board maintains transparency in dealing with its stakeholders ▶ The Board's compliance with regulatory disclosure requirements 	<ul style="list-style-type: none"> ▶ Existence of an effective whistle blowing Policy ▶ Existence of a code of conduct policy

Key Positives - Highlights from the Review



TRANSPARENCY & DISCLOSURE

- ✓ The Bank has a Whistleblowing policy in place, applicable to all employees, management, Directors, and stakeholders of the Bank.
- ✓ The whistle-blowing mechanism and channel for reporting unethical cases are reliable, accessible and guarantees the anonymity of the whistle-blower, and all disclosures resulting from whistleblowing are treated in a confidential manner.

RELATIONSHIP WITH STAKEHOLDERS

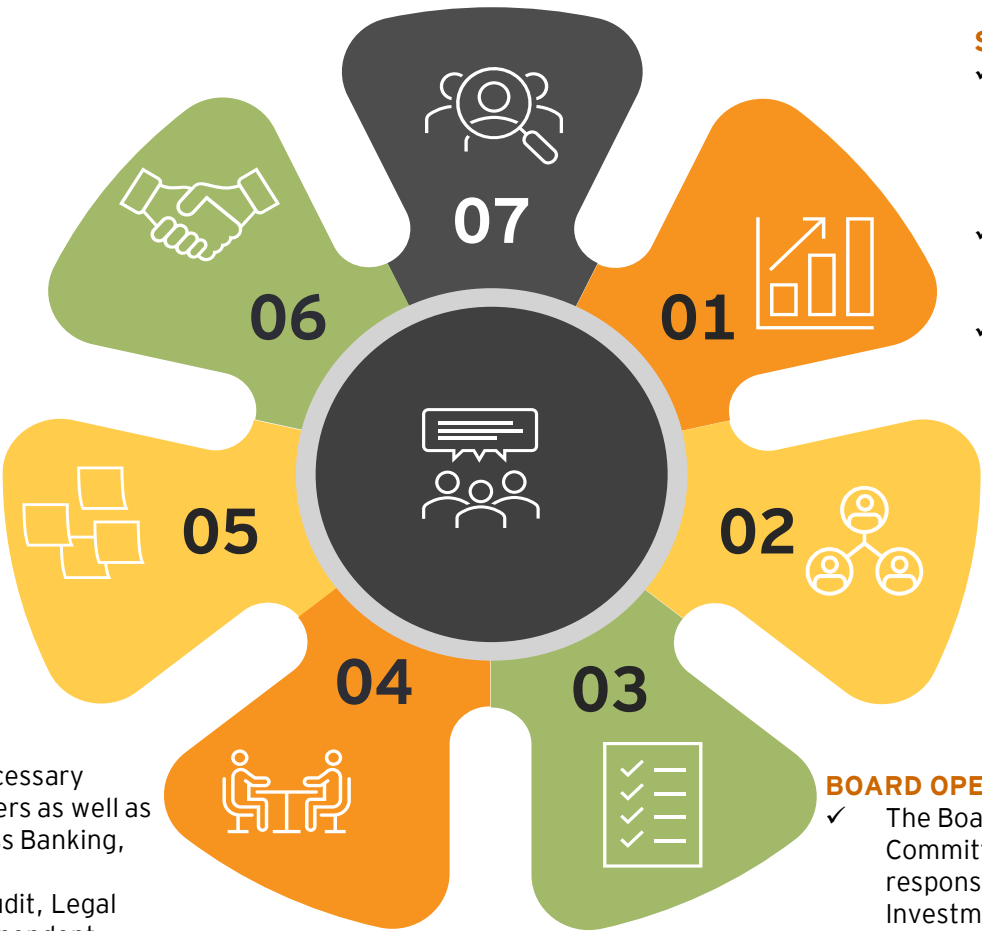
- ✓ From our review of the 2023 Annual Report, we observed that the Bank's dealings with shareholders are transparent and in line with the governance codes. This can also be observed with the publications on the Bank's website.
- ✓ The Bank's website has an investor relations portal where information and updates from the Bank are published.

RISK MANAGEMENT ACTIVITIES

- ✓ The Board has in place a risk management mechanism to ensure that the Bank has a risk management system and processes in place to guarantee the achievement of its business objective.
- ✓ The Board Risk Management Committee oversees Management's activities in risk management functions and report to the Board accordingly.
- ✓ The Bank has identified risk owners with oversight function of ensuring that risks are prevented, mitigated, and overall, efficiently managed.

QUALITY OF THE BOARD

- ✓ The Board are esteemed individuals who have the necessary skillset and knowledge of business and financial matters as well as experiences in various backgrounds which span across Banking, Finance, Digital and Technology Innovation, Business Transformation, Credit Risk Management, Internal Audit, Legal Adviser, corporate finance etc. Bringing varying independent ideas and experiences and fostering cohesion on the Board.
- ✓ The Board is committed to ensuring performance evaluation for Board and Committee members



STRATEGY

- ✓ The Board has a four (4) year strategy plan (2019 - 2023) with six focus areas which include; Trade & Corporate Services, Global Markets & Treasury, Investment Banking, Organization / Customer Engagement, Risk / Credit risk, IT, Digital, and Partnership Strategy.
- ✓ The Bank has a succession plan Policy and Guideline which establishes the processes and procedures in identifying and selecting new Directors to avoid any gaps in leadership.
- ✓ Quarterly management reports are rendered to the Board.

BOARD STRUCTURE & COMPOSITION

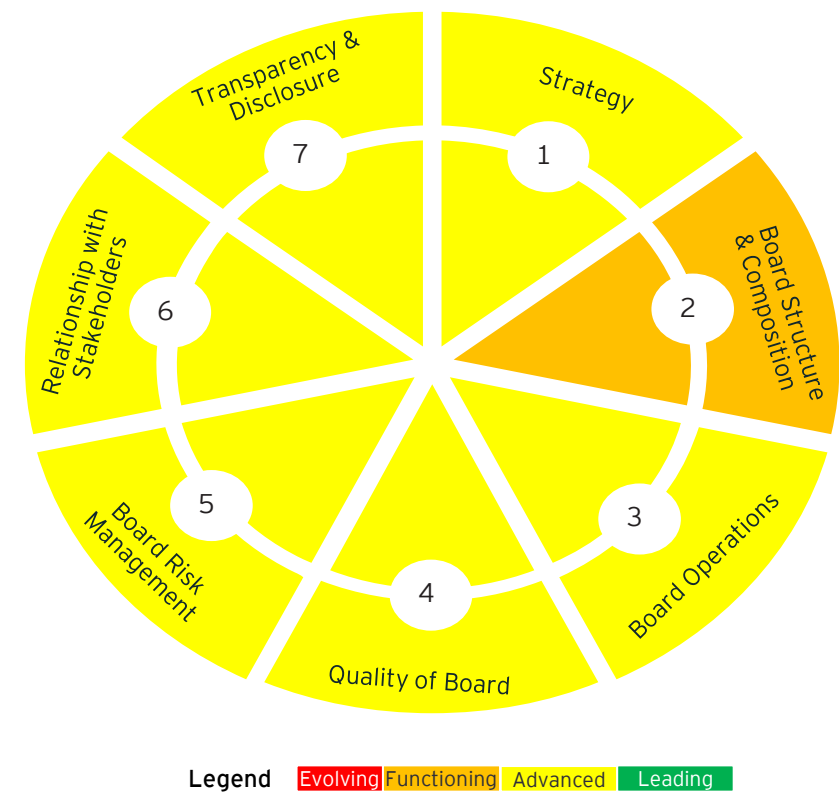
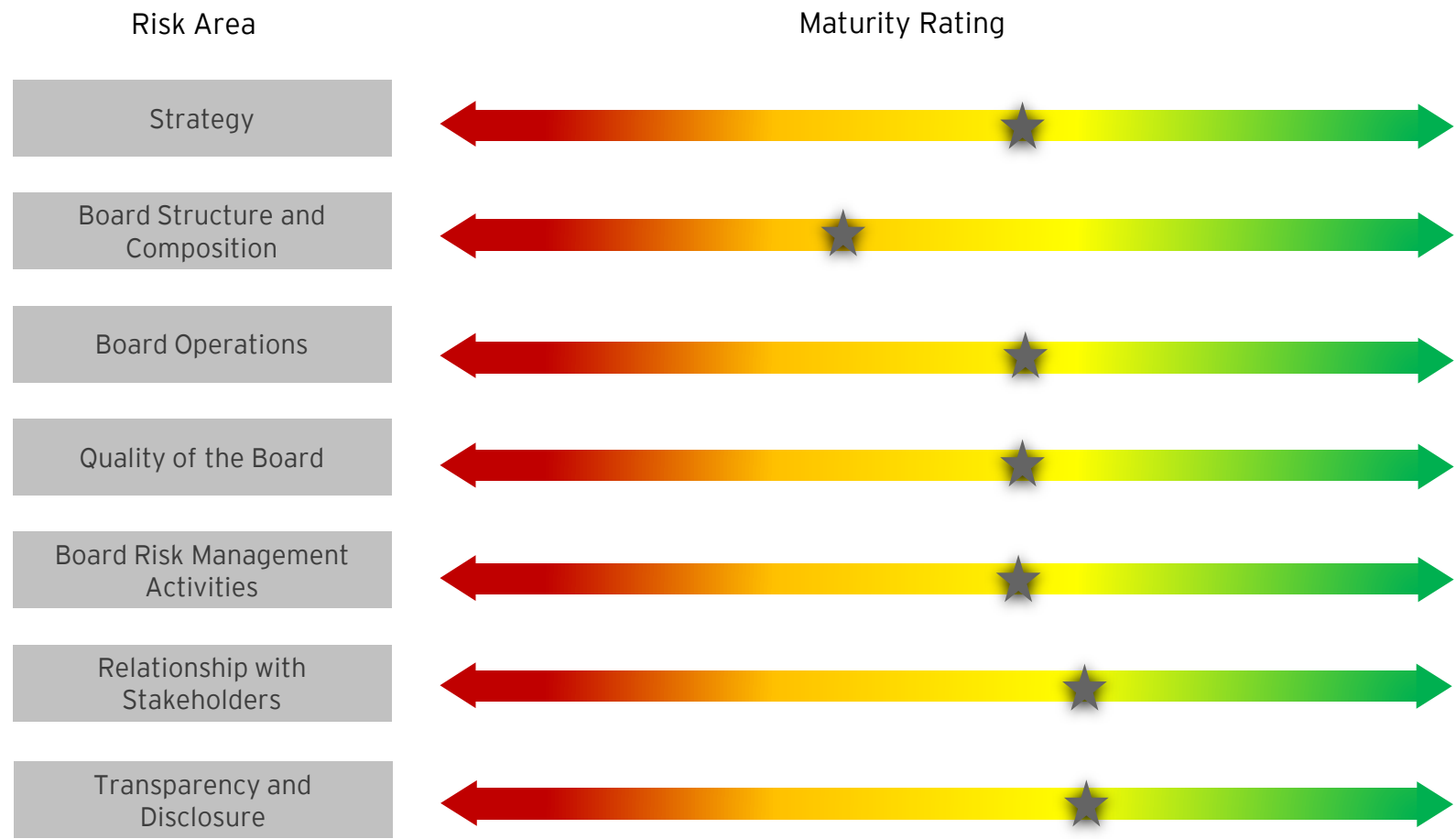
- ✓ The Board composition has a mix of Executive Directors, Independent Non-Executive Directors, and a majority of Non-Executive Directors.
- ✓ The Board has complied with the maximum regulatory tenure for all Directors
- ✓ The Board ensures that the roles of the chairperson and the Managing Director are separate from each other.

BOARD OPERATIONS

- ✓ The Board of Coronation Merchant Bank has established four Board Committees that support the Board across its core areas of responsibilities including, Risk Management, Audit, Credit and Investment, Governance, and Nomination.
- ✓ The Board has also developed Board Committee Charters for each of the Committees.

Board Evaluation Dashboard and Maturity Rating

The dashboard below presents a concise summary of our evaluation. This assessment is aligned with the Board’s significant activities, categorized based on various focus areas. Our objective is to provide a clear and comprehensive overview of how effectively the Board has operated in the year under review.



Summary of Key Findings/Observations



Legend

 High

 Medium

 Low




The table below summarizes our recommendations for areas of improvement for Coronation Merchant Bank Limited. It is important to emphasize that these recommendations are in full alignment with the regulatory requirements and global best practices.

Focus Area	Applicable Regulation(s)	Observation	Recommendations	Risk/Priority
<div><div>Strategy</div></div>	CBN CGG 2023 section 2.5 states that the Board shall ensure a review of the investment policies and strategies of the bank at least once every three years, and submit same to the Director, Banking Supervision Department (BSD), CBN.	✓ We found no evidence that there is a Board approved Investment Policy or evidence of its submission to the Director, Banking Supervision Department (BSD), CBN.	✓ It is imperative for Bank to promptly establish and formalize a Board approved Investment Policy in accordance with regulatory requirements. This policy should outline clear guidelines, limits, and procedures governing the management of investments in the Bank.	

Summary of Key Findings/Observations



Legend  High  Medium  Low

The table below summarizes our recommendations for areas of improvement for Coronation Merchant Bank Limited. It is important to emphasize that these recommendations are in full alignment with the regulatory requirements and global best practices.

Focus Area	Applicable Regulation(s)	Observation	Recommendations	Risk/Priority
Board Structure and Composition 	CBN CGG 2023 Section 1.5 states that the number of Independent Non-Executive Directors (INEDs) shall be at least three.	✓ We observed that the Board of Coronation Merchant Bank Limited is made up of two (2) Independent Non-Executive Directors, which is not in line with regulatory requirement. We however received feedback that efforts are under way to identify a qualified candidate for the position.	✓ The Board is encouraged to appoint at least one additional INED to align with the regulatory requirement.	
	CBN CGG 2023 section 1.9 mandates that to achieve gender diversity and promote a gender-inclusive board, Banks must adopt a practical approach to women's economic empowerment, aligning with Principle 4 of the Nigerian Sustainable Banking Principles. In Nigeria, Principle 4 of the CBN Guidance Note of Nigerian Sustainable Banking Principles recommends a minimum of 40% female representation on the Board.	✓ We observed that the Board of Coronation Merchant Bank has a gender ratio of 7:3 male to female Directors. This implies that the female Directors make up 30% of the Board. We received feedback that the Bank intends to appoint a female INED to meet up with the regulatory requirement. ✓ While the Board Succession Planning Policy mentioned that diversity and inclusion shall be considered in succession planning, the policy did not capture how diversity and inclusion principles will be integrated in the succession planning process.	✓ The BNGC should execute its plan of prioritizing gender diversity in future appointments to the Board. ✓ Diversity and inclusion principles should be comprehensively captured in the Bank's HR policies and Succession Planning policies. The policies should cover actions to ensure diverse representation in the pool of successors, diversity and inclusion trainings for the succession planning teams, approved measures for increasing diversity within leadership positions and how the progress is tracked over time.	



Summary of Key Findings/Observations

The table below summarizes our recommendations for areas of improvement for Coronation Merchant Bank Limited. It is important to emphasize that these recommendations are in full alignment with the regulatory requirements and global best practices.

Focus Area	Applicable Regulation(s)	Observation	Recommendations	Risk/Priority
Board Structure and Composition 	<p>CBN CGG 2023 Section 1.7 states that at least two Non- Executive Directors (NEDs), one of whom shall be an INED, shall have requisite knowledge and experience in innovative financial technology, Information Communication Technology (ICT) and/or cybersecurity</p> <p>CBN CGG 2023 section 6.13a mandates that at least one member of the BAC of a Commercial, Merchant and Non-Interest Banks (CMNIB) shall be knowledgeable in innovative technology, ICT and/or cybersecurity.</p>	<p>✓ We observed that none of the Bank’s NEDs has an ICT or Cybersecurity experience. Directors also indicated the need to have Board members with these skillset on the Board Evaluation survey and during the interviews. We however received feedback that the Board has agreed on a plan that involves sending existing Directors to acquire these skills.</p>	<p>✓ Given the increasing significance of Information and Communication Technology (ICT) and cybersecurity in the banking sector, it is recommended that the Bank enhances the diversity of expertise within its Board of Directors by recruiting Non-Executive Directors with relevant ICT or Cybersecurity experience.</p> <p>✓ The Board should ensure that NEDs with ICT or Cybersecurity expertise are actively engaged in relevant Board committees (BAC and BRMC) to leverage their specialized knowledge and contribute effectively to decision-making processes.</p>	

Summary of Key Findings/Observations

The table below summarizes our recommendations for areas of improvement for Coronation Merchant Bank Limited. It is important to emphasize that these recommendations are in full alignment with the regulatory requirements and global best practices.

Focus Area	Applicable Regulation(s)	Observation	Recommendations	Risk/Priority
<div>Board Operations</div> <div></div>	CBN CGG 2018 section 6.3 states that all Board committees shall be chaired by NEDs. However, the Board Audit Committee (BAC), Board Nomination and Governance Committee (BNGC) and the Board Remuneration Committee (BRC) shall be chaired by INEDs.	✓ We observed that the Chairman of the Board Audit Committee is headed by a Non-Executive Director, Mr. Idaere Gogo Ogan. We however received feedback that Olayinka Tihamiyu who is an INED has been appointed as the chairperson of the BAC. This was approved on 29 December 2023	✓ Nil	

Summary of Key Findings/Observations



Legend

 High

 Medium

 Low





The table below summarizes our recommendations for areas of improvement for Coronation Merchant Bank Limited. It is important to emphasize that these recommendations are in full alignment with the regulatory requirements and global best practices.

