

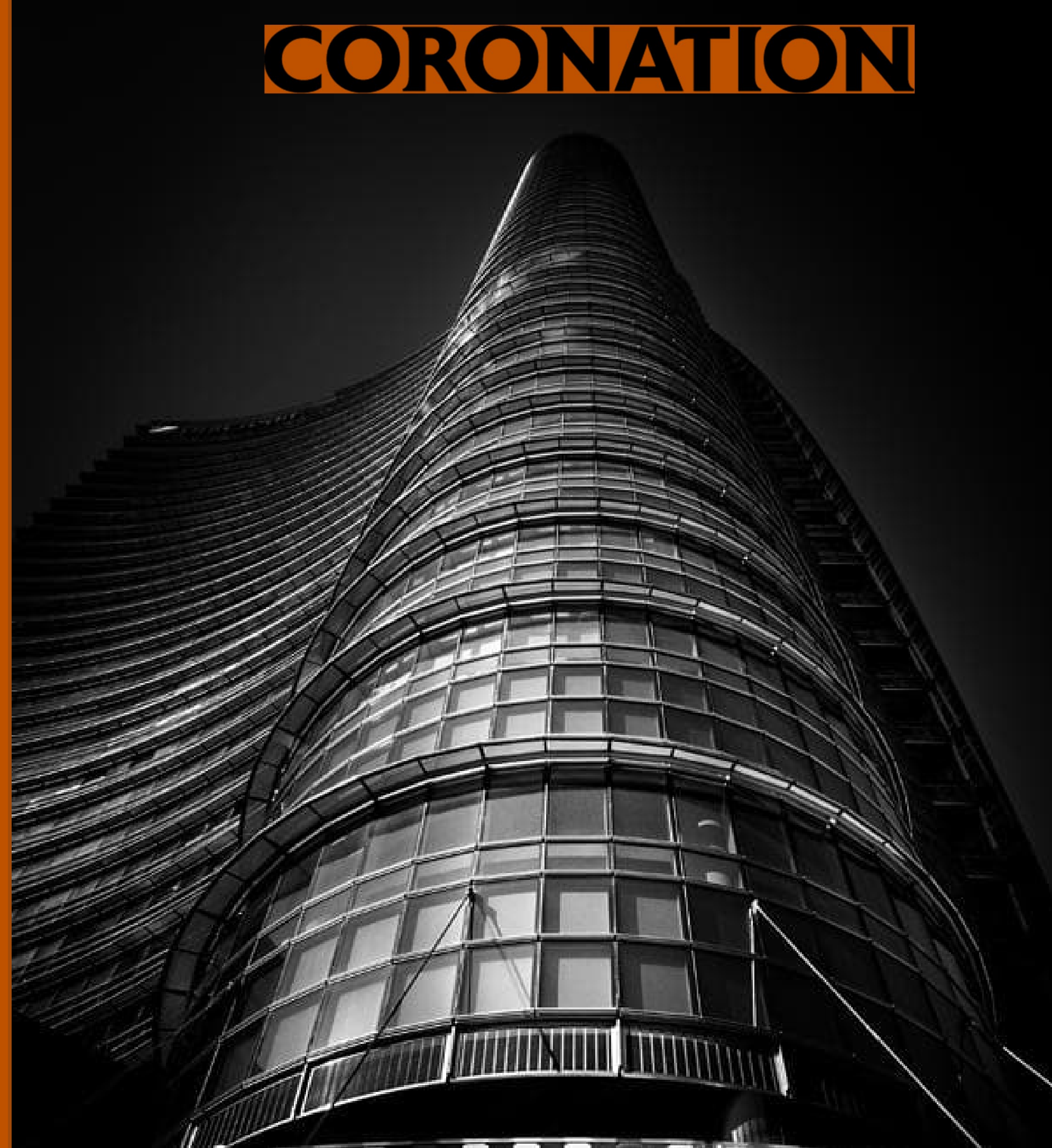
CORONATION

Coronation Merchant Bank Limited Board Evaluation Review FY24

May 2025



Shape the future
with confidence



Ernst & Young
UBA House, 10th Floor
57 Marina, Lagos

Tel: (234 -1) 4630479, 4630480
Fax: (234 -1) 4630481
E-mail: services@ng.ey.com

The Chairman
Board of Directors
Coronation Merchant Bank Limited,
10 Amodu Ojikutu Street,
Off Saka Tinubu Street,
Victoria Island,
Lagos, Nigeria.

Dear Sir,

Board Evaluation Report for the year ended 31st December 2024

We thank you for inviting us to conduct the annual Board evaluation and corporate governance review exercise for the Board of Coronation Merchant Bank Limited, we have completed the Board Appraisal for the year ended 31st December 2024 , and we are pleased to submit our final report.

The fieldwork was carried out in March 2025. 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 by e-mail: abiodun.ogunoiki@ng.ey.com.