Focus Area	Applicable Regulation(s)	Observation	Recommendations	Risk/Priority
<div></div> <div>Risk Management</div>	Section 12.3 and 12.4 of CBN CGG 2023 states that the Board shall review the effectiveness of the implementation of risk management policies and procedures at least annually.	<div>✓</div> During the Board interviews, Directors voiced their displeasure with the Bank's risk management practices in 2023, particularly concerning the handling of risks associated with treasury activities. They specifically highlighted concerns regarding the management of market risks inherent in these activities. To address these concerns, the Board has replaced some key management staff.	<div>✓</div> The Board should also Initiate a thorough review of the Bank's risk management policies, procedures, and practices, with a specific focus on treasury activities and the management of market risks. This will help to identify gaps, weaknesses, and areas for improvement to enhance the effectiveness of the risk management framework. <div>✓</div> The BRMC should strengthen its governance and oversight mechanisms over risk management activities. The Committee should Enhance reporting structures to ensure that relevant risk metrics and indicators are promptly communicated to the Board for informed decision-making.	<div></div>

Summary of Key Findings/Observations

Legend  High  Medium  Low

The table below summarizes our recommendations for areas of improvement for Coronation Merchant Bank Limited. It is important to emphasize that these recommendations are in full alignment with the regulatory requirements and global best practices.

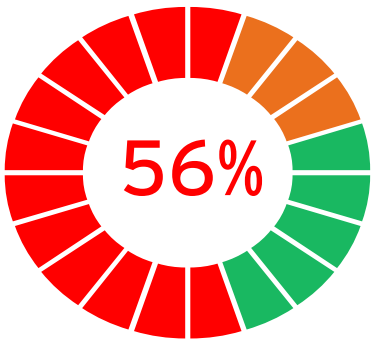
Focus Area	Applicable Regulation(s)	Observation	Recommendations	Risk/Priority
Transparency & Disclosure 	✓ CBN CCG 2023 Section 21.3 states that the code of Business Conduct And Ethics shall be reviewed at least every three years.	✓ The Bank's Code of Ethics and Business Conduct was last reviewed in July 2020. We however received feedback that has now been reviewed and will be presented for approval at the Q1 2024 meeting of the Board in April 2024.	✓ The Board should ensure that the Code of Ethics and Business Conduct is reviewed in line with regulatory requirements and as changes occur in the Bank and the business environment.	
	✓ FRC NCCG 2028 Section 28.2(m) requires that the 's corporate governance report should include highlights of the Policy and cases of Claw-back being pursued by the .	✓ We reviewed the Clawback Policy, however, highlight of the policy and cases of claw backs being pursued by the Bank was not disclosed on the annual report as recommended by FRC.	✓ The Bank should disclose highlights of its Clawback Policy, and cases of clawback being pursued by the Bank in its annual report.	
	✓ FRC NCCG 2018 Section 28.2 requires that the Bank's corporate governance report should include a list of all the fines and penalties (including date, amount, and subject matter) imposed on the by regulators at the end of the reporting period.	✓ The review of the corporate governance report as documented in the 2023 Annual report did not contain a list of the fines and penalties alongside details for the year under review.	✓ The Board is encouraged to disclose in its annual report details on fines and penalties imposed on the Bank by the regulators. Where there are no fines and penalties imposed, the Bank should disclose as such.	

Survey Scorecard

We deployed a survey to the Directors and received 90% responses. The Survey was grouped into different focus areas and assessed based on a five-point scale. The Scorecard below shows the average score per focus area indicating the "Positive", "Neutral" and "Negative". "Strongly Agree"& "Agree" are represented as "Positive", Neutral represented as "Neutral", Strongly Disagree" & "Disagree" represented as "Negative"

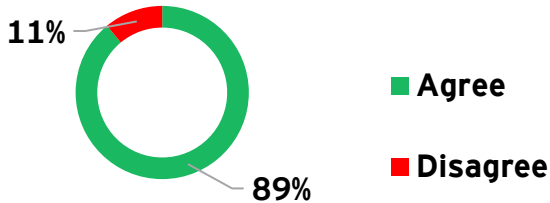
Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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Strategic Leadership



11% of respondents Agree, 33% are Neutral and 56% Disagree that In the year 2023, the MD/CEO performed well in terms of leadership, management and achievement of set objectives,

Risk Management & Control



89% of respondents Agree and 11% Disagree that the Board receives assurance on the effectiveness of risk management from management as well as a written assessment of the effectiveness of the system of internal controls and risk management from internal audit.

The remuneration package for Non-Executive Directors is competitive.



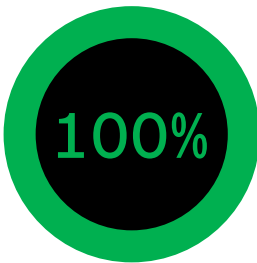
100%

of respondents are positive that the Chairperson in the year under review operated effectively

Board Operation

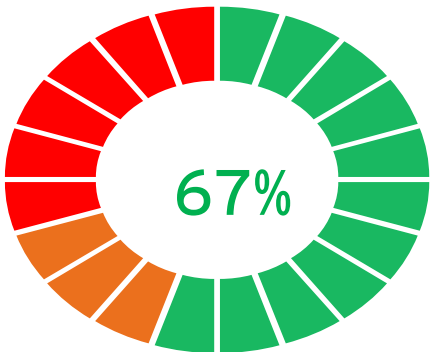
66% of respondents Agree, 22% are Neutral, and 11% Disagree that Directors are provided timely with sufficient and adequate information to appropriately probe the performance of the Bank.

Business Conduct, Culture and Ethics Issues



100% of respondents are positive that the tone on Business Conduct, culture and ethics are clearly defined.

Quality of the Board



67% of respondents Agree, 11% are Neutral and 22% Disagree that the training plan for Directors is well executed annually.

Directors' suggestions for additional Skill Set to be represented in the Board;

- i. Technology, cybersecurity and digital economy skills
- ii. Information Technology/Cybersecurity
- iii. Market Risk skill
- iv. Strong Risk Management, Macro Economics expert
- v. Innovative Financial Technology, Information Communication

Directors' suggestions for additional training;

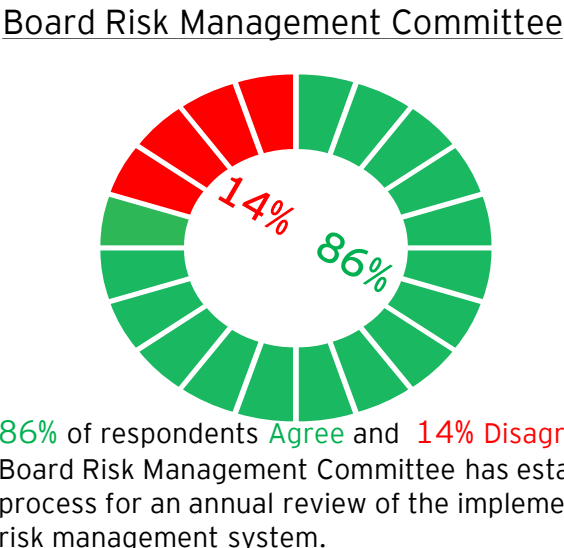
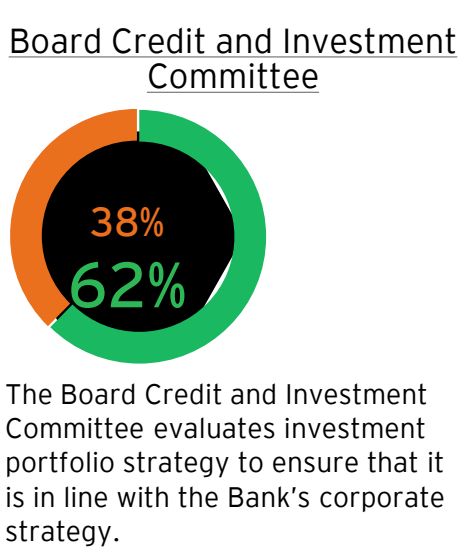
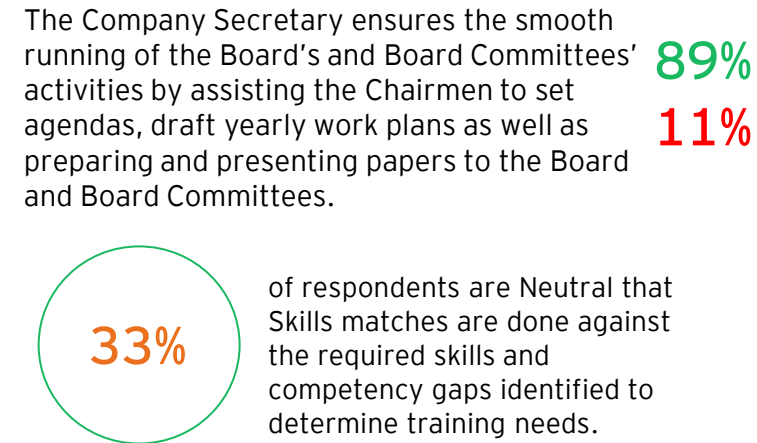
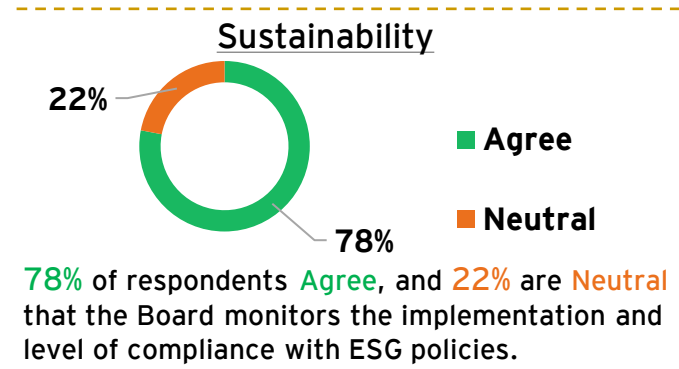
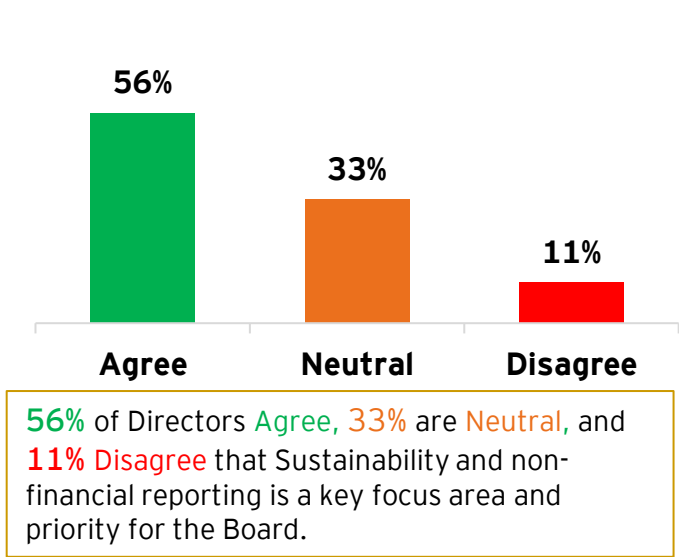
- i. Asset and Liability Management
- ii. Information security and cybersecurity
- iii. Digital Banking
- iv. Market Risk
- v. Technology and Risk management
- vi. Innovative financial technology.

Survey Scorecard

We deployed a survey to the Directors and received 90% responses. The Survey was grouped into different focus areas and assessed based on a five-point scale. The Scorecard below shows the average score per focus area indicating the “Positive”, “Neutral” and “Negative”.

“Strongly Agree”& “Agree” are represented as **“Positive”**, Neutral” represented as **“Neutral”**, Strongly Disagree” & “Disagree” represented as **“Negative”**

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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- key focus areas for the Board to consider**
- i. Control environment in the Bank, performance assessment and management of staff
 - ii. Continuous Innovation And Oversight
 - iii. Market Risk
 - iv. Agility of business strategy to the persistent disruptions (regulatory, macroeconomic, profile of competitors, etc.)
 - v. ESG matters should be escalated to the highest level, as should IT-related matters.
 - vi. There is a need for increased focus on sustainability.

Executive Summary - Extracts from Directors' Interviews

Positive

Negative

In terms of our strategy, we aim to leverage our wider ecosystem by expanding into new areas and enhancing our private banking offerings. To develop our private banking strategy, we have hired a new head of private banking. Furthermore, we intend to bolster our offerings in our Port Harcourt and Abuja branches, as we have not fully utilized the potential of these bank branches.

The new addition to the Board has had a positive impact on the Board. Previously, one of our deficiencies was the lack of directors with core financial and accounting skills, but now we have addressed this gap. The contributions from directors have been very positive.

One of the Board members serves on the Board of Access bank, so we have the experience of Access bank and how they are navigating as a Board. which is invaluable for us.

The ambience of the Board meetings are very good. Everyone is asked for their opinion; everyone is listened to. I have never felt I couldn't say anything on the Board.

The induction program was good. I got access to Board documents. I met all key management.

As a Bank, we are aware of our issues, and our risk management framework has become tighter. In response to past events, we have made significant changes to enhance internal capacity and competencies within the Bank through recruitment

The Board is now dynamic & engaging with the new addition to the Board members which has brought in better oversight.

We have a fit-for-purpose Board comprising a diverse spectrum of talents, including individuals with experience in banking-related finance, governance, and various industries. It is reflective of a kind of skill set which is required

Some of the strategic initiative taken to reposition the Bank includes; Change in leadership, Automations, Human Resource for the right skill sets, liquidity (pricing needs to be looked out critically), and investment Banking.

The Credit Committee has a new Chairman, which has led to a more forensic approach. Additionally, reporting has improved.

Executive Summary - Extracts from Directors' Interviews

Positive

Negative

There Board is more diverse however, there is need for gender balance.

Training should be more structured with global trends, industry analysis, Cyber risk, Information Technology etc. There is a need for scale up. There is currently no training plan, we haven't seen one.

In terms of succession planning, we have a policy in place. However, over the past year, due to the issues we encountered, we were not able to strictly adhere to the implementation of some of the training programs and mentor meetings that were set up as part of the succession plan. Nevertheless, this is something that is actively being addressed.

In terms of training, we have not been able to conduct more intensive training sessions due to budgetary constraints. While we had a training plan in place, we were unable to adhere to it and had to put it on hold because of these constraints.

When it comes to Board operations, there has been an ongoing issue with receiving documents, including Board papers and other necessary documents for meetings, on time. This has been a persistent challenge. In an effort to address this issue, we included the timeliness and quality of Board papers as key performance indicators (KPIs) for the managing director. However, I do not believe we have made much progress in this area over the past year.

In terms of the board composition, one area we have identified is the need for a director with knowledge and expertise in fintech, ICT, and cybersecurity."

Credit and investment are areas where we have recognized the need for increased focus as a board. While we have a credit and investment policy in place, we lack a standalone investment policy. This is something we have identified, and we acknowledge the importance of paying more attention to both credit and investment to avoid finding ourselves in similar situations from last year.

There are still areas for improvement in the risk management space. We are looking to hiring new personnel for internal control and internal audit.

We receive board papers too late; sometimes we only receive them the morning of the board meetings or the night before, which is inadequate. It is essential to receive these papers at least seven days before the board meeting to allow sufficient time for study and preparation.

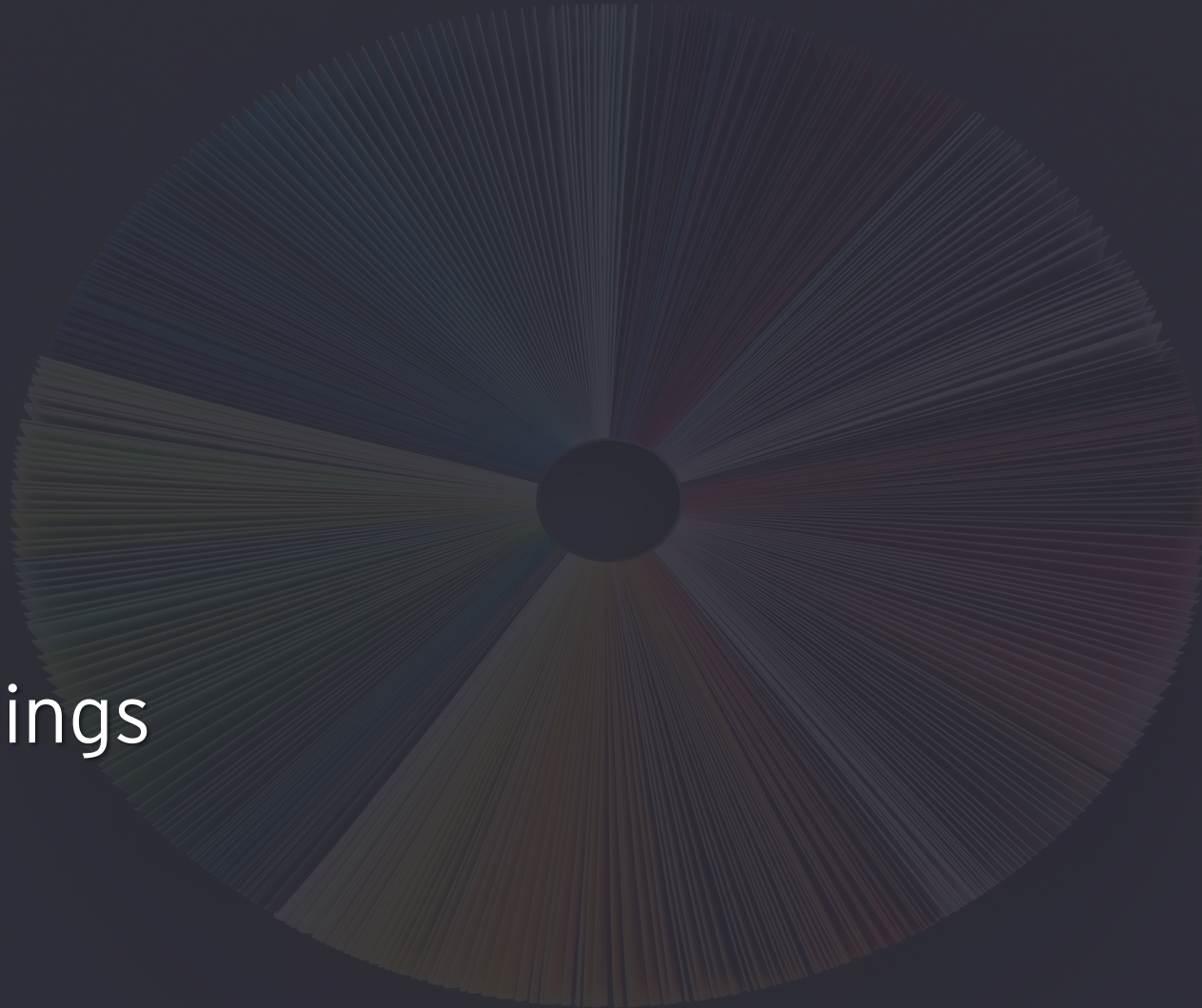
The Bank has performed poorly in market risk management. We haven't had proper senior people in market risk. There were too many junior people who did not really understand the market.

We have an E.S.G. policy in place, but a policy is only effective if it is implemented. Unfortunately, our focus over the past year has not been on E.S.G. for obvious reasons, and we have not done a good job of implementing the policy

The macroeconomic changes has affected us in areas such as naira devaluation, increase in interest rate. The availability of FX is important for sustainability as we try to get access to export, get more cashback and reduce exposure. As the exchange rate changes, it affects our capital.

02

Detailed Findings



Key Indicators

- ▶ Clear strategic objectives, values, responsibilities and accountabilities.
- ▶ The Board has an approved role-based succession plan which covers all critical staff of the Bank.
- ▶ Management reports are rendered to the Board on a quarterly basis.

Key Findings

Strategic Planning and Monitoring

In accordance with Section 1.4 of the FRC NCCG 2018 and Section 2.4 of the CBN CGG 2023 requires that the Board shall define and approve the Bank's strategic goals, its short, medium and long-term strategies and monitor implementation by management. From our review, we observed that Coronation Merchant Bank (CMB) Limited has a four (4) years strategy plan (2019 - 2023). CMB Limited has categorized its strategy into six (6) pillars, which are:

- **Trade & Corporate Services:** To be a trade-finance led provider of financing solutions to large & medium-sized corporates, Providing flexible, customized solutions as quickly and conveniently as possible at a competitive price, Expand correspondent networks in high volume corridors to facilitate the trade finance business, Grow balance sheet capital by explore partnerships (e.g., partnering with ECAs & DFIs), Innovate at the fringes by growing AuM for trade and corporate banking activities through new products, Digitize processes to enhance customer experience and increase efficiency etc.
- **Global Markets & Treasury:** To provide great service and execution to its clients at competitive prices on Global Markets and Treasury business, to grow its presence among the corporate clients including developing and creating a market for interest rate derivatives for corporate clients, to invest in data collection and analytics tools to identify additional revenue ,opportunities, to increase its risk appetite on the bonds market from ~NGN2bn to ~NGN5.5bn etc.
- **Investment Banking:** To allocate balance sheet capital of \$30-40 million to support client financing needs in M&A and syndicated lending to generate \$7-9 million by 2023, Increase cross sell within Coronation MB by tying KPIs and bonuses to collaboration revenue targets, to formalize partnership with Access Bank to drive deal origination especially for M&A transactions with formal revenue sharing agreement, to develop and leverage partnerships to potentially drive increased deal origination by 50% Capabilities etc.
- **Organization / Customer Engagement:** To develop coverage model where RM manages client relationships, supported by product specialists and sales support to execute on client needs, to set revenue targets and KPIs using a wooden naira system to encourage maximum collaboration between business units in sales etc.

Maturity			
Evolving	Functioning	Advanced	Leading

Key Findings

- **Risk / Credit risk:** To Expand lending to wider profile of borrowers, to ensure that decision support tools, guidelines, processes, governance, incentives and culture of risk management be developed at each stage of the credit cycle, Develop Risk management dashboard to provide senior management with real-time assessment of enterprise risk position, to integrate data and monitoring systems to ensure real-time market risk monitoring capabilities.
- **IT, Digital, and Partnerships Strategy:** CMB aims for a portfolio of initiatives across four digital drivers
 - Connect: Digitize end-to-end process for customer transactions to enhance customer experience & support new products, enabling process simplification and quicker decision-making.
 - Decide: Investing to be able to capture and leverage data can improve revenue and operational opportunities - such as credit decision making and portfolio management.
 - Innovate: Develop digital ecosystems (e.g., SCF platform) to create sticky relationships within supply chains and enable product expansion, deepen share of wallet.
 - Automate: Reduce back-office bottlenecks, errors and time to completion through digital workflows, supported by automation

CBN CGG 2023 section 2.5 states that the Board shall ensure a review of the investment policies and strategies of the bank at least once every three years, and submit same to the Director, Banking Supervision Department (BSD), CBN.

Gap

We found no evidence that there is a Board approved Investment Policy or evidence of its submission to the Director, Banking Supervision Department (BSD), CBN.

Maturity			
Evolving	Functioning	Advanced	Leading

Key Findings

Management Succession Planning

Section 1.5 & 11.2.5.7 of the FRC NCCG, Section 2.14 of the CBN CGG 2023 requires the establishment and implementation of a succession plan that covers the Board of Directors and key management staff. The succession plan should be reviewed periodically.

From our review, we observed that the Board Governance and Nomination Committee has an oversight function in ensuring that they review the size, structure composition and commitment of the Board at least annually, including succession planning and recommend the appropriate skill mix, personal qualities, expertise and abilities required to discharge the Board’s duties.

The Bank has a Board succession planning Policy and a succession management Policy in place that helps the to formalize the identification process for critical talent required on the Board, to identify critical roles and potential leaders, nurture and develop potential leadership talent and aspiring leaders at all levels within the Bank. The policy has capability matrix, succession management maturity model, performance/potential grid. The Board succession planning policy was reviewed in April 2023. According to the succession management policy, it is stated that the policy will be reviewed at least once every three years, and it was last reviewed in January 2021. The Bank also have a succession plan with identified successors for key management roles.

Maturity			
Evolving	Functioning	Advanced	Leading

Key Findings

Information Technology Governance

Section 1.10 of the FRC NCCG 2018 recommends that the Board provide oversight over Information Technology governance.

We observed that the Board Risk Management Committee has oversight of the Bank’s Information Technology (IT) data governance framework to ensure that IT data risks are adequately mitigated, and relevant assets are managed effectively. We also observed evidence of an Information Technology Charter and Governance Framework aimed at guiding decision-making for information technology planning, policy, and operations. Its purpose is to ensure alignment with business objectives, manage risks effectively, and ensure responsible and strategic use of resources.

Oversight of Management

The FRC NCCG 2018 section 1.1 and CBN CGG 2023 Section 2.1 requires that the Board exercises leadership, enterprise, integrity and judgement in its oversight and control of the Bank to ensure the protection and enhancement of shareholder value and attainment of the obligations to its employees and other stakeholders.

From our review, we observed that the Board Charter clearly highlights the responsibilities of the Board. These include defining the Bank’s strategic goals and objectives and ensuring the effective deployment of human and financial resources towards the attainment of these goals. Additionally, the Board is tasked with ensuring the proper management of the Bank through oversight of Management’s performance. This oversight aims to ensure the protection and enhancement of Shareholders’ value and fulfillment of the Bank’s obligations to all stakeholders.

We observed from our review of the Board minutes, that quarterly management reports are rendered to the Board covering key areas such as:

- Chief Executive Officers report
- Credit and Investment Committee report
- Board Governance and Nomination Committee report
- Board Risk Management Committee report
- Board Audit committee report
- Stress Test report
- Compliance report etc.

Key Indicators

- ▶ The Board comprises of a diverse group of Directors who have combined experience in Financial services and other sectors
- ▶ The Board is also composed of an adequate number of independent Directors
- ▶ Adequate diversity in Board membership
- ▶ The position of the Chairperson and MD/CEO are not occupied by the same individual.

Key Findings

Board Composition

The Board of Coronation Merchant Bank Limited comprises of ten (10) Directors.. This is in compliance with the CBN CGG 2023 section 1.3 which states that, the minimum and maximum number of directors on the Boards of Commercial, Merchant and Non-Interest Banks (CMNIBs) shall be seven (7) and fifteen (15) respectively.

The Board consists of two (2) Executive Directors and eight (8) Non-Executive Directors in line with the requirement of the CBN CGG 2023 Section 1.4 which states that the Board shall consist of Executive and Non-Executive Directors, and the number of Non-Executive Directors shall be more than Executive Directors on the Board and its Committees. In the year under review, the Non-Executive Directors of the Bank made up eighty percent (80%) of the Board.

FRC NCCG 2018 Section 2.3 (b) states that there should be appropriate mix of Executive, Non-Executive and Independent Non-Executive members such that majority of the Board are Non-Executive Directors, and It is desirable that most of the Non-Executive Directors are independent. We observed that the Board consist of two (2) Independent Non-Executive Directors, six (6) Non-Executive Directors, two (2) Executive Directors, including the MD/CEO.

Section 1.5 of the CBN CGG 2023 which states that the number of Independent Non-Executive Directors (INEDs) shall be at least three.

Gap

We observed that the Board of Coronation Merchant Bank Limited is made up of two (2) Independent Non-Executive Directors, which is not in line with regulatory requirement.

Key Findings

Gender Diversity

The CBN CGG 2023 section 1.9 mandates that to achieve gender diversity and promote a gender-inclusive board, Banks must adopt a practical approach to women’s economic empowerment, aligning with Principle 4 of the Nigerian Sustainable Banking Principles. In Nigeria, Principle 4 of the CBN Guidance Note of Nigerian Sustainable Banking Principles recommends a minimum of 40% female representation on the Board. Leading practice recommends a minimum of 33% female representation of the Board. The top 50 S&P 500 companies have over 33% percent women representation on average on their Boards, the highest being 50% representation of the Board.

Gap

We observed that the Board of Coronation Merchant Bank has a gender ratio of 7:3 male to female Directors. This implies that the female Directors make up 30% of the Board.

While the Board succession planning policy mentioned that diversity and inclusion shall be considered in succession planning, the policy did not capture how diversity and inclusion principles will be integrated in the succession planning process.

Segregation of Duties

FRC NCCG 2018 Section 2.7 states that the positions of the Chairman of the Board and the Managing Director/Chief Executive Officer (MD/CEO) of the Bank should be separate such that no person can combine the two positions. From our review of Director profiles, we observed that the position of the Board Chairperson is unique and separate from the Chief Executive Officer such that no person can combine the two positions, The Board has a Chairperson (Babatunde Folawiyo) who is different from the CEO (Banjo Adegbohunge).

CBN CGG 2023 Section 1.13 states that only one member of an extended family can occupy the position of Managing Director/Chief Executive Officer (MD/CEO), Chairman or Executive Director (ED) at any point in time. From our review of Director profiles, there is no observed evidence that the Directors are members of the same family.

Key Findings

From our review, we observed that the chairman, the MD/CEO or an Executive Director does not serve as chairman of any Board committee, this is in compliance with the FRC NCCG 2018 section 2.9 which state that the Chairman of the Board should not serve as chairman or member of any Board committee. The MD/CEO or an Executive Director should not serve as chairman of any Board committee.

FRC NCCG 2018 section 2.8.3 states that Directors should not be members of Boards of competing companies to avoid conflict of interest, breach of confidentiality, diversion of corporate opportunity and divulgence of corporate information. From our review of Directors' CVs, it was noted that no Director serves on the Board of a competing institution.

Director Tenure (Appointment/Retirement/Resignation)

CBN CGG 2023 Section 3.5.2 requires that the tenure for INEDs shall not exceed two terms of four years each. we observe that no Independent Non-Executive Director has exceeded the maximum regulatory tenure.

There is no Non-Executive Director who has been on the Board for more than the regulatory tenure of twelve (12) years according to CBN CGG 2023 Section 3.4.2 which states that NEDS (with the exception of INEDs) of a bank shall serve for a maximum of twelve (12) years comprising three terms of four years each.

CBN CGG 2023 Section 3.2 requires that the tenure of the MD/CEO of a Bank shall be in accordance with the terms of engagement with the Bank but subject to a maximum period of twelve (12) years. It was noted that the MD/CEO has not been on the Board for more than the regulatory tenure of twelve (12) years.

CBN CGG 2023 section 3.3.1 states that the tenure of a DMD/ED of a Bank shall be in accordance with the terms of engagement with the Bank but subject to a maximum period of twelve (12) years. There is no Executive Director who has been on the Board for more than the regulatory tenure of twelve (12) years.

FRC NCCG 2018 section 12.1 which requires that the Board should approve the criteria for appointing Directors, as recommended by the committee responsible for nomination and governance. From our review, we noted that the Board Governance and Nomination Committee is responsible for nominating and recommending the appointment of new Directors to the Board, noting the desirable qualifications and experience for individual appointees. We also observed the selection process for the Board Members in the Board succession planning policy, which clearly defines the process in place for the selection and appointment of Directors which takes into consideration the existing Board's strengths, weaknesses, required skills and experience. The appointment of Board Members is the prerogative of the Board of Directors and is subject to the ratification of shareholders in a general meeting and all requisite regulatory approvals being obtained.

Key Findings

From our review on the Appointment of New Directors, we observed that the Board appointed two (2) new Directors to the Board in the year under review Olukayode Akindele and Olayinka Tihamiyu in April 2023 and July 2023 respectively.

CBN CGG 2023 section 9.1 states that a formal induction programme for new directors shall be conducted within three months of their appointment. The details of such training shall be availed to examiners upon request. EY observed evidence of an induction program for Olukayode Akindele and Olayinka Tihamiyu, who were newly appointed.

#	Directors	Position	Appointment	Maximum Tenure (CBN)	Maximum Tenure (FRC)	Years on Board
1	Mr. Babatunde Folawiyo	Chairman	April 2015	12 Years	-	9 years
2	Mr. Adebajo Adegbohunge	Managing Director	February 2020	12 Years		4 years
3	Mrs. Evelyn Oputu	Non-Executive Director	April 2015	12 Years	-	9 years
4	Mr. Adamu Atta	Non-Executive Director	April 2015	12 Years	-	9 years
5	Mr. Larry Ettah	Non-Executive Director	April 2015	12 Years	-	9 years
6	Mr. Idaere Ogan	Non-Executive Director	November 2017	12 Years	-	6 years +
7	Mr. Olukayode Akindele	Non-Executive Director	April 2023	12 Years	-	Less than a year
8	Mrs. Olubunmi Fayokun	Independent Non-Executive Director	November 2017	8 Years	9 Years	6 years +
9	Mr. Olayinka Tihamiyu	Independent Non-Executive Director	July 2023	8 Years	9 Years	Less than a year
10	Mrs. Funke Feyisitan Ladimeji	Executive Director	November 2020	12 Years	-	3 years +

Quality of the Board (1/8)

Maturity			
Evolving	Functioning	Advanced	Leading

Key Indicators

- ▶ The Board comprises an appropriately diverse group of Directors who collectively possess the technical skills, competencies, and experiences to deliver the best outcomes for stakeholders.
- ▶ The Board appoints external consultants to carry out the annual appraisal of its performance.
- ▶ Board members undergo periodic training, to keep up to date with the new technologies, regulations, and best practices for the environment

Key Findings

Profile and Experience of the Board

The Board of Coronation Merchant Bank Limited is composed of Directors who collectively possess adequate and relevant technical skills, competencies and experiences required for the effective oversight of Board activities. All Directors on the Board are esteemed individuals who have knowledge of business and financial matters as well as experiences in various backgrounds which spans across Banking, Finance, Digital and Technology Innovation, Business Transformation, Credit Risk Management, Internal Audit, Legal Adviser, corporate finance etc. The collective wealth of knowledge and experience has had a positive impact on the growth and governance of the .

The CBN CGG 2023 Section 1.7 states that at least two Non- Executive Directors (NEDs), one of whom shall be an INED, shall have requisite knowledge and experience in innovative financial technology, Information Communication Technology (ICT) and/or cyber security.

Gap

From the review of the directors' profiles, EY did not observe an evidence of Non- Executive Directors with experience or requisite knowledge in innovative financial technology, Information Communication Technology (ICT), and/or cyber security.

Work Experience (Years)	<20	21-25	25-30	31-40	>40	
No. of Directors	-	2	2	6	-	
Board Experience (No of Boards)	<3	3-5 Boards	6-10 Boards	11-12 Boards	>12 Boards	
No. of Directors	2	4	1	-	-	
Educational Background	Business	Accounting	Law	Finance	Economics	Others
No. of Directors	2	2	2	2	5	4
Area of Expertise	Banking	Finance	Risk Management	Legal	IT	Others
No. of Directors	4	1	2	1	-	3

Key Findings

1. Mr. Babatunde Folawiyo - Chairperson

Tijani Babatunde Folawiyo is the Chairman/Chief Executive Officer of the Yinka Folawiyo Group, a conglomerate with interests in energy, agriculture, shipping and real estate. The Group consists of many companies such as:

- Yinka Folawiyo Petroleum with interest in an oil producing field outside of the Niger Delta in Nigeria.
- Folawiyo Energy Limited, a subsidiary of the Yinka Folawiyo Group in partnership with Glencore Energy. The Company runs a World Class petroleum storage facility.
- Enyo Retail & Supply Limited, a downstream oil and gas .

His entrepreneurial and Board experience are also evident in his current stewardship at La Vallee Energy Services Limited, an indigenous subsea ; Temple Management , a full-service creative talent and event management firm; T1 Marine Services Limited, a marine support service provider to the Nigerian offshore oil and gas industry; Pave Investments Limited, a private equity and venture capital provider to companies in the technology space.

Mr. Folawiyo did serve in the past as a Non-Executive Director in MTN Nigeria (2001-2019), Ecobank Mali (2000 -2005) and Access Bank Plc where he retired meritoriously after his statutory 12-year term.

As a consummate international businessman, his acumen for strategic alliances led to his appointment as the Honorary Consul of Barbados in Nigeria. In addition, he serves as a Director of Inaugure Hospitality Group which aims to redefine the hospitality business in West and Central Africa. He is a fellow of the Duke of Edinburgh’s World Fellowship and a member of the Global Advisory Board of the African Leadership Academy, a Pan-African institute dedicated to developing and mentoring new generations of African leaders. He is also Chairman of Global Citizens Nigeria, an international movement dedicated to eliminating extreme poverty in the world. Mr. Folawiyo is a Barrister of the Inner Temple of England and Wales and a member of the Nigerian Bar Association since 1986.