Yours faithfully,



Abiodun Ogunoiki
Partner and Head, Financial Services Risk Management, West Africa
FRC/2013/PRO/DIR/003/00000000794

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 (“Coronation” or “the Bank”) for the year ended 2024 in accordance with the CBN Corporate Governance Guidelines 2023 (CBN CGG 2023) and the FRC Nigerian Code of Corporate Governance 2018 (FRC NCCG 2018).

The FRC NCCG 2018 Section 14 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. Sub-Section 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. The CBN CGG 2023 Section 10 states that there shall be an annual appraisal of the Board, its Committees, Chairman and Individual Directors covering all aspects of the Board structure, composition, responsibilities, processes, and relationships, as may be prescribed by the CBN from time to time.

Our approach included the review of Coronation’s 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 Bank or reveal irregularities in the underlying information.

Based on our work, and as noted below, the Board of Coronation Bank has complied with the requirements of Sections 10.1 and 10.3 of the CBN CGG 2023 and Sections 14.1 and 15.1 of FRC NCCG 2018 during the year ended 31st December 2024.

Specific recommendations for the further improvement of Coronation’s 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
Partner and Head, Financial Services Risk Management, West Africa
FRC/2013/PRO/DIR/003/00000000794

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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, the Financial Reporting Council of Nigeria and the Central Bank 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



EY's Center for Board Matters Continues to Support Boards

EY Center for Board Matters conducted the EMEIA Board priorities 2025, which surveyed Board members across Europe, the Middle East, India, and Africa (EMEIA) and gathered insights into Board member perspectives on strategic risks and opportunities. Download the full report [here](#)



Geopolitical volatility and resilience

Boards should explore geopolitical business opportunities. Inquire about management's geostrategy for political risk, assess supply chain disruption risks, implement scenario planning for geopolitical events.



Shaping tomorrow's workforce

Boards should understand the evolving employment landscape. Boards should ensure an agile workforce strategy aligns with goals. Boards should support upskilling to fill skills gaps. Boards should establish knowledge transfer strategies. Boards should link workforce objectives to CEO and executive compensation.



Technology, digital transformation and cybersecurity

Boards should define the AI and digital strategy for risks and opportunities. Boards should foster a culture of innovation. Boards should establish an AI function for compliance. Boards should ensure comprehensive incident response plans. Boards should verify compliance with data and technology regulations.



Sustainability integration

Boards should oversee sustainability integration into strategy. Boards should develop skills to question management on sustainability. Boards should appoint executives to lead sustainability and align their compensation with objectives. Boards should verify the assurance of sustainability data. Boards should assess technology needs for sustainability reporting.



Navigating compliance challenges and regulatory demands

Boards should monitor regulatory developments to assess their impact. Boards should establish a strong tone for risk management. Boards should encourage compliance processes aligned with strategic goals. Boards should support sustainability reporting efforts. Boards should understand workforce training on new regulations.



Board priorities in 2030

Boards should de-risk supply chains with friendly suppliers. Boards should reskill a multi-generational workforce. Boards should explore AI and sustainability strategies. Boards should navigate complex regulations and enhance knowledge through diverse expertise. Boards should foster critical thinking and empathy for stakeholders.

Executive Summary

Scope of Work

EY was engaged to conduct an evaluation of the performance of the Board of Directors of Coronation for the year 2024. Our evaluation was based on benchmarking the Board's practices against the Financial Reporting Council (FRC) Nigeria Corporate Governance Code, CBN Corporate Governance Guidelines as well as EY's Corporate Governance Framework.



Director Survey and Peer and Self Assessment

Director responses from a Board evaluation questionnaire were collected, analyzed, and select comments were included for improvement suggestions.



Desktop Review of Relevant Documents

We review Coronation's governance materials to assess the Board's conduct and effectiveness within the review period.



Director Interviews

Interviews with Board members complemented the questionnaires, providing deeper insights and additional observations from the review.

EY's Corporate Governance Framework

Strategy

- Existence of a Strategic plan with vision, mission, objectives and goals
- Strategic guidance
- Succession Planning
- Oversight of Management
- Clear definition of Key Performance Indicators (KPIs) for Board members
- Accountability & ultimate balance of authority

Board Operation

- Discharge of duties
- Contribution of members
- Board Efficacy
- Secretary proficiency
- Remuneration
- Existence of Board and Committee Policies & Charters

Board Risk Management Activities

- Existence of risk Management policies and framework
- Internal Audit and Control system
- Board oversight on Risk Management, Internal Audit, Compliance, Internal Control and implementation
- Risk Governance Structure in terms of composition of Board Finance Committee, Board Audit Committee, Risk Management Committee and Statutory Audit Committee.
- Compliance with regulatory requirements

Board Structure and Composition

- The Board's governance structure
- Clarification of roles & responsibilities
- Board size, structure & composition in terms of Executive, Non-Executive and Independent Directors
- Committee structures
- Diversity and balance of relevant skills and experience between Executive and Non-Executive Directors

Quality of the Board

- Profile and Industry of Board members
- Professional development
- Board performance appraisal
- Appointment, re-appointment & removal of members