B.Sc., Economics- London School of Economics

LL.B, Law- London School of Economics

Masters in Law- University College, London.

He is the Chairman, Board of Directors of Coronation Merchant Bank Limited.

Maturity			
Evolving	Functioning	Advanced	Leading

Key Findings

2. Mr. Adebajo Adegbohunge - Managing Director

Banjo has over 27 years of banking experience in operations, technology, product management, relationship management and treasury. He spent 14 years in Citibank Nigeria (formerly Nigeria International Bank Ltd) in various functions including technology, business process improvement, and trade operations, rising to become the Head, Trade Operations in 2005 prior to joining Access Bank in March 2007. He was at various times Group Head, Global Trade, Group Head, Global Payments, and Group Head, Corporate Operations before joining Coronation Merchant Bank as Executive Director and Chief Operating Officer in charge of charting a strategic direction for the back office, technology and electronic/digital channels for the Bank. In July 2019, the CBN approved the appointment of Banjo as a Deputy Managing Director of the Bank in line with the Bank’s succession plan for the office of the Managing Director/CEO. Banjo is also an honorary senior member of the Chartered Institute of Bankers of Nigeria.

BSc. Mechanical Engineering - Obafemi Awolowo University Ile-Ife
MBA - International Institute for Management Development (IMD) Lausanne, Switzerland

3. Mrs. Evelyn Oputu - Non-Executive Director

Ms. Oputu is a retired and accomplished banker with over 38 years of banking experience. Before her retirement in 2014 as the Managing Director of Bank of Industry, Ms. Oputu had worked in several banks in Nigeria (commercial, merchant and industrial) including Icon Merchant Bank, International Merchant Bank and First Bank of Nigeria PLC where she left as executive director. Within the period, she gained significant experience while traversing the entire spectrum of banking operations in the areas of credit and marketing, corporate finance, corporate banking, investment banking amongst others.

She served in the public service as the Chairperson of the Committee on the Financial Management of Aviation Parastatals and as a member of the National Directorate of Employment between 1987 and 1989.

She is currently pursuing her entrepreneurial interests in insurance, mining, consultancy, manufacturing, oil and gas, agriculture and real estate developments through companies she promoted namely; Kes Products Limited, Ese Farms Limited, Chalot Properties Limited, and Ndali Consultants.

National Diploma, Secretarial Temple School, Washington D.C, USA
B. Sc, Business Administration University of Lagos
PGD, Mass General Management Harvard Business School

Key Findings

4. Mr. Adamu Atta - Non-Executive Director

Mr. Atta founded and heads the consultancy firm of, Matad Group Nigeria Limited (“Matad”), and through this, he has gained over twenty years’ experience consulting for various businesses in areas such as socio-economic and feasibility studies, analysis, and diagnostic reviews.

Under his leadership, Matad continues to evolve, having provided consulting services funded by the World Bank, African Development Bank, Department for International Developments, and the United Nations Development Programme, amongst others. He has several years of experience chairing and serving on may boards, including WAPIC Insurance Plc, Coronation Merchant Bank, Cinafindev Nigeria Limited, UNITEK Modular Builders Nigeria Limited, Inter Foods Limited, Workwell Engineering & Tractor Nigeria Limited, Supertex Limited, Nigerian Tourism Development Corporation, Nigerian Industrial and Competitiveness Advisory Council amongst others. He was appointed by the Federal Government of Nigeria to serve on the board of the Nigeria National Petroleum Corporation on May 30, 2020, for a period of 3 years.

Mr. Atta has been appointed to various committees in the oil, gas and textile industries and to the Nigerian Business Forum by the Federal Government of Nigeria. He also played a role in the work of the Nigerian Extractive Industry Transparency Initiative (N-EITI) and was involved in the creation of the accounting model which tracks development in oil and gas industries. He is also a member of the Nigeria Business Forum. Mr. Atta has attended several courses in Finance and Human development at Harvard and IMD Global Board Center.

B.A. (Honors) International Relations/International Economics - United State International University (USIU), San Diego

M.A. International Development Economics University of California (UCLA), Los Angeles

M.Sc. Political Science - Ahmadu Bello University, Zaria

5. Mr. Idaere Ogan - Non-Executive Director

Mr. Idaere Ogan is a graduate of Economics from the University of Port Harcourt, Nigeria and holds an MBA degree in International Finance from Middlesex University, London (1993).

He has more than 28 years’ experience across crucial areas of Banking, Insurance and Oil and Gas. He is currently the Group Chairman of Calvary Group which includes BECCA Petroleum and Gas Limited, Cordero Engineering Services Limited and Calvary Travels and Logistics Limited, a position he has held for twenty (20) years. In this role, he has gained expansive experience in Oil and Gas management, Engineering services, and Logistics. Prior to this he was the Head, Corporate Bank Pharmaceutical Group at Guaranty Trust Bank PLC.

Mr. Ogan is a member of the Institute of Directors of Nigeria which is an affiliate of Institute of Directors United Kingdom. He sits on several Boards as Director and Chairman. He is a Non-Executive Director in Coronation Merchant Bank Limited (Coronation MB). Mr. Ogan is a Ranking Member, Shareholders’ Audit Committee of Access Bank PLC; Director of Eastern Bulkcem Limited (Eagle Cement) and Chairman Board of Directors of United Securities Limited (USL).

Mr. Ogan has attended several Executive Management Programs in Harvard, Yale, Columbia, MIT, University of Chicago Booths Business School, Sloan Management School amongst others, to develop and execute organizational strategies for improved performance and growth.

B.Sc., Economics University of Port-Harcourt

M.BA, International Finance Middlesex University, London

Key Findings

6. Mr. Larry Ettah - Non-Executive Director

Mr. Ettah is the Executive Chairman of Barracuda Capital Partners Limited, a firm he formed after his retirement as the Group Managing Director/Chief Executive Officer of UAC of Nigeria Plc (UACN) in 2018.

He holds B.Sc. degree in Industrial Chemistry (1985); MBA (1988) both from the University of Benin. He is a graduate of the renowned Executive Programme of Ross School of Business, University of Michigan. He also has attended Executive Education Programmes at the Graduate School of Business, Stanford University, Harvard Business School, USA, IMD Lausanne, Switzerland, University of Oxford, United Kingdom and Institut Européen d'Administration des Affaires, Fontainebleau, France ("INSEAD"). He began his career as a Management Trainee at UACN in 1988 and ascended to the board of UACN in 2004.

Before his promotion to the position of Group Managing Director, he held several senior management positions in UACN. Before his retirement in December 2017 as Group Managing Director of UACN, he chaired the following companies: UAC Property Development Plc (UPDC), Chemical & Allied Products Plc (CAP), Portland Paints & Products Nigeria Plc, Livestock Feeds Plc and UNICO CPFA. He was also a Non-Executive Director of Grand Cereals Limited. He equally chaired Pro-Health HMO. Some of his numerous achievements include election as President of the Nigeria Employers' Consultative Association (NECA), as well as Vice President (Multinationals) of Manufacturers Association of Nigeria (MAN). Also, he is a past council member of the Lagos Chamber of Commerce & Industry (LCCI). Mr. Ettah currently serves as a Non-Executive Director on the Board of Chi Limited.

B.Sc., Industrial Chemistry University of Benin

M. BA, Finance/Marketing University of Benin

7. Mr. Olukayode Akindele - Non-Executive Director

Kayode graduated with a BA Hons Degree in Philosophy, Politics, and Economics from the University of Oxford in 2001. He worked first at PricewaterhouseCoopers (PwC) in London as an Audit & Assurance Associate in the Banking & Capital Markets division and then at Lloyds Banking Group as a Manager/Associate Director in the Risk Solutions Team within the Financial Markets Division. In 2006, he assumed the role of Vice President/Assistant General Manager in UBA Global Markets (now United Capital) in Lagos initially to head the Sales & Structuring Team then heading the Capital Markets, M&A and Structuring teams. As a Co-Founder and Partner in TIA Capital, a pan-African focused investment firm, a credit fund was successfully raised and invested under the UK FCA regulated 46 Parallels brand which was a joint venture with a UK based family office. Since 2015 TIA Capital has invested over \$500m in the Sub-Saharan African region as a sub-advisor to a large global multi-strategy fund as well as advising other clients on their investments in the region. From May to June 2015, he served as a Technical Assistant/Subject Matter Expert in Economy & Finance Sub- Committee of President Muhammadu Buhari's for the Presidential Transition Committee.

Key Findings

8. Mrs. Olubunmi Fayokun - Independent Non-Executive Director

Mrs. Fayokun is a Senior Partner in the law firm of Aluko & Oyebode, a member of the firm’s Management Board and heads the firm’s Capital Markets’ and M&A practice groups. Prior to joining the firm, Ms. Fayokun was the Legal Adviser/ Secretary of Denham Management Limited.

Mrs. Fayokun’s career spans over three decades during which she has represented a highly diversified clientele of top-tier indigenous, international and multinational companies in various sectors including banking, oil and gas, FMCG, power, aviation, and insurance.

Mrs. Fayokun is recognized in Who’s Who Legal as one of the world’s leading lawyers in M&A, Capital Markets and Energy & Natural Resources and has consistently been ranked a Leading Lawyer in IFLR1000 - The Guide to the World’s Leading Financial Law Firms. She is also recognised by IFLR1000 as one of 300 Women Leaders considered to be among the best global transactional specialists in their markets and practices areas.

She has served on various committees established by the Securities and Exchange Commission to promote the development of the Nigerian capital market, including the CMC Rules and Compliance Sub-committee, the CMC Sub-committee for the rejuvenation of the Nigerian Bond Market and the CMC Market Infrastructure Sub-committee.

She is a member of the BusinessDay Legal Business Advisory Board and was previously a Council Member of the Nigerian Bar Association Section on Business Law. She was a Director of the Association of Issuing Houses of Nigeria, a former Treasurer of the Capital Markets Solicitors’ Association and played a pivotal role in the establishment of the Nigerian Association of Securities Dealers (NASD) OTC market.

Bachelor of Laws (LL.B)

Admitted to the Nigerian Bar - 1985

9. Mr. Olayinka Tihamiyu - Independent Non-Executive Director

Mr. Olayinka Tihamiyu is an accomplished professional with a distinguished career of over 30 years in consulting and banking.

He graduated with a B.Sc Hons Degree in Petroleum Engineering from the University of Ibadan and holds an M.Sc. in Industrial Engineering from the University of Ibadan and an MBA from the University of Lagos. He is a fellow of the Institute of Chartered Accountants of Nigeria and a member of the Chartered Institute of Bankers and the Chartered Institute of Taxation of Nigeria.

His banking experience spans across several functions including Financial Control, Strategy, Systems and Controls, Credit Risk Management, and Internal Audit.

He has attended management development courses at Harvard, INSEAD, IMD and Wharton Business Schools and was the Chairman of the Association of Chief Audit Executives of Nigeria between 2018 and 2022.

Key Findings

10. Mrs. Funke Feyisitan Ladimeji - Executive Director

Funke is a uniquely skilled and experienced Investment Banking Executive, with a global career spanning both Markets and Corporate Finance businesses, across multiple regions, financial products, and functional areas.

She has an unparalleled track record in driving wallet share and revenue growth, as well as restructuring businesses and leading businesses to new levels of success. She has expertise across a broad range of functions including Business Transformation (organic and inorganic), Business Strategy and Planning, People Leadership, Digital and Technology Innovation, Banking Operations and Accounting.

Funke was at JPMorgan Chase for fifteen years where she was an Executive Director responsible for several Investment Banking and Markets businesses and her remit spanned EMEA, Americas and Asia Pacific regions. Thereafter, she moved to FBN Quest Group as Director and Chief Operating Officer. She was at FBN Quest Group for seven years during which her responsibilities spanned Technology, Operations, Finance, Human Capital, General Services, while she championed and drove multiple strategic initiatives. She also served on several FBN Quest Group entity Boards and on several Governance Committees.

Funke believes in giving back by developing and empowering women. She is a member and first vice chairman of the Association of Women Bankers of Nigeria, a member of WIMBIZ (Women in Management and Business), she set up the QuestWin (Women Network of FBNQuest Group), and she is a member of Amazon Professionals, a network of cross-sector professional women in Nigeria. Funke mentor new entrants and incumbents in the Financial Services and in other sectors.

Key Findings

Performance Evaluation

The FRC NCCG 2018 Section 15.1 and CBN CGG 2023 Section 10.1 requires that an annual appraisal of the Board, its Committees, Chairman and individual directors covering all aspects of the Board’s structure, composition, responsibilities, processes and relationships, as may be prescribed by the CBN from time to time. The evaluation should be facilitated by an independent external consultant.

The Board, through its Governance and Nominations Committee is mandated to provide oversight in relation to the Board and Board Committee performance and governance process. The Committee also ensures that the Board conducts a Board evaluation on an annual basis.

The Board appointed Ernst & Young (EY) an independent consultants to carry out its 2023 Board Evaluation Exercise. This report is the result of such rigorous evaluation of the Board’s performance. It highlights the key positives and proffers recommendations for improvement areas. The findings were presented to Board.

Developmental activities

In order to enhance Board effectiveness, Directors are required to participate in continuous professional development training to remain abreast of issues facing the Board and Board Committees as well as to meet regulatory requirements.

We observed from the review of the Board charter that all Directors shall participate in periodic relevant, professional continuing education programs in order to update their knowledge and skills and keep them informed of new developments in the Bank’s business and operating environment. The objective of the training is to assist the directors to discharge their duties fully and effectively to the Bank. This complies with FRC NCCG 2018 principle 13.2 which states that all Directors should participate in periodic, relevant, continuing education programmes to update their knowledge and skills and keep them informed of new developments in the ’s business and operating environment.

Date	Description	Facilitator	Attendees
10 th – 14 th July 2023	Oxford Bank Governance Programme	Saïd Business School, University of Oxford	Larry Ettah
24 th July 2023	Strategic ALM, Interest Rate, Liquidity Risk Management -Enhancing the Board Oversight	Phillips Consulting/FIS	All
23 rd October 2023	Emerging Trends in Enterprise Risk Management	Ernst & Young	All
21 st December 2023	AML/CFT/CPF Compliance Training	Pattison Consulting Limited	All

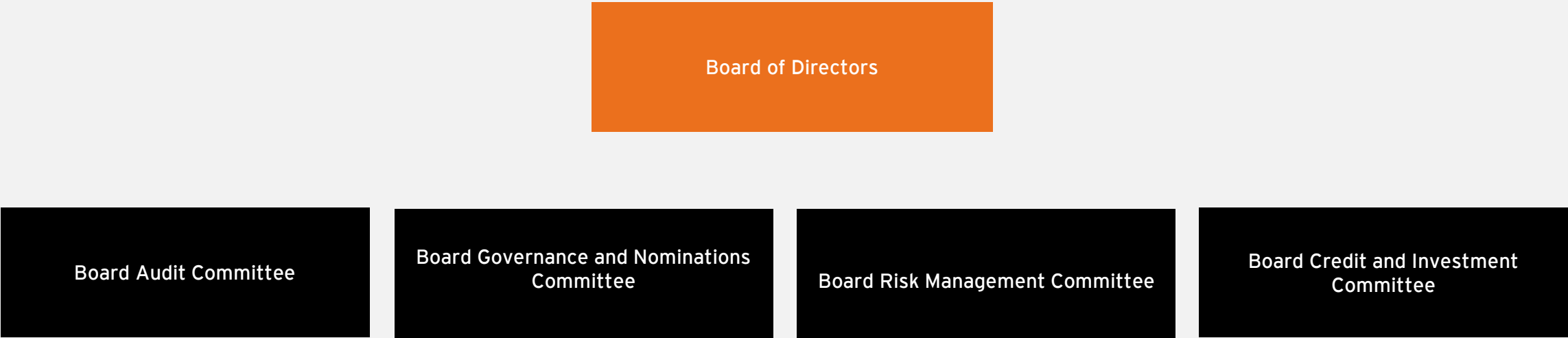
Key Indicators

- ▶ To ensure efficiency and effectiveness, the Board has established and delegated some of its functions, duties and responsibilities to Board Committees.
- ▶ Roles and responsibilities, reporting lines and escalation mechanisms for each Committee are clearly defined.
- ▶ Board meetings were conducted during the year,
- ▶ The Company Secretary possesses relevant legal experience within the industry.

Key Findings

Board Committee Composition

line with the FRC NCCG Section 11 requirement for the Board is to delegate some of its functions, duties, and responsibilities to well-structured Committees. EY reviewed the Board Structure and observed that the following Board Committees have been established to execute specific responsibilities. Board of Coronation Merchant Bank has Four (4) Board Committees with a minimum of five (5) members and a maximum of nine (9) members. All Board Committees have charters approved by the Board. These charters define the roles and responsibilities of the Committee members, structure, obligations and proceedings. The Bank has established the following Committees shown below:



Key Findings

Board Audit Committee

The Board Audit Committee is established to assist the Board in fulfilling its oversight responsibility relating to the integrity of the Bank’s financial statements, financial reporting process, and the independence & performance of the Bank’s internal and external auditors. The Committee also discharges responsibilities on behalf of the Bank, to monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of operations of the Bank, also to monitor management’s responsibilities to ensure that an effective system of financial and internal controls are in place.

The board consist of 5 (five) members, three of which are Independent Non-executive directors and two are Non-executive directors, in line with FRC NCCG section 11.4.3. The Committee is chaired by, Mr. Idaere Gogo Ogan a Non- Executive Director. which does not align with Section 6.3 of CBN CGG that establish that the Board Audit Committee (BAC), Board Nomination and Governance Committee (BNGC) and the Board Remuneration Committee (BRC) should be chaired by INEDs.