Relationship with stakeholders

- Board active involvement with all stakeholders
- Understanding differing views of relevant stakeholder groups
- Conflicts of interest
- Protocols for how and when to communicate to relevant stakeholder groups

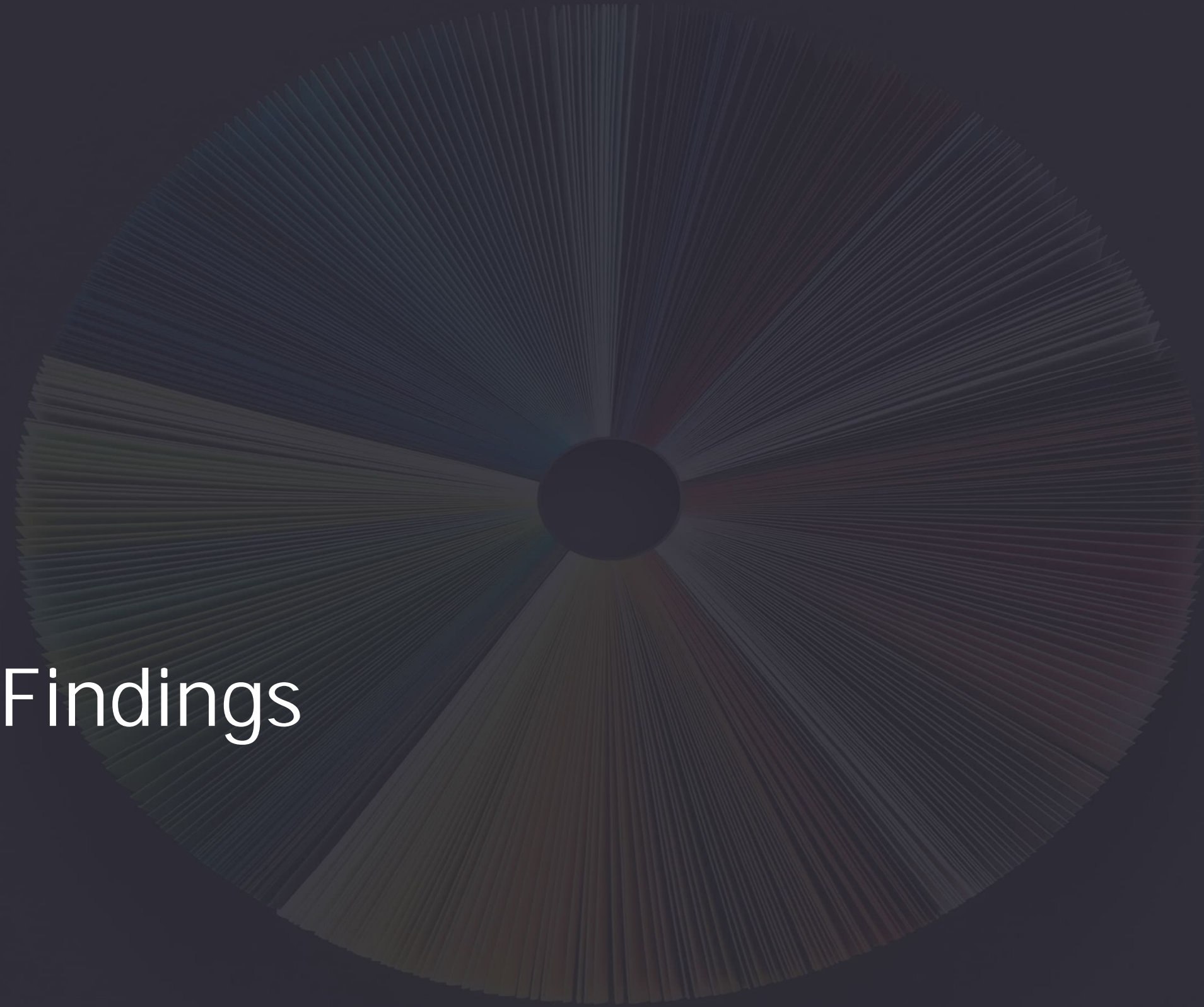
Transparency and Disclosure

- Ensuring that the Board maintains transparency in dealing with its stakeholders
- The Board's compliance with regulatory disclosure requirements
- Existence of an effective whistle blowing policy
- Existence of a code of conduct



02

Summary of Findings



Board Evaluation Dashboard and Maturity Rating

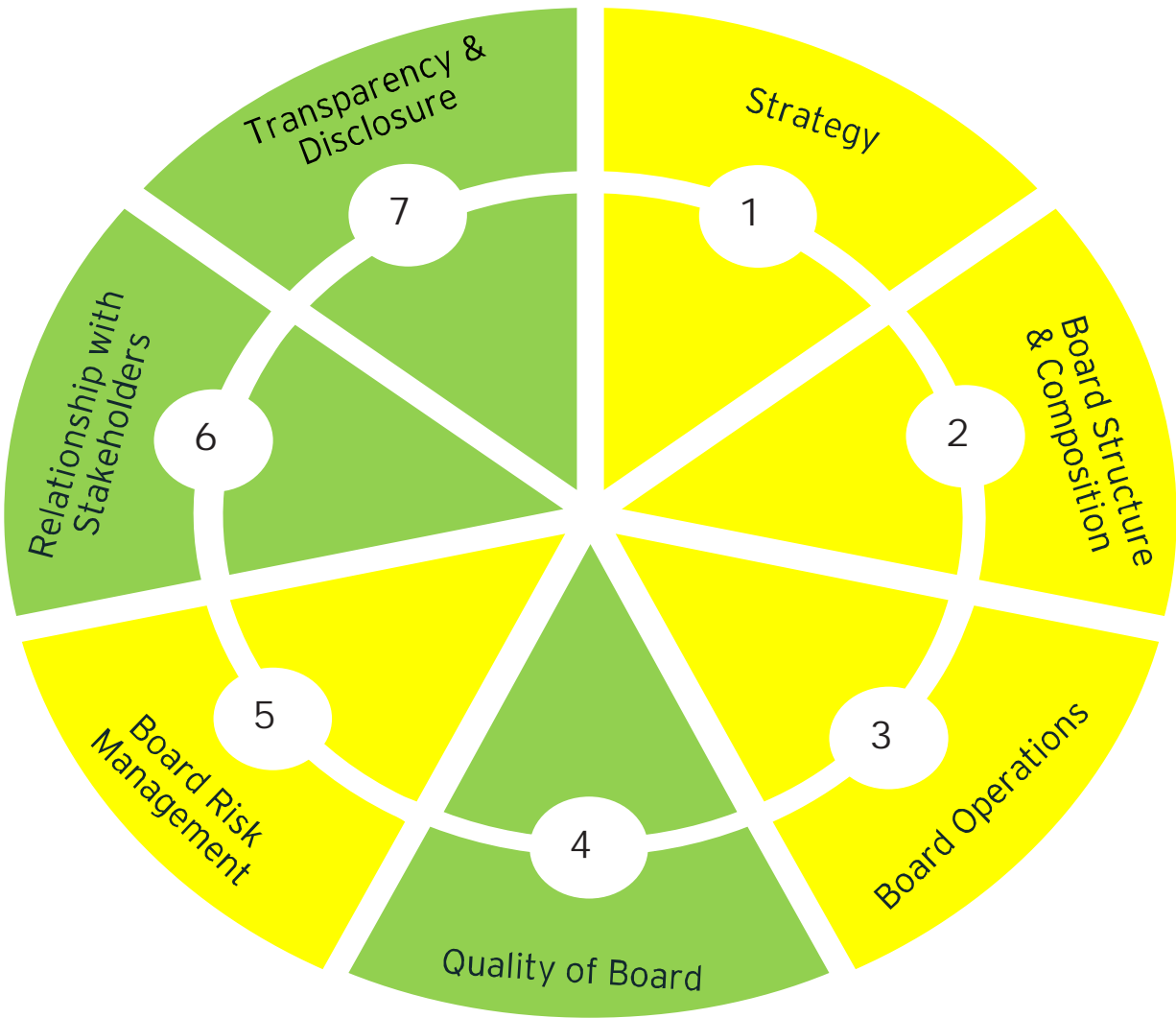
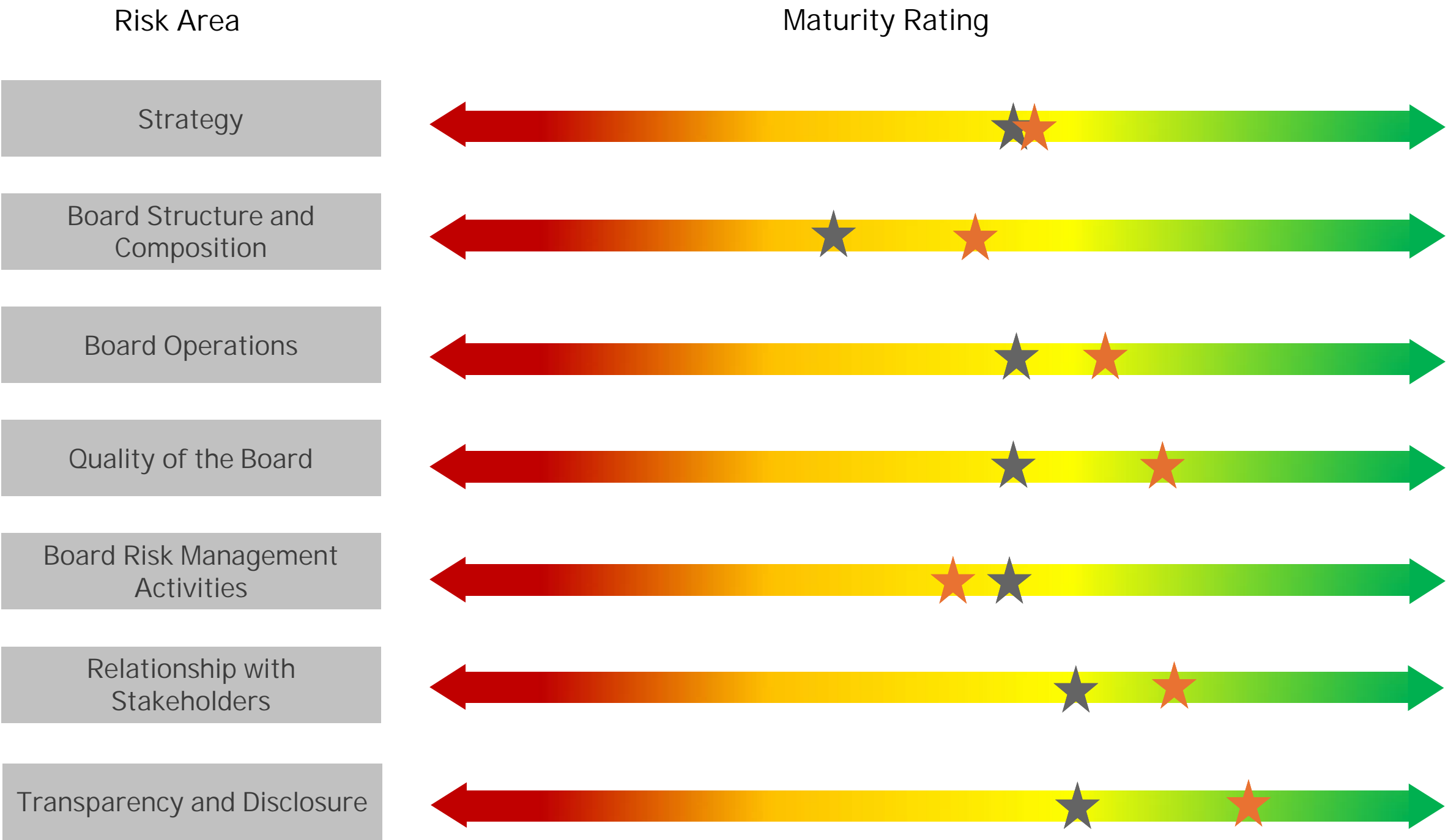
2023