The FRC NCCG section 11.4.5 and Board Audit Committee charter mandates the Committee to meet at least once every quarter. Review of the Board attendance shows that the Committee met a total of five (5) times during the year under review and all members had an attendance of 100%.

More details on the Committee attendance can be found in Appendix E .

Board Governance and Nomination Committee

The Committee helps the Board on its oversight responsibilities in relation to governance, appointment , re-election, and removal of directors, which seeks to attract and retain the highest quality directors whose attributes will ensure that their membership of the board will add value to the Bank and ensure that both appointments and membership are in line with Central Bank of Nigeria's requirements. The committee also advises the Board on issues of directors' induction and training as well as Board and Board committee performance evaluation and governance process. It was stated in the committee charter that the committee will review its mandate every three years and recommend any changes to the Board for approval, the last review was done in 2023. The committee is responsible for evaluating the overall system of Corporate Governance for the Bank and proposing any changes to the Board for approval.

The Committee comprises five (5) members, Two (2) Non-Executive Directors and three (3) Independent Non-Executive Director. The Committee is chaired by Mrs. Olubunmi Fayokun, an Independent Non-Executive Director. This is in line with Section 6.3 of CBN CGG 2023 which requires that all Board committees shall be chaired by NEDs. However, the Board Audit Committee (BAC), Board Nomination and Governance Committee (BNGC) and the Board Remuneration Committee (BRC) shall be chaired by INEDs. FRC NCCG 2018 section 11.2.4 states that the committee should meet at least twice a year, or such number of times as may be appropriate to discharge its duties. The review of the committee attendance showed that the Committee met a total of ten (10) times during the year under review and all members had an attendance of 98%. More details on the Committee attendance can be found in Appendix E.

Key Findings

Board Risk Management Committee

Board Risk Management Committee is established to support the Board in its responsibilities in relation to ensuring the quality, integrity and reliability of the Bank's risk management process. The Committee also assists the Board in the discharge of its duties relating to corporate accountability and associated risks in terms of management, assurance, reporting and governance. The Committee ensure the establishment of independent risk and capital management functions, make recommendations to the Board concerning the levels of risk capacity and tolerance, and ensure that they are managed within these parameters, ensure that there are standards, policies and processes in place to identify and measure all material risks and respond appropriately, including all risks described in the taxonomy of risks as set out in the Internal Capital Adequacy Assessment Process (ICAAP) document etc.

The committee consist of nine (9) members; six (6) Non-executive Directors, two (2) Independent Non-executive Directors, one Executive Director and the Managing Director. The Committee is chaired by Mrs. Evelyn Oputu a Non- Executive Director, this is in line with FRC 11.5.4.

The Board Risk Management Charter mandates the Committee to meet at least four times a year. Review of the Board attendance shows that the Committee met a total of four (4) times during the year under review and all members had an attendance of 100%.

More details on the Committee attendance can be found in the Appendix E.

Board Credit and Investment Committee

The committee assists the Board in oversight responsibility relating to the Bank's credit and investment matters. It advises the Board in relation to the Bank's credit exposure, investment portfolio, lending and investment practices and provide strategic guidance for the development and achievement of the Bank's lending and investment objectives. The Committee advises the Board in relation to the Bank's investment management, lending practices and provides strategic guidance for the development and achievement of the 's credit and financial objectives. The Committee oversee the 's evaluation of contemplated investment and portfolio companies on behalf of the Board and report the results of their activities to the Board

The Board Credit and Investment Committee consist of nine (9) members; four (4) of which are Non-executive Directors and three (3) Independent Non-executive directors, one Executive Director and the Managing Director . The Committee is chaired by Larry Ettah a Non- Executive Director.

The Board Credit and Investment Committee mandates the Committee to meet at least four times a year. Review of the Board attendance shows that the Committee met a total of four (4) times during the year under review and all members had an attendance of 98%.

More details on the Committee attendance can be found in the Appendix E

Key Findings

Board Meetings and Attendance

The CBN CGG 2023 Section 5.6 requires that Directors attend all meetings of the Board and Board committees that he or she is a member. To qualify for reappointment, a Director must have attended at least two-thirds of all Board and its Committee meetings. From our review of the Board and Board committee attendance, we observed that all Directors of Coronation Merchant Bank Limited met the reappointment requirement.

Section 10.2 of the FRC NCCG 2018 further recommends that every Director should endeavor to attend all Board meetings. The attendance record of Directors should be among the criteria for the re-election of a Director. A review of the Board meetings showed that the average attendance at Board meetings was **99.5%**.

The Board Audit Committee, Risk Management Committee, Board Governance and Nomination Committee, Board Credit and Investment Committee, held meetings during the year under review.

There were records of the Minutes of meetings of the Board and its Committees at those meetings which are thereafter prepared and sent to Directors on a timely basis. This is in line with Section 10.3 of the FRC NCCG. At each Board meeting, the Chief Executive Officer presented to the Board highlights on business proposals, projects and updates on other pertinent issues which occurred during the reporting period. We also observed that the Board of Directors received updates from each Board committee summarizing their activities for the period. Based on the interview with Board members, we received feedback that the Board meetings are well organized, agenda based, interactions between members is respectful, robust and the atmosphere at meetings is very cordial

More details on the Board attendance can be found in the Appendix D.

Delegation of Duties

CBN CGG 2023 section 2.17 states that the Board shall establish a framework for the delegation of authority in the Bank, and set and approve limits of authority, specifying the threshold for all transactions. The Board has appropriately delegated some of its responsibilities to its Committees. Each Committee has a written charter that clearly defines the mandate and corporate governance roles and responsibilities of the Board and Board Committee in providing oversight to the Bank. Each charter provides details on the provisions for Board meetings, frequency of meetings, quorum, structure and composition, membership, and specific functions of Board members etc. The Board charter also defines the role of the Chairperson and Board members. The Board Charter also indicates the minimum number of times the committee is expected to meet in a year. The Board has also delegated responsibility for the day-to-day management of the Bank to the Chief Executive Officer, Business Units Heads etc, and receives adequate reports and information on performance from the Board Committees and Management this is to ensure consistent good business practice and corporate governance across the Bank.

Maturity			
Evolving	Functioning	Advanced	Leading

Key Findings

Secretary

Review of the Secretary’s profile showed that he has over ten (10) of legal work experience within the Banking industry and on matters relating to corporate governance with a board. The Company Secretary is also highly knowledgeable in issues around corporate communications, management process, customer service, security documentation as well as basic accounting and finance. This is in accordance with Section 8.1 of the FRC NCCG 2018 which states that the Secretary should be a person with relevant qualifications and competence necessary to effectively discharge the duties of his office.

From our review, we observed that the function of the Secretary is not outsourced which is in line with CBN CGG 2023 Section 3.6.2.

Section 8.6.4 of the FRC NCCG 2018 requires the Secretary to notify Board members of upcoming meetings of the Board and its committees as well as other matters that warrant their attention. The Company Secretary also helps in organizing annual general meetings, board and board committee meetings for the Bank and its subsidiary Companies with strict turnaround time for production of minutes and reports.

Feedback received from the interview sessions indicated overall satisfaction with the services rendered by the Secretariat in terms of organization of meetings, documentation of Board papers and management of Board communications. Feedback indicated there was need for timely delivery of Board papers.

Remuneration Governance

The Board Mandate provides that the Board shall put in place a remuneration policy that that seeks to ensure that levels of remuneration are sufficient to attract, retain and motivate executives and aligns with the long-term strategic interests of the Bank and its shareholders.

From our review, we observed the existence of a Board approved Remuneration policy that guides Directors and Senior Management compensation in compliance with FRC NCCG 2018 Section 16.2 and CBN CGG 2023 Section 11.4. From our review, we observed that the Governance and Nominations Committee is charged with the responsibility of monitoring the implementation of the remuneration policy . The compensation of the Managing Director (MD) and the Executive Directors shall include fixed and variable remuneration components as may be contained in their contract of employment, as well as incentive schemes to encourage continued improvement in performance against the criteria set and agreed by the Board.

We observed that the Banks’ remuneration for Executive Directors include fixed remuneration, annual bonus, long-term incentives, pension etc. which is based on performance and structured to prevent excessive risk-taking by Management. This is in line with Section 11.6 of CBN CGG 2023 and Section 16.6 of FRC NCCG 2018. The remuneration for Non-Executive Director’s shall reflect the extent of their responsibilities and liabilities and shall consist of sitting allowances (payable for each Board and Board committee meeting attended) and annual Directors’ fees as may be reviewed and approved by Shareholders at Annual General Meeting from time to time. Annual Director’s fees are tabled and approved by Shareholders at the AGM.

Key Indicators

- ▶ The Board champions the risk culture within the through the provision of sufficient resources, Frameworks and policies.
- ▶ Risk monitoring and oversight activities are performed by both the Board and its Committees.
- ▶ Key Risk Management and Control roles are occupied by experienced staff who meet competency Framework.

Key Findings

Board Oversight of Risk Management Activities

Board delegated the responsibility to the Board Risk Management Committee to provide independent and objective oversight of risk and capital management. The committee ensures the quality, integrity and reliability of the Bank’s risk management and governance process. The Committee is responsible for reviewing risks associated with the Bank and an oversight function of the ’s Risk Management policy, risk profile and appetite, risk identification and measurement methodologies.

From our review, we observe that the Board Risk Management Committee receives quarterly reports the from risk management function in order to monitor, control and mitigate major risks and the effectiveness of the implementation of risk management and internal control systems. . The reports presented by the risk management function includes IFRS 9 ECL Report, Market Risk Management Report, Operational Risk Management Report, Reputational Risk Management Report, CISO’s Report, etc. The Board receives quarterly reports on matters relating to relevant risks, controls, and the overall effectiveness of the Bank’s risk management and internal control systems as directed by FRC NCCG 2018 section 17.6.

We observed that the Bank has a Head of Risk Management function (Mr. Magnus Nnoka,) listed among its Senior Management Staff. This aligns with Section 17.8 of the FRC NCCG 2018, which recommends that the Board ensures the risk management function is led by a senior management member possessing relevant qualifications, competence, objectivity, and experience. However, Section 12.3 and 12.4 of CBN CGG 2023 states that the Board shall ensure that the risk management function is headed by an ED. The CRO, who shall not be below the grade of an Assistant General Manager, shall report to the ED Risk who reports to the Board. EY did not observe that there is an ED overseeing Risk Management in the Bank.

In accordance with CBN CGG 2023 Section 12.7 and FRC NCCG 2018 section 17.7 we noted that the Bank disclosed a summary of their risk management policies in their annual financial statements which includes the enterprise risk review, risk appetite, risk category etc.

Compliance Risk Management Policies

The Board as part of its oversight activities has established compliance risk management policies (i.e. Anti-Bribery and Corruption policy, Whistleblowing policy, and Anti-money laundering Policy, Gifts and Entertainment Policy, Customer Identification Policy, Sanction Screening Policy etc.) to guide the day-to-day activities of Management and for compliance with regulatory requirements.

Key Findings

Existence of Risk Management Framework

Section 12.3 and 12.4 of CBN CGG 2023 states that the Board shall ensure that the risk management function is headed by an ED. The CRO, who shall not be below the grade of an Assistant General Manager, shall report to the ED Risk who reports to the Board. We observed that the Bank's CRO reports to the MD/CEO who is also an ED, and that the Bank's current organizational structure has been approved by CBN.

We observed that the Risk Management report is disclosed in the annual report. This is in accordance with principle 17.7. of the FRC NCCG.

Internal Audit

The Bank has a well-established internal Audit unit which provides independent assurance on the quality and effectiveness of the Bank's internal control, risk management, governance systems, and processes. The Internal Audit Unit prepares and presents written reports on the findings of the audit to the Board Audit Committee. The unit helps the Bank accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes within the Bank.

The Internal Audit function assists the Bank to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and the internal control environment, and plays an important role in the combined assurance model.

The Internal Audit function (The Chief Audit Executive, Mrs. Adeola Awe), prepares and presents quarterly written reports on assessment and findings of the internal audit activities to the Board Audit Committee. This is in line with section 18.5.1 of the FRC NCCG 2018 that requires the head of the internal audit function to report directly to the committee responsible for audit.

Section 13.5 of the CBN CGG 2023 requires the Bank to carry out an independent external assessment of the effectiveness of the internal audit function as provided in Recommended Practice 18.6 of NCCG 2018 shall be carried out annually and the report submitted to the Director, Banking Supervision Department, latest May 31st following the end of every accounting year.

We observed that a quality assurance review of the Bank's internal audit activities was conducted in October 2023 by the independent External Consultant Deloitte which is in line with Section 18.6 that states that there should be an external assessment of the effectiveness of the internal audit function at least once every three years by a qualified independent reviewer to be appointed by the Board.

Key Findings

External Audit

Audit of the Bank’s financial statements are carried out and published annually. External auditors review the accounting records, controls and financial statements and raise an opinion on whether the financial statements are truly and fairly presented for the year under review. The External Auditors, KPMG professional Services, was appointed to carry out the external audit review for the year under review. The External Audit Partner has over 15 years of professional experience in financial statement audit and other audit related services. She has extensive experience in providing International Financial Reporting Standards (IFRS), audit and financial advisory services as well as due diligence.

Compliance Function

Coronation Merchant Bank Limited has a compliance function that identifies and assists Management in complying with relevant statutory, regulatory and supervisory requirements. This in turn promotes a good working relationship with supervisors/regulators and assists in preventing fines and sanctions being imposed by them. The function also ensures that any deviations are reported to an appropriate level of Management or the Board.

The Board Risk Management Committee has a responsibility of overseeing the Compliance Function in managing effectively the compliance risks faced by the . The function identifies and assists Management in complying with relevant statutory, regulatory and supervisory requirements. This in turn promotes a good working relationship with supervisors/regulators and assists in preventing fines and sanctions being imposed by them. The Committee also reviews the Bank’s activities that are related to the Code of Conduct and Ethics. At Management level, the Chief Compliance Officer (CCO) provides compliance, KYC and regulatory updates etc to the Board Risk Committee. The Chief Compliance Officer who is a member of the Senior Staff management of the Bank is a Certified Anti Money Laundering Specialist (CAMS) offering expertise in regulatory compliance, Anti Money Laundering (AML) and Combating Finance of Terrorism (CFT).

We observed that the Bank has a Compliance Policy which provide a conceptual framework for the compliance function. It defines the fundamental principles, roles and responsibilities of the compliance function within Coronation Merchant Bank as well as its relationship with executive management, the Board of Directors, the business and operational functions.

We noted the Bank has a Chief Compliance Officer (CCO) (Mr. Ibrahim Bello) who is responsible for establishing standards and implementing procedures to ensure that the compliance program is effective and efficient in identifying, preventing, detecting, and correcting non-compliance with applicable laws and regulations; and to provide to the board and management reasonable assurance that the said program is operating effectively.

Key Indicators

- ▶ Communication amongst and between the Board, Board Committees, the NEDs, the Executives and other stakeholders operates effectively.
- ▶ Arrangements are in place for external communications.
- ▶ The Board maintains a cordial relationship with regulators.

Key Findings

Stakeholder Engagement

CBN CGG 2023 section 25.1 states that the banks shall have a website and are encouraged to communicate with stakeholders via the website and other official channels. The Bank is committed to maintaining high standards of corporate disclosure to existing/potential shareholders and regulators for the making of informed decisions about the operations of the bank. The Bank maintains a strong line of communication with all stakeholders and the general public and ensures that all information provided to the shareholders is timely, factual, broadly disseminated, accurate and inclusive of all material information on the 's activities and operations which is in line with applicable legal and regulatory requirements.

The communication with shareholders, over four(4) years of historical annual report, and other relevant information about the bank is upheld on Coronation Merchant Bank's website (www.coronationmb.com) which follows FRC NCCG section 27.4. The Bank encourages shareholders to share in the responsibility of sustaining the Bank's corporate values by exercising their rights as protected by law.

We also observed that the annual reports are published in English, the official language of Nigeria, and contains a description of structure of the Board and Management among others, frameworks, policies, and other material information about the bank. The FRC NCCG 2018 section 27.4 mandates that the Board should establish an investors' portal on the Bank's website, where the communication policy, annual reports and other relevant information about the should be published and made accessible to the public in downloadable format. We observed that the Bank's website was designed to comply with the applicable regulation.

Relationship with Regulators

Based on our review of the minutes of Board meetings and feedback from Director interviews, we noted that the Bank maintains a cordial relationship with regulators. Minutes of Board and Board Committee meetings show that the Board frequently discusses concerns and laws raised by the regulators and deliberates measures to address these issues. The Board is also proactive in ensuring that regulatory approvals required for business operations are carried out timely.

Relationship with Stakeholder (2/2)

Key Indicators

- ▶ Communication amongst and between the Board, Board Committees, the NEDs, the Executives and other stakeholders operates effectively.
- ▶ Arrangements are in place for external communications.
- ▶ The Board maintains a cordial relationship with regulators.

Key Findings

Protection of Shareholder Rights

The Bank provides adequate information to shareholders to facilitate their investment decisions. This information is contained on the Bank's website and sent to shareholders in preparation for the Annual General Meeting. This follows FRC NCCG section 23.2.

In compliance with FRC NCCG section 23.1.5, the Bank disclosed the ownership structure in its annual report, including an analysis of the shareholding more than 5% of the issued share capital of the Bank.

Annual General Meeting

General meetings are important platforms for the Board to engage shareholders to better understand the Bank's business, governance, and performance. They provide an opportunity for shareholders to exercise their ownership rights and express their views to the Board on any areas of interest. The Board, through Its Committees and Management, ensures that decisions reached during general meetings are implemented.

We observed that the Notice of Annual General Meeting was shared with shareholders and member timely which is in accordance with FRC NCCG 2018 section 21.4 that requires Notices of General Meetings shall be at least 21 days from the date on which the meeting will be held, We observed evidence of the 2023 Annual General Meeting minutes held on the 5th June 2023.