2024



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.



Legend Evolving Functioning Advanced Leading

Key Positives – Highlights from the review

From our desktop review of the Board operations, Policies, framework, procedures, interviews, and the survey, the following are areas of good and outstanding practices noted.

Strategy

Coronation has a comprehensive strategy and the Board is fully involved in ensuring the establishment and implementation of the strategy. The overarching aspiration of the strategy is to be the most respected Nigerian merchant Bank in Africa by 2028.

Board Structure and Composition

The Board of Coronation has delegated some of its authority to four (4) Committees. Coronation's mix of Non-Executive Directors (NEDs) reflects strong governance.

No Director has exceeded the maximum regulatory tenure.

Board Operations

Board members contribute meaningfully to meetings, offering valuable insights and perspectives.

The various Committees have charters that govern its operations. The various Committees met at least once every quarter.

Each Committee comprises at least three members.

Quality of the Board

The Board comprises Directors with technical financial expertise and a track record in the financial services industry.

The Board participated in several training programs designed to enhance its skills in line with new developments in the Bank's business environment.

Risk Management

The Board Risk Management Committee oversee Managements activities in these functions and receives reports on a regular basis.

The Bank has identified risk owners with oversight function of ensuring that risks are prevented, mitigated, and overall, efficiently managed.

The Bank has established a Compliance function tasked with the responsibility of managing the compliance risks faced by the Bank.

Relationship with Stakeholders

The Bank has an approved Communication Policy that outlines the principles and guidelines that all employees, clients, and relevant stakeholders must adhere to when communicating within and on behalf of the Bank.

We also observed that the Bank has a dedicated website with an investors' portal where historical reports up to 5 years are made available in a downloadable format for all stakeholders of the Bank.

Transparency & Disclosure

Coronation Merchant Bank's annual report has a Corporate Governance section that includes details on the Board, Board meeting attendance, risk management and internal control practices.

A functional whistleblowing policy and appropriate reporting channels have been implemented to facilitate disclosure of unethical practices and misconduct within the Bank.

Update on 2023 Evaluation

Focus Area	Applicable Regulation(s)	Observation	Recommendation	Status
Strategy	CBN CGG 2023 Section 2.14 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.	While Coronation Merchant Bank has a Board succession planning Policy and a succession management Policy for critical staff and Board members, we found no evidence of a succession plan with identified pool of successors for Board members and senior management.	A detailed plan should be developed for Directors and all key management/critical roles. The Plan should include matrix for identifying potential successors for these positions, the potential successors, as well as plans to address any knowledge or skills gap.	Partially resolved
		The Board Succession Planning Policy is also yet to be approved by the Board Governance and Nominations Committee (BGNC) and the Board Chairman.	The BNGC should review and approve the policy.	Resolved
	FRC NCCG 2018 Section 1.10 recommends that the Board provide oversight over Information Technology governance.	While the Board Risk Management Committee has oversight of the 's Information Technology (IT) data governance framework, We did not observe an Information Technology Policy or Framework.	The Board should oversee the development of an Information Technology Governance Policy/Framework that comprehensively addresses key areas to ensure alignment with the Company's objectives.	Resolved
	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 the 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.	Resolved
Board Structure	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.	The Board is encouraged to appoint at least one additional INED to align with the requirement.	Resolved
	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.	<p>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.</p> <p>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.</p>	<p>The BNGC should prioritize gender diversity in future appointments to the Board.</p> <p>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.</p>	Unresolved