Conflict of interest

Section 11.2.5.10 of the FRC NCCG encourages the Board develops and ensure periodic review of a Conflict-of-Interest Policy. The Policy may cover the following areas: I. Approval & revision date; II. Definition of Conflict of Interest; III. Purpose of the Policy; and IV. Procedures to follow in situations of Conflict of Interest.

Also, Section 25.2.6 recommends that disclosure by a Director of a real, potential or perceived conflict of interest or a decision by the Board as to whether or not a conflict of interest exists should be recorded in the minutes of the meeting, This was observed.

Key Indicators

- ▶ Communication amongst and between the Board, Board Committees, the NEDs, the Executives and other stakeholders operates effectively.
- ▶ Arrangements are in place for external communications.
- ▶ The Board maintains a cordial relationship with regulators.

Key Findings

Corporate Social Responsibility (CSR)

CBN CGG 2023 section 2.21 states that the Board shall ensure that the Bank practices good Corporate Social Responsibility (CSR).

Gap

While the Bank has a CSR policy, we were unable to observe evidence of CSR activities carried out in the year 2023.

Sustainability

FRC NCCG 2018 section 26.1 states that the Board should establish policies and practices regarding its social, ethical, safety, working conditions, health and environmental responsibilities as well as policies addressing corruption. This was observed.

Key Indicators

- ▶ The Board maintains transparency in dealing with its stakeholders.
- ▶ Existence of an effective Whistleblowing Policy.
- ▶ The Board complies with regulatory disclosure requirements.
- ▶ Existence of a Code of Conduct

Key Findings

Corporate Governance Disclosures

FRC NCCG 2018 section 28 states that there should be full and comprehensive disclosure of all matter's material to investors and stakeholders, and of matters set out in this Code, ensures proper monitoring of its implementation which engenders good corporate governance practice.

Coronation Merchant Bank's annual report has a Corporate Governance section that includes details on the Board, Board meeting attendance, Accountability and Audit, Control Environment, Shareholders Rights, Board Committees employee involvement and training, employment of disabled persons, health, safety and welfare at work.

The Board engaged an independent consultant to carry out a corporate governance evaluation of the Bank's level of compliance to the FRC NCCG for the year 2022. This report represents the findings and recommendations from the independent corporate governance evaluation exercise. A statement from the Board and the independent consultants on the Bank's level of compliance with this code will be included in the annual report for the year.

Gap

The fines and penalties imposed on the Bank by Regulators were not disclosed in the Corporate Governance report. This is not in compliance with FRC NCCG 2018 28.2(n).

We were unable to observe highlights of the policy and cases of clawback being pursued by the Bank in the annual report stated in the FRC NCCG 2018 section 28.2(m)

Annual Reports

In accordance with FRC CCG 28.1, the Bank makes its annual reports available on its website. The annual report also contains disclosures on related party transactions and Director's interest in contracts. This is in compliance with FRC NCCG section 28.3. The annual report contains a statement by the Board on the 's level of compliance with the Nigeria Code of Corporate Governance (NCCG) 2018, arising from the results of its corporate governance evaluation.

The annual report includes a corporate governance report that provides clear information on the 's governance structures, policies and practices as well as environmental and social risks and opportunities. At the end of the financial year, it is part of the Director's responsibility to ensure that the financial statements accurately and fairly state the Bank. The Board Audit Committee is responsible for ensuring that the 's financial statements, accurately and fairly represent the situation of the Bank. They also review reports of the activities of the External Auditors. The Annual report specifies the nature of related parties' relationships and transactions, a statement by the Board on its level of application of this Code arising from the results of its corporate governance evaluation. However, we did not observe a statement by the Board on the ESG activities.

Gap

We did not observe the underlisted items in corporate Governance report: a) *A list of all the fines and penalties; highlights of the policy and cases of claw back being pursued by the Bank; highlights of sustainability policies and programmes covering social issues.*

Key Findings

Whistle Blowing

Coronation Merchant Bank has a Whistleblowing policy in place, applicable to all employees, management, directors, and shareholders of the Bank with the objective of encouraging employees to disclose any malpractice or misconduct which they observe in accordance with FRC NCCG 2018 Section 19.1 and CBN CGG 2023 Section 17. The policy outlines its reporting channels (external and internal reporting channels) and processes which include the internal whistleblowing email kpmgethicsline@ng.kpmg.com and hotlines 9Mobile: 0809 993 6366 Glo: 0705 889 0140 MTN: 0703 0000 026 | 0703 0000 027 Airtel: 0808 8228 888 | 0708 0601 222 and Web link: <https://apps.ng.kpmg.com/ethics> which can be found on the Bank’s website and on the annual report. This public show of commitment towards the whistleblowing mechanism is in line with FRC NCCG section 19.3.

There are measures in place for the Protection of Whistle blowers, Confidentiality and Anonymous reporting. Except in cases necessitated by legal demands, the identity of a whistle blower is kept confidential. Whistle blowers have the choice between confidential and anonymous reporting. This is in compliance with FRC NCCG section 19.2 CBN CGG 2023 Section 17.

We tested the Company’s whistleblowing channels as indicated in the whistle blowing Policy to confirm whether the channels are monitored and working properly. We received a response from kpmgethicsline@ng.kpmg.com confirming the effectiveness of the whistleblowing platform.

Code of Conduct

CBN CGG 2023 section 21.1 requires that the Banks shall establish a Code of Business Conduct and Ethics and disclose in the code, such information and practices necessary to maintain confidence in the bank’s integrity. We observed the Bank’s Board Ethical Conduct And Values Policy specifies the expected behaviors of its employees and directors, designed to empower employees and directors and enable effective decision-making at all levels of the business according to defined ethical principles. New employees are required to read and sign an attestation that they have understood the content of the Bank’s Code of Conduct. There is a Compliance Manual that provides guidelines for addressing violations/breaches and ensuring enforcement of discipline amongst staff. The Chief Compliance Officer is responsible for monitoring compliance with the code of conduct.

03

Directors Survey - Analysis Of Results



Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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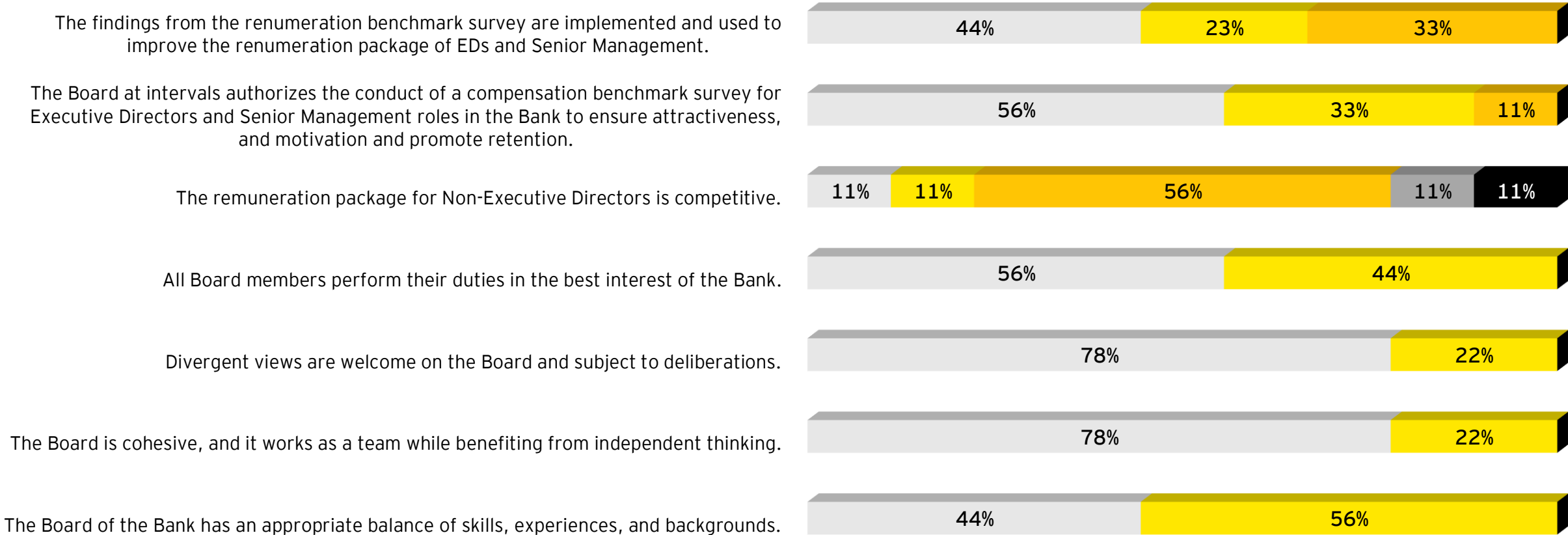
Strategic Leadership



Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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Board Composition, Capacity, and Remuneration

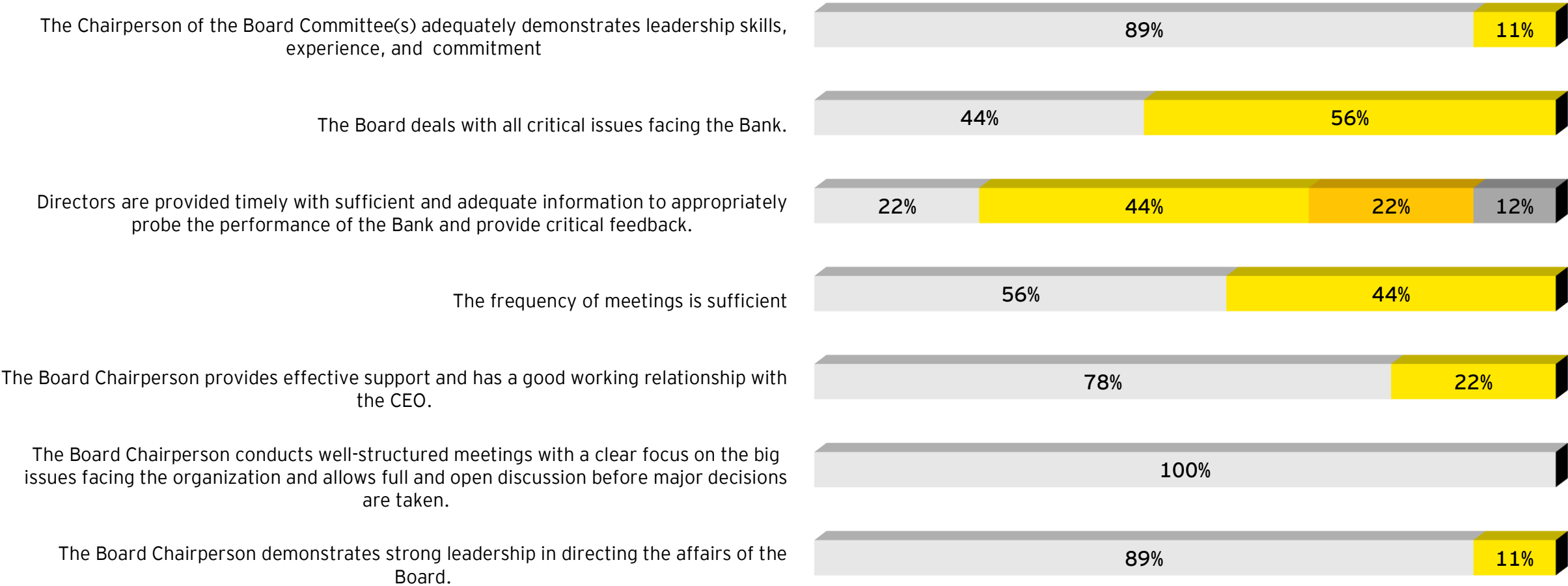


Strongly agree Agree Neutral Disagree Strongly Disagree

Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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Board Operations



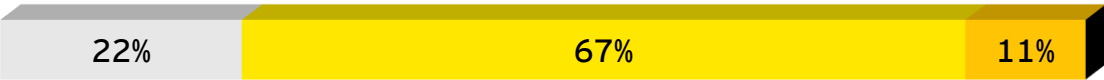
Strongly agree Agree Neutral Disagree Strongly Disagree

Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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Company Secretariat Function

The Company Secretary ensures the smooth running of the Board’s and Board Committees’ activities by assisting the Chairmen to set agendas, draft yearly work plans as well as preparing and presenting papers to the Board and Board...



The Company Secretary provides the Directors of the Bank collectively and individually with guidance as to their duties, responsibilities and powers.



The Company Secretary has the relevant qualifications and experience necessary to effectively discharge the duties of the office.



Strongly agree Agree Neutral Disagree Strongly Disagree

Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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Quality of the Board

The Board ensures the effectiveness of the appointment and reappointment process of Board members



The training plan for Directors is well executed annually.



The Board has a documented process for induction programs, redesigned Board packs to improve the Board's efficiency.



There is a training plan for Directors which takes into cognizance the performance of the Board, its Committees, and Individual Directors in the prior year.



Strongly agree Agree Neutral Disagree Strongly Disagree

Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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Business Conduct, Culture and Ethics Issues

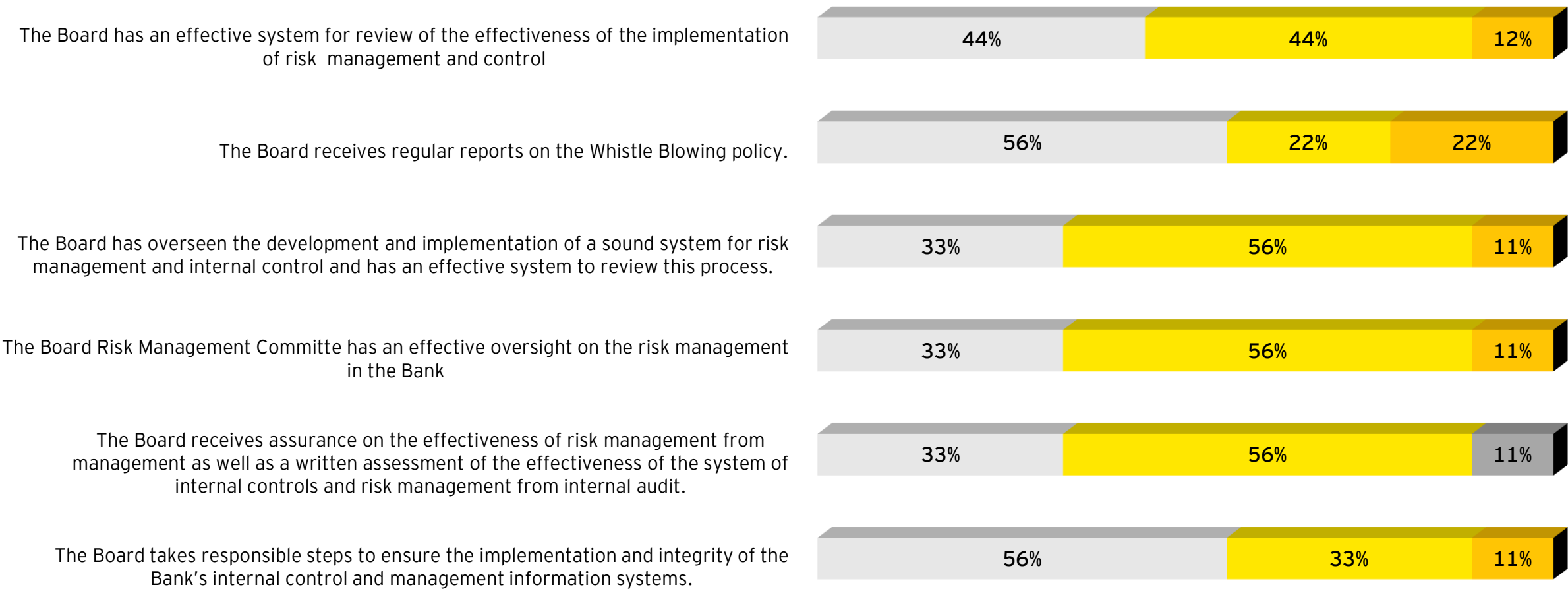


Strongly agree Agree Neutral Disagree Strongly Disagree

Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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Risk Management and Control

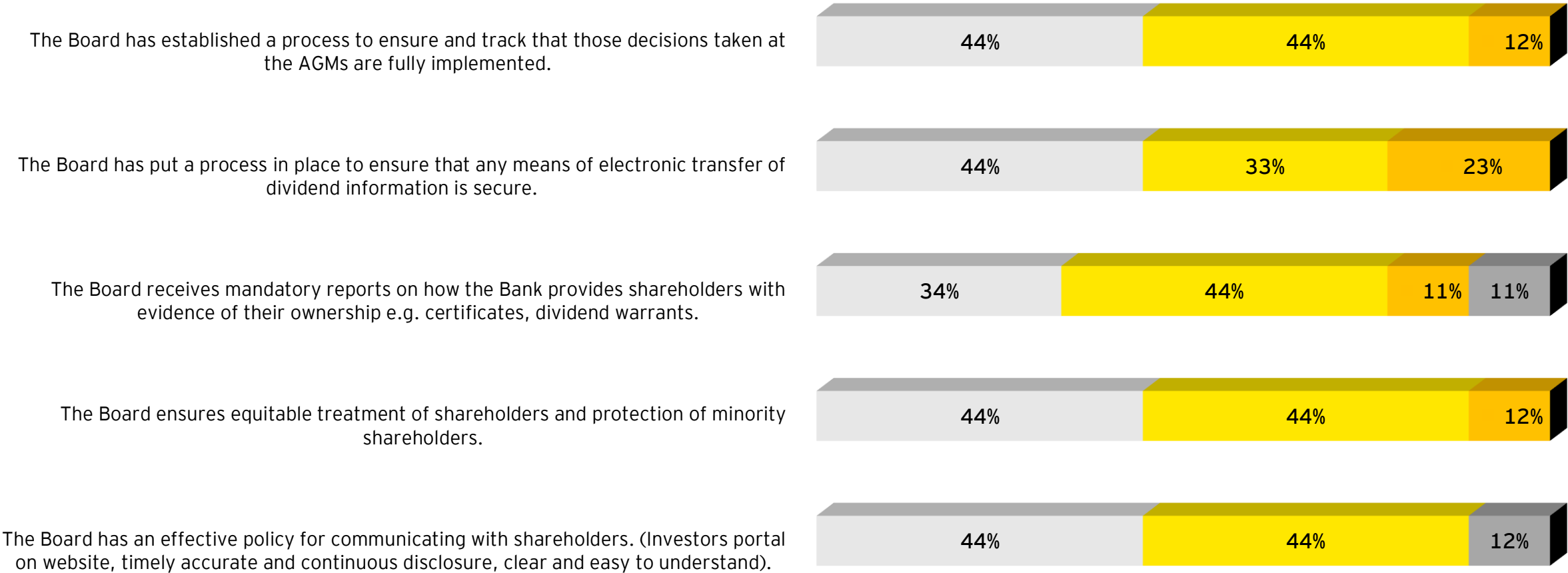


Strongly agree Agree Neutral Disagree Strongly Disagree

Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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Shareholders' Relationship