Update on 2023 Evaluation

Focus Area	Applicable Regulation(s)	Observation	Recommendation	Status
<i>Board Structure</i>	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	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.	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.	Resolved
	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.		The Board should ensure that NEDs with ICT or Cybersecurity expertise are actively engaged in relevant Board Committees (BAC, BRMC) to leverage their specialized knowledge and contribute effectively to decision-making processes.	
<i>Board Operations</i>	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.	In accordance with the guidelines outlined in the CBN Code of Corporate Governance 2018 (CGG 2018), it is recommended that the Bank take corrective action to ensure compliance with the prescribed composition of Board Committees. An INED with the requisite qualifications should be appointed to chair the BAC.	Resolved
	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.	We did not sight any approved Framework for the delegation of authority in the Bank that documents the limits of authority and specifies threshold for all transactions.	The Board should oversee the establishment of comprehensive Framework for the delegation of authority, which outlines the roles, responsibilities, and decision-making authority of various levels of management within the Bank. This framework should define the limits of authority for different types of transactions and specify the thresholds that trigger higher-level approvals.	
<i>Risk Management Activities</i>	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.	To address the gap in risk governance, the Board should prioritize appointing an Executive Director (ED) to oversee Risk Management, in accordance with CBN's CCG.	Resolved
	Section 12.5 of CBN CGG 2023 states that the Board shall review the effectiveness of the implementation of risk management policies and procedures at least annually.	During the Board interviews, Directors voiced their discontent 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.	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. 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.	

Update on 2023 Evaluation

Focus Area	Applicable Regulation(s)	Observation	Recommendation	Status
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 Code of Ethics and Business conduct was last reviewed in July 2020.	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.	Resolved
	FRC NCCG 2018 Section 19.2 The Board should ensure the existence of a whistle-blowing mechanism that is reliable, accessible and guarantees the anonymity of the whistle-blower, and that all disclosures resulting from whistleblowing are treated in a confidential manner.	We conducted tests on the Bank's whistleblowing platform to verify its functionality and monitoring but did not receive a response. This lack of response is indicative of a flaw in the whistleblowing process.	The Board should implement a schedule for periodic testing and evaluation of the whistleblowing platform to verify its functionality, responsiveness, and effectiveness in facilitating the reporting and resolution of concerns or misconduct.	Resolved
	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 were able to review evidence of a Claw back 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 Claw-back Policy and cases of claw backs being pursued by the in its annual report.	Resolved
	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 organization by the Regulators. Where there are no fines and penalties imposed, the Bank should disclose as such.	Resolved
Relationship with Stakeholders	<p>CBN NCCG 2023 section 25.2 states that the Board shall develop stakeholder communication policy and host same on its website.</p> <p>FRC NCCG Section 26 The code requires that the Board should pay attention to sustainability issues and establish policies and practices towards achieving same.</p> <p>CBN CGG 2023 section 2.21 states that the Board shall ensure that the Bank practices good Corporate Social Responsibility (CSR).</p>	<p>From our review, we observed that there is a stakeholder communication policy. It was however not hosted on the Bank's website.</p> <p>EY noted that the Bank does not have a Policy on sustainability.</p> <p>We were unable to observe evidence of CSR activities carried out in the year 2023, and evidence that the Bank has developed a CSR Policy.</p>	<p>The Board should ensure that the Bank's communication policy is hosted on the Bank's website in line with regulations.</p> <p>The Board should consider establishing a sustainability Policy that covers its social, ethical, safety, working conditions, health and environmental responsibilities.</p> <p>The Board should initiate the development of a comprehensive CSR Policy that outlines the Bank's commitment to social responsibility, defines the objectives and scope of CSR initiatives, and establishes guiding principles for engagement with stakeholders and communities.</p> <p>The Board should embed a culture of corporate social responsibility throughout the Bank by promoting awareness, engagement, and participation among employees at all levels. The Bank should encourage volunteerism, employee involvement in CSR projects, and recognition of CSR contributions.</p>	Resolved

Summary of Key Findings/Observations

Focus Area	Applicable Regulation(s)	Observation	Recommendations
Strategy <i>Succession Planning</i>	FRC NCCG 11.2.5.7 Ensure that the Company has a succession policy and plan in place for the Chairman of the Board, the MD/CEO and all other EDs, NEDs and senior management positions to ensure leadership continuity. Succession planning should be reviewed periodically, with provision made for succession in emergency situations as well as long-term vacancies.	We observed a Succession Management Policy that articulates the framework that governs succession management activities in the Bank. However, we did not observe the succession plan with identified pool of successors for key positions in the Board and Senior Management.	The Bank should ensure that prospective successors are mapped to key functions to ensure business continuity.
Board Composition	Principle 4 of the CBN Guidance Note of Nigerian Sustainable Banking Principles recommends a minimum of 40% female representation on the Board.	The Board has a gender ratio of 7:3 male to female Directors indicating a 30% female representation on the Board which falls short of the CBN guidelines.	The Board should consider gender diversity in future appointments by implementing targeted recruitment strategies which will help to address the gender diversity gap and ensure a more balanced representation.
	FRC NCCG Principle 4 The Managing Director/Chief Executive Officer is the head of management delegated by the Board to run the affairs of the Company to achieve its strategic objectives for sustainable corporate performance.	Our review of the Board Composition indicated that the Managing Director is in acting Capacity. We noted that the Bank received an approval from the CBN for Mr. Paul Abiagam to function as the acting CEO. The approval which is valid for one year will elapse in June 2025. We noted that the Bank has initiated the process of getting his appointment as the substantive CEO.	We recommend that the Board solidifies the position of the Managing Director for stability.
	FRC NCCG Section 5.2 EDs should support the MD/CEO in the proper implementation and achievement of the Company's strategic imperatives, as well as prudent management of the Company's finances and other resources.	We noted that there was no ED in the Board at the end of the year in review to support the Acting MD/CEO. The Board Risk Management Committee typically depends on a well-balanced mix of EDs and NEDs to provide thorough oversight of the Bank's risk management framework. In the absence of EDs, critical executive insights essential for effective risk evaluation may be lacking, resulting in a greater burden on Non-Executive Directors to manage oversight responsibilities.	We recommend that the Board intensifies its effort to get additional EDs on the Board.

Summary of Key Findings/Observations

Focus Area	Applicable Regulation(s)	Observation	Recommendations
Board Operations	<p>FRC NCCG Section 11.1.6 To facilitate adequate oversight, the Board should establish Committees responsible for nomination and governance, remuneration, audit and risk management.</p> <p>CBN CGG Section 6.7 Banks shall maintain the exact names of each of the mandatory Committees stated in Recommended Practice 11.1.6 of NCCG 2018 and in this Guidelines, and where the functions of two or more Committees are combined in a single Committee as approved by CBN, the name of such Committee shall reflect the roles or functions combined.</p>	<p>We noted that the Board Governance and Nominations Committee is also responsible for handling remuneration matters. This is in line with FRC NCCG Section 11.1.6.</p> <p>However, the name of the Committee does not reflect it handles remuneration as required by the CBN CGG Section 6.7 when two or more Committees are combined in a single Committee.</p>	<p>The name of the Board Governance and Nominations Committee should be updated to reflect its remuneration oversight responsibility.</p>
Risk Management Activities	<p>CBN CGG Section 12.3 and 12.4 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</p>	<p>We observed that the Bank does not have an Executive Director in charge of the Risk Management function, who also reports to the Board on the risk management activities/initiatives within the Bank.</p>	<p>We recommend that the Bank appoints a qualified individual as an Executive Director responsible for Risk Management and will report directly to the Board.</p>
	<p>CBN CGG Section 15.7 The CCO shall report to the Board through the Executive Compliance Officer (ECO).</p>	<p>We noted that the Bank does not have an ECO as required by the CBN. From the review of the Board minutes, we observed that the CCO presents the Compliance reports to the Board Risk Management Committee.</p>	<p>The Board should promptly appoint a qualified individual as the ECO, who will be responsible for overseeing compliance functions and reporting directly to the Board, thereby ensuring compliance oversight aligns with regulatory requirements and builds an effective compliance framework.</p> <p>The Bank could also consider an ED to cover risks and act as ECO.</p>
	<p>CBN CGG Section 13.4 The head of internal audit, who shall not be below the rank of an Assistant General Manager, shall report directly to the Board Audit Committee.</p>	<p>During our review and discussions with the Directors, we observed that the Bank currently does not have a Chief Audit Executive. However, it was noted that the recruitment process for this position is actively ongoing.</p>	<p>We recommend that the Board expedites the recruitment process for this critical position, ensuring that the selected candidate possesses the necessary qualifications and experience in internal auditing who shall report directly to the Board Audit Committee.</p>

Survey Scorecard

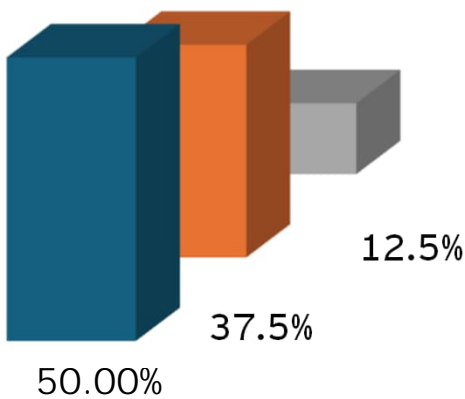


We deployed a survey to the Directors. The Survey was grouped into different focus areas and assessed based on a five-point scale. The Scorecard below shows the average score per focus area indicating the "Positive", "Neutral" and "Negative". "Strongly Agree" & "Agree" are represented as "Positive",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