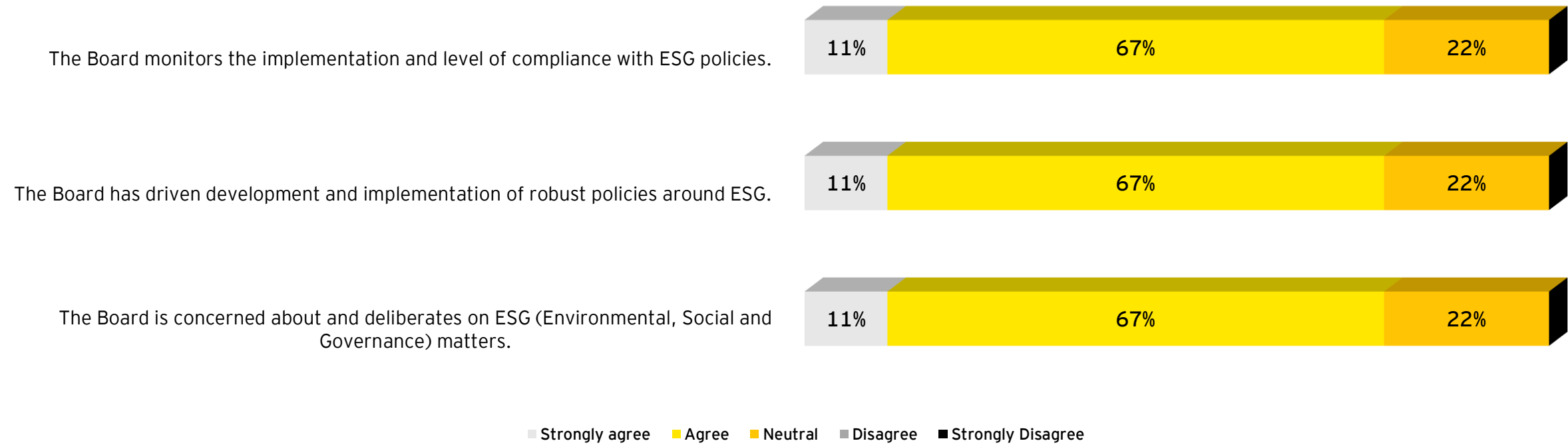


Strongly agree Agree Neutral Disagree Strongly Disagree

Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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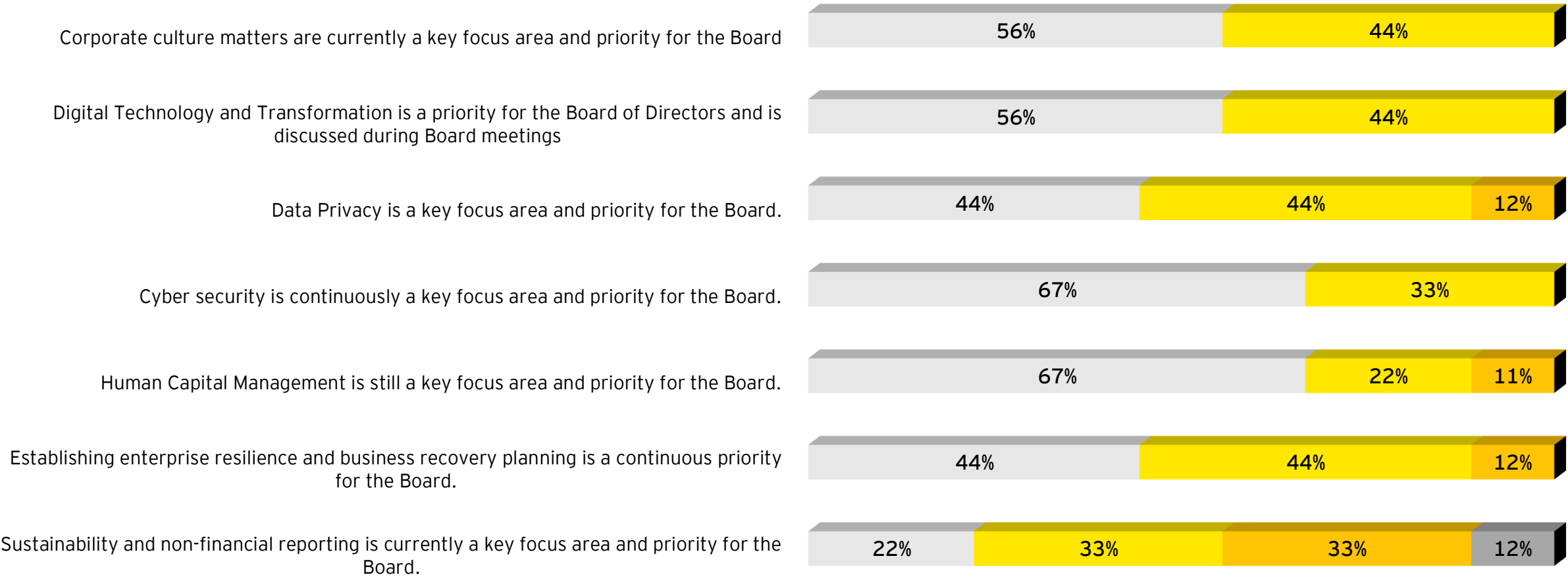
Sustainability



Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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Board Priorities

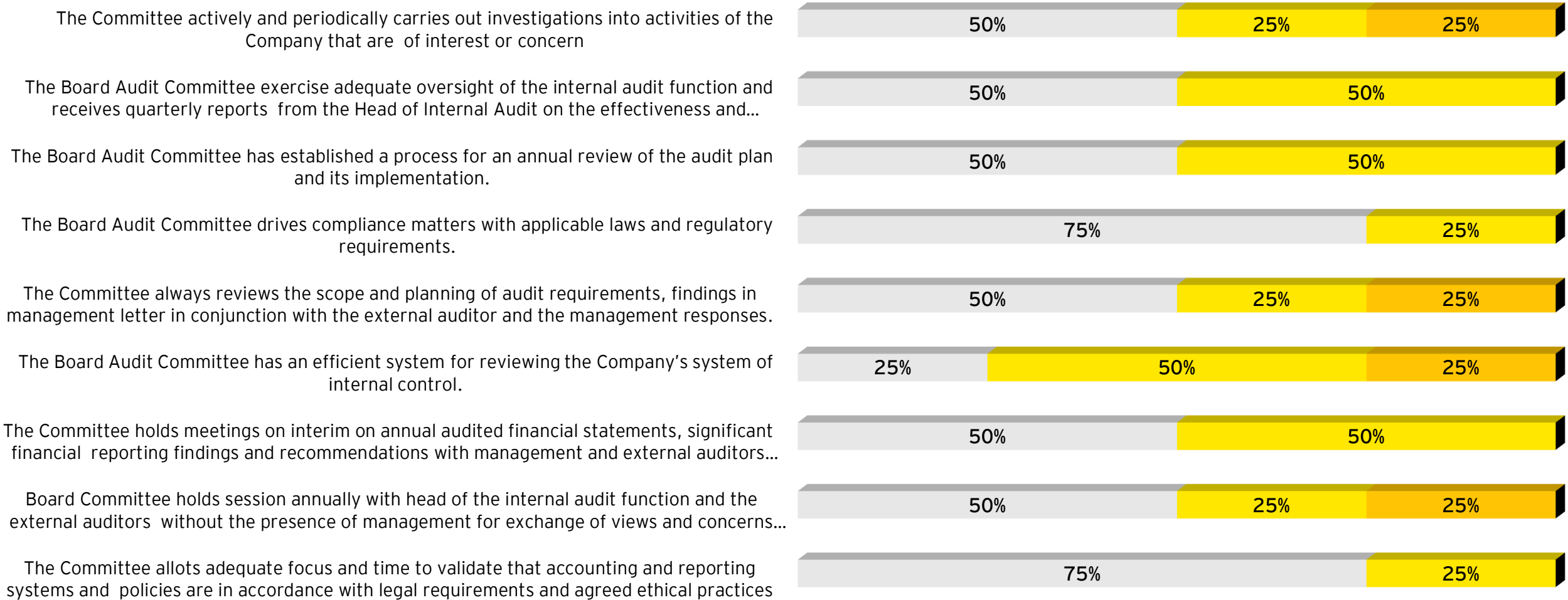


Strongly agree Agree Neutral Disagree Strongly Disagree

Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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Board Audit Committee

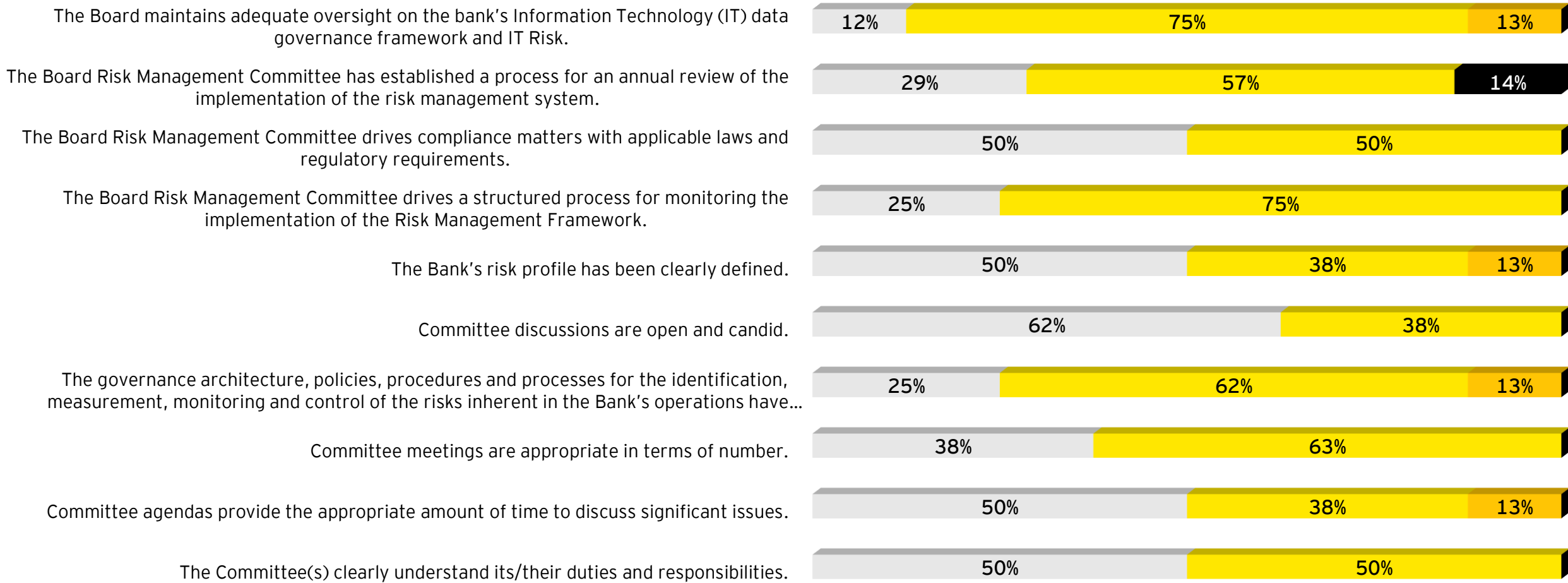


Strongly agree Agree Neutral Disagree Strongly Disagree

Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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Board Risk Management Committee

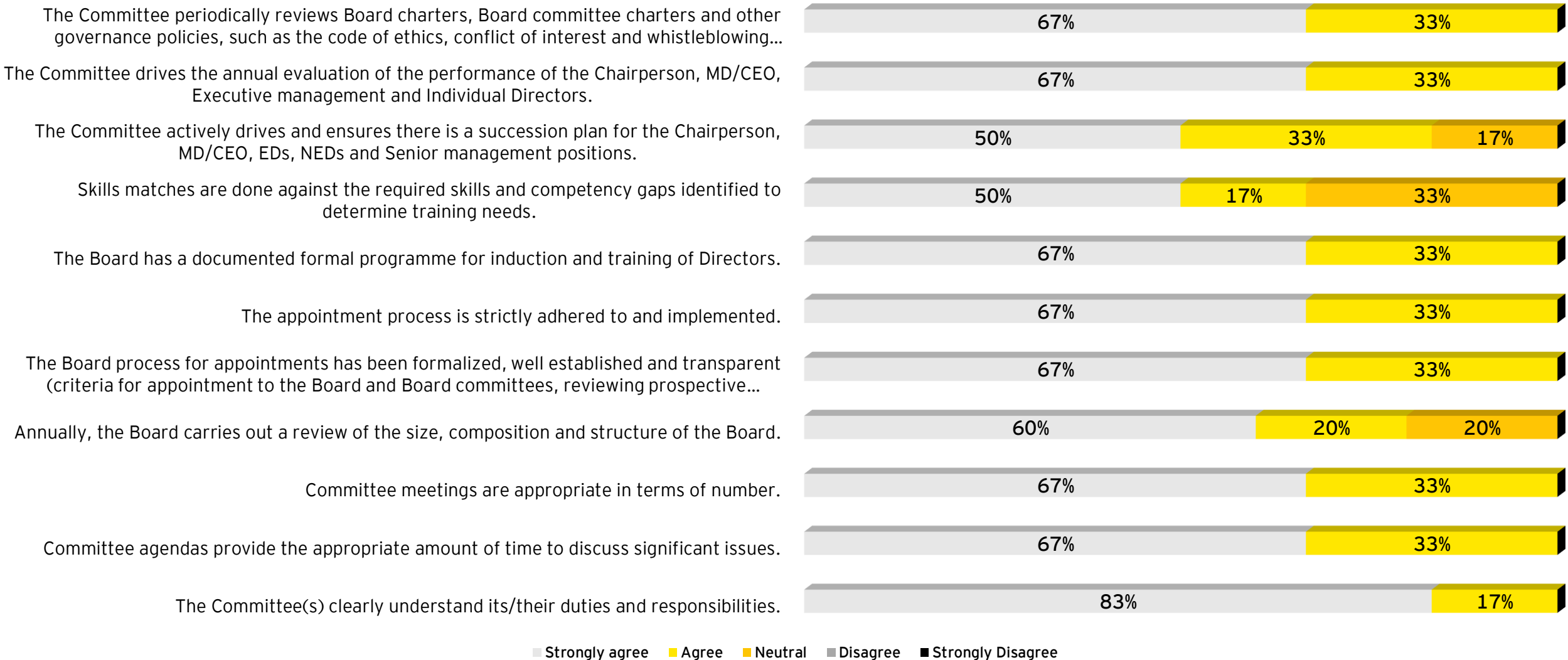


Strongly agree Agree Neutral Disagree Strongly Disagree

Snapshot of Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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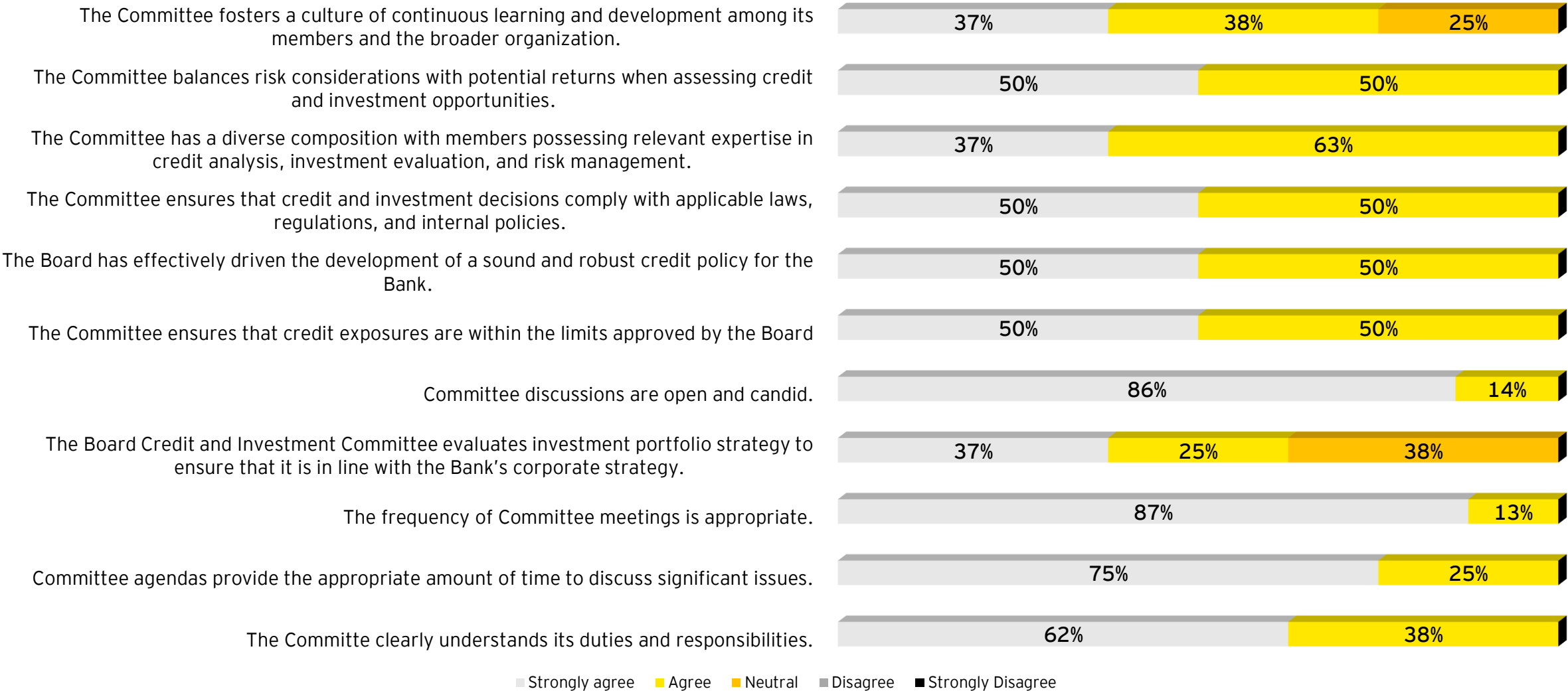
Board Governance and Nominations Committee



Snapshot of Survey Analysis

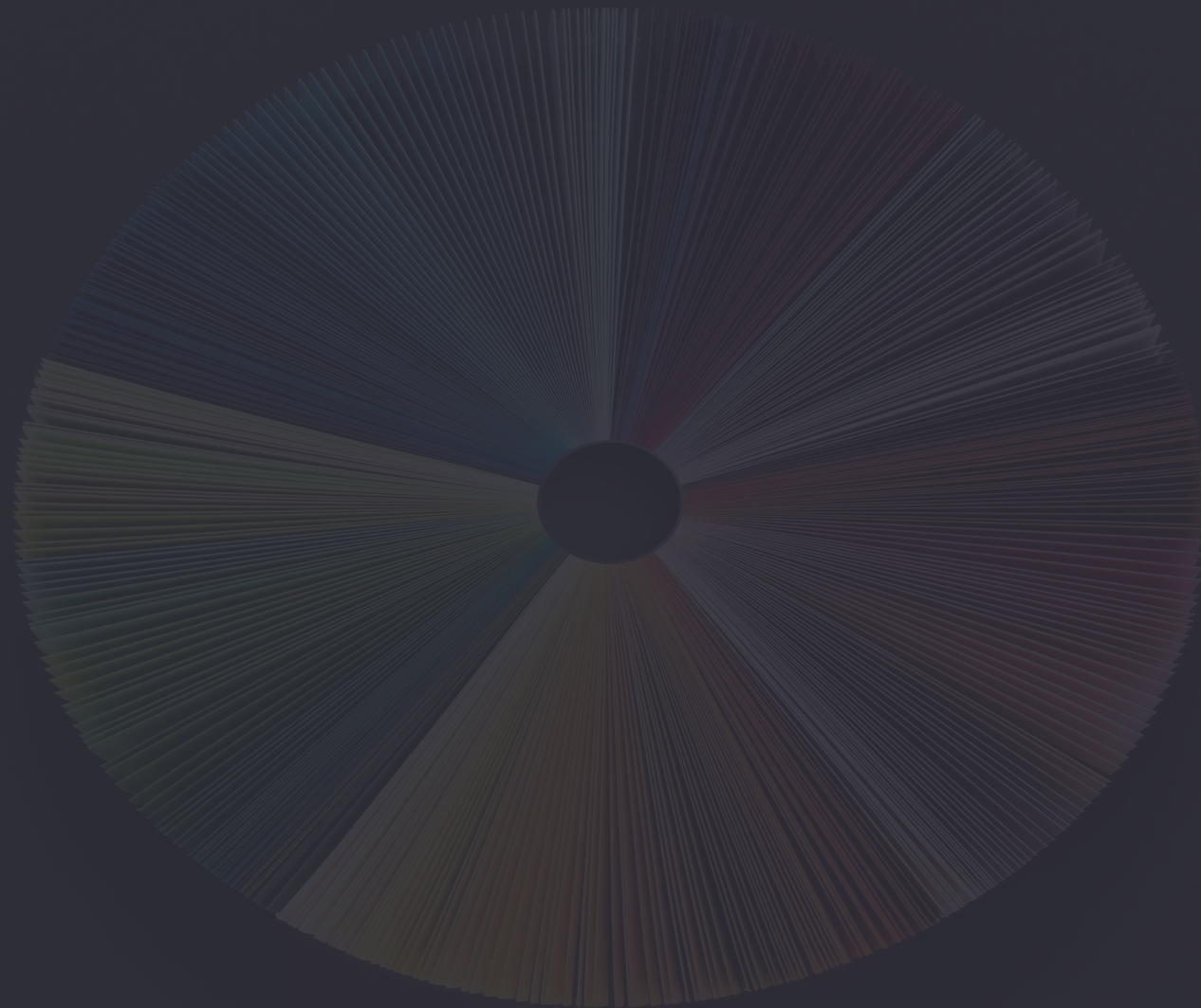
Survey Details	Deployed Questionnaires : 10	Completed: 90%	Incomplete: None	No response: 10%
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Board Credit and Investment Committee



04

APPENDICES



Appendix A - List of Documents Reviewed

#	Document Title	#	Document Title
1	Contact details of all Board of Directors (Telephone and Email address)	15	Approved Board Charters and Policies
2	Training courses attended by Directors during the year	16	Profile, CV and JD of Secretary
3	Notice for AGM, Agenda and Minutes	17	Approved Enterprise Risk Management Framework
4	Signed minutes of Annual General Meeting	18	Profile and CVs of Board Members and Standing Committees
5	Signed Internal Audit Report 2022	19	CVs of the Chief Compliance Officer and the Chief Internal Auditor
6	Signed Minutes of the Meetings for (FY 2022 Board and Board Committees meetings)	20	Articles and Memorandum of Association
7	Signed Risk Report	21	Approved Organizational Structure including Board Composition
8	Approved Corporate Governance Framework	22	Approved code of Conduct and Business Ethics
9	Signed Compliance Report	23	Succession Plan Document
10	Approved Board Committee Charters	24	Board Committee and their Membership
11	Approved whistle blowing Policy	25	Approved Strategy Plan Document
12	Key returns includes all returns/ communication to the Regulators regarding changes in Board/Executive	26	Approved Compliance Policy and Manual
13	Induction packs for new Directors	27	Committee membership (appointments, reappointments and resignations) (typically on an ad-hoc basis)
14	Remuneration Policy	28	Communication Policy

Appendix B - Coronation Merchant Bank Limited Board Membership

The table below shows the members of the Board of Directors during the year under review.

S/N	Name	Role
1	Babatunde Folawiyo	Chairman
2	Adebanjo Adegbohunge	Managing Director
3	Babatunde Dabiri ^^	Independent Non-Executive Director
4	Suzanne Iroche ^^	Independent Non-Executive Director
5	Olubunmi Fayokun	Independent Non-Executive Director
6	Evelyn Oputu	Non-Executive Director
7	Idaere Gogo Ogan	Non-Executive Director
8	Adamu Atta	Non-Executive Director
9	Larry Ettah	Non-Executive Director
10	Funke Feyisitan-Ladimeji	Executive Director
11	Olayinka Tihamiyu **	Independent Non-Executive Director
12	Kayode Akindele	Non-Executive Director

**recently joined

^^ exited the Board

Appendix C – Coronation Merchant Bank Limited Board Committee Membership

Board Audit Committee	
Name	Role
Idaere Gogo Ogan	Chairman
Olayinka Tihamiyu **	Member
Suzanne Iroche ^^	Member
Babatunde Dabiri ^^	Member
Evelyn Oputu	Member
Olubunmi Fayokun	Member
Olukayode Akindele	Member

Risk Management Committee	
Name	Role
Evelyn Oputu	Chairman
Adamu Atta	Member
Idaere Gogo Ogan	Member
Larry Ettah	Member
Olubunmi Fayokun	Member
Adebanjo Adegbohunge	Member
Olayinka Tihamiyu **	Member
Funke Feyisitan Ladimeji	Member
Kayode Akindele	Member

Board Governance and Nomination Committee	
Name	Role
Olubunmi Fayokun	Chairman
Larry Ettah	Member
Kayode Akindele	Member
Babatunde Dabiri ^^	Member
Adamu Atta	Member
Olayinka Tihamiyu **	Member
Suzanne Iroche ^^	Member

Credit and Investment Committee	
Name	Role
Larry Ettah	Chairman
Babatunde Dabiri ^^	Member
Suzanne Iroche ^^	Member
Adamu Atta	Member
Idaere Gogo Ogan	Member
Evelyn Oputu	Member
Olubunmi Fayokun	Member
Adebanjo Adegbohunge	Member
Funke Feyisitan Ladimeji	Member

**recently joined

^^ exited the Board

Appendix D – Board Meeting Attendance

The table below represent the number of meetings held by the Board as well as the attendance at the meetings.

Full Board Attendance Schedule														
Name of Director	Role	23/1/23	Strategic Session 24/1/23	Strategic Session(2) 15/02/23	20/04/23	22/05/23	24/7/23	5/10/23	23/10/23	21/12/23	Total	Expected No	% Attendance	Average
Babatunde Folawiyo	Chairman	Y	Y	Y	Y	Y	Y	Y	Y	Y	9	9	100%	97%
Adebanjo Adegbohungebe	MD	Y	Y	Y	Y	N	Y	N	Y	Y	7	9	78%	
Babatunde Dabiri	INED	Y	Y	Y	Y	NM	NM	NM	NM	NM	4	4	100%	
Suzanne Iroche	INED	Y	Y	Y	Y	NM	NM	NM	NM	NM	4	4	100%	
Olubunmi Fayokun	INED	Y	Y	Y	Y	Y	Y	Y	Y	Y	9	9	100%	
Evelyn Oputu	NED	Y	Y	Y	Y	Y	Y	N	Y	Y	8	9	89%	
Idaere Gogo Ogan	NED	Y	Y	Y	Y	Y	Y	Y	Y	Y	9	9	100%	
Adamu Atta	NED	Y	Y	Y	Y	Y	Y	Y	Y	Y	9	9	100%	
Larry Ettah	NED	Y	Y	Y	Y	Y	Y	Y	Y	Y	9	9	100%	
Funke Feyisitan-Ladimeji	ED	Y	Y	Y	Y	Y	Y	Y	Y	Y	9	9	100%	
Olayinka Tihamiyu	INED	NA	NA	NA	NA	NA	NA	Y	Y	Y	3	3	100%	
Kayode Akindele	NED	NA	NA	NA	NA	NA	Y	Y	Y	Y	4	4	100%	

- Y - Present
- N - Absent
- NA- Not Appointed
- NM - Not Member

Appendix E – Coronation Merchant Bank Limited Board Committees Meeting Attendance

The table below represent the number of meetings held by the Board Committees as well as the attendance at the meetings.

Board Audit Committee															
Name of Director	Role	18/01/23	27/03/23	19/04/23	19/07/23	18/10/23	Total	Expected No	% Attendance	Average					
Idaere Gogo Ogan	Chairman	Y	Y	Y	Y	Y	5	5	100%	100%					
Olayinka Tihamiyu	Member	NA	NA	NA	NA	Y	1	1	100%						
Suzanne Iroche	Member	Y	Y	Y	NM	NM	3	3	100%						
Babatunde Dabiri	Member	Y	Y	Y	NM	NM	3	3	100%						
Evelyn Oputu	Member	Y	Y	Y	Y	Y	5	5	100%						
Olubunmi Fayokun	Member	Y	Y	Y	Y	Y	5	5	100%						
Board Nomination and Governance Committee															
Name of Director	Role	17/01/23	07/03/23	14/04/23	27/04/23	6/06/23	5/07/23	18/07/23	22/08/23	17/10/23	22/11/23	Total	Expected No	% Attendance	Average
Olubunmi Fayokun	Chairman	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	10	10	100%	99%
Larry Ettah	Member	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	10	10	100%	
Kayode Akindele	Member	NA	NA	NA	NA	NA	Y	Y	Y	Y	Y	5	5	100%	
Babatunde Dabiri	Member	Y	Y	Y	Y	NM	NM	NM	NM	NM	NM	4	4	100%	
Adamu Atta	Member	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	9	10	90%	
Olayinka Tihamiyu	Member	NA	NA	NA	NA	NA	NA	NA	NA	Y	Y	2	2	100%	
Suzanne Iroche	Member	Y	Y	Y	Y	NM	NM	NM	NM	NM	NM	4	4	100%	

Appendix E - Coronation Merchant Bank Limited Board Committees Meeting Attendance

The table below represent the number of meetings held by the Board Committees as well as the attendance at the meetings.

Board Risk Management Committee																											
Name of Director		Role		19/04/23		19/07/23		18/10/23		Total		Expected No		% Attendance		Average											
Evelyn Oputu		Chairman		Y		Y		Y		3		3		100%		100%											
Adamu Atta		Member		Y		Y		Y		3		3		100%													
Idaere Gogo Ogan		Member		Y		Y		Y		3		3		100%													
Larry Ettah		Member		Y		Y		Y		3		3		100%													
Olubunmi Fayokun		Member		Y		Y		Y		3		3		100%													
Adebanjo Adegbohungbe		Member		Y		Y		Y		3		3		100%													
Olayinka Tihamiyu		Member		NA		NA		Y		1		1		100%													
Funke Feyisitan Ladimeji		Member		Y		Y		Y		3		3		100%													
Kayode Akindele		Member		NA		Y		Y		2		2		100%													
Babatunde Dabiri		Member		Y		NM		NM		1		1		100%													
Suzanne Iroche		Member		Y		NM		NM		1		1		100%													
Board Credit and Investment Committee																											
Name of Director		Role		16/01/23		06/03/23		17/04/23		05/06/23		17/07/23		04/09/23		16/10/23		04/12/23		Total		Expected No		% Attendance		Average	
Larry Ettah		Chairman		Y		Y		Y		Y		Y		Y		Y		Y		8		8		100%		99%	
Babatunde Dabiri		Member		Y		Y		Y		NM		NM		NM		NM		NM		3		3		100%			
Suzanne Iroche		Member		Y		Y		Y		NM		NM		NM		NM		NM		3		3		100%			
Adamu Atta		Member		Y		Y		Y		Y		Y		Y		Y		Y		8		8		100%			
Idaere Gogo Ogan		Member		Y		Y		Y		Y		Y		Y		Y		Y		8		8		100%			
Evelyn Oputu		Member		Y		Y		Y		Y		Y		Y		Y		Y		8		8		100%			
Olubunmi Fayokun		Member		Y		Y		Y		Y		Y		Y		Y		Y		8		8		100%			
Adebanjo Adegbohungbe		Member		Y		N		Y		Y		Y		Y		Y		Y		7		8		88%			
Funke Feyisitan Ladimeji		Member		Y		Y		Y		Y		Y		Y		Y		Y		8		8		100%			
Kayode Akindele		Member		NA		NA		NA		NA		Y		Y		Y		Y		4		4		100%			
Olayinka Tihamiyu		Member		NA		NA		NA		NA		NA		Y		Y		Y		3		3		100%			

Appendix E - Directors Interviewed and Surveyed

Director interview and survey was conducted to solicit Board Members' views and perspectives on the Board of Coronation Merchant Bank Limited. 9 out of 12 Board members identified were interviewed and 9 out of the 12 Board Members responded to our survey. We noted that Mr. Babatunde Dabiri and Mrs. Suzanne Iroche exited in April 2023.

S/N	Name	Role	Interviewed	Surveyed
1	Babatunde Folawiyo	Chairman	✓	✓
2	Adebanjo Adegbohunge	Managing Director	✓	✓
3	Olubunmi Fayokun	Independent Non-Executive Director	✓	✓
4	Evelyn Oputu	Non-Executive Director	✗	✗
5	Idaere Gogo Ogan	Non-Executive Director	✓	✓
6	Adamu Atta	Non-Executive Director	✓	✓
7	Larry Ettah	Non-Executive Director	✓	✓
8	Funke Feyisitan-Ladimeji	Executive Director	✓	✓
9	Olayinka Tihamiyu	Independent Non-Executive Director	✓	✓
10	Kayode Akindele	Non-Executive Director	✓	✓
11	Babatunde Dabiri **	Independent Non-Executive Director	✗	✗
12	Suzanne Iroche **	Independent Non-Executive Director	✗	✗

LEGEND	
✓	Interviewed/Surveyed
✗	Not Interviewed/Surveyed
**	Resigned

Maturity Assessment Scale Definition

Scale	Definition	
0 - 1	Evolving	<p>Basic/ nonexistent implementation of Corporate Governance key indicators. For example:</p> <ul style="list-style-type: none"> ▶ CEO takes role of Chairman ▶ Relevant Committees not established ▶ No Terms of Reference ▶ No delegation of authority ▶ Annual Financial Statement does not contain Corporate Governance disclosures
1.1 - 2	Functioning	<p>The process for establishing Corporate Governance objectives is defined but inconsistently implemented. For example:</p> <ul style="list-style-type: none"> ▶ Governance activities are put in place on an ad-hoc basis ▶ Delegation of authority is defined but not documented ▶ There is a whistle blowing Policy, but it is not full implemented ▶ Annual Financial Statement does contain a Corporate Governance Section but does not completely disclose the activities of the Board
2.1 - 3	Advanced	<p>Formal Corporate Governance practice is established and implemented with a fair consideration for leading practices. For example:</p> <ul style="list-style-type: none"> ▶ The Board meets at least four (4) times a year ▶ The 's vision, goals and strategy are documented ▶ Delegation of authority is formally defined and documented ▶ The whistle blowing Policy ensures that whistle blowers are protected from retribution
3.1 - 4	Leading	<p>Corporate Governance Framework and practice is comprehensive, sophisticated and efficiently integrated into the full scope of the business management operations and planning activities. Can be adopted as a reference point for leading practice. For example:</p> <ul style="list-style-type: none"> ▶ Delegation of authority is formally documented with a clear divide between roles and responsibilities ▶ Diversity is actively managed and recognized as a key driver to organizational success. ▶ Corporate governance, Director activities, compensation and risk management Framework are detailed in the Annual Financial Statement

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