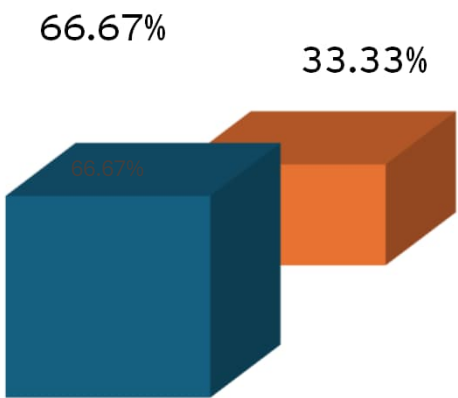
We deployed a survey to the Directors and received 100%* responses.

The Survey was grouped into different focus areas and assessed based on a five-point scale. The scorecard below shows a summary of some responses received from the survey.

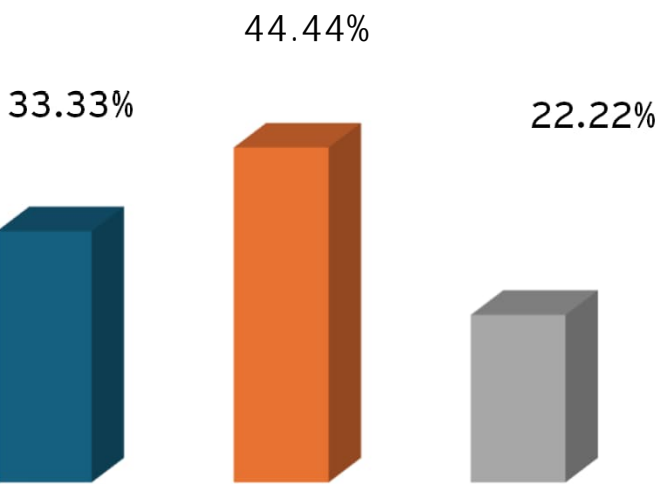
For a detailed analysis of the Survey - see appendix



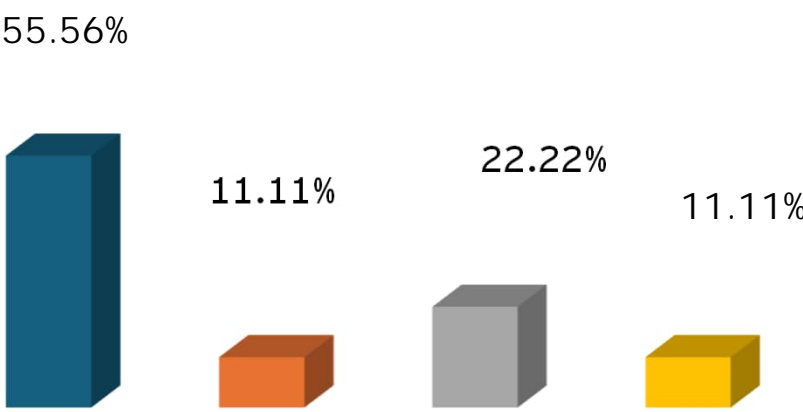
87.5% of respondents agreed that there were periodic review sessions of the Bank's strategic initiatives and monitoring of milestones in the year 2024. 12.5% are neutral.



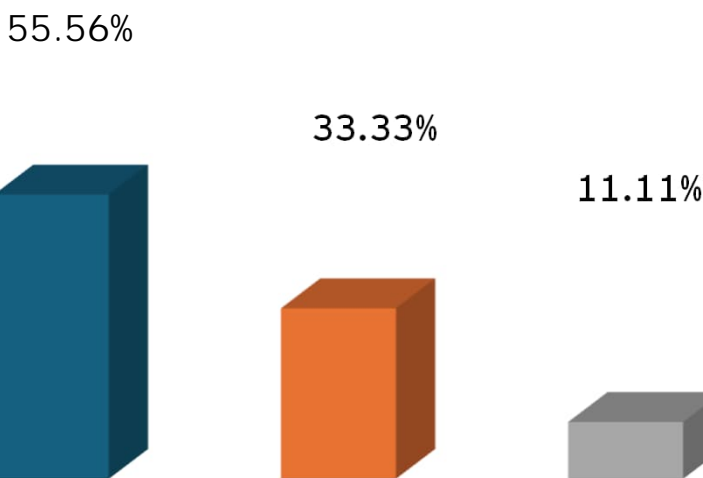
100% of respondents agreed the Board of the Bank has an appropriate balance of skills, experiences, and backgrounds.



77.78% of respondents agreed that Directors are provided timely with sufficient and adequate information to appropriately probe the performance of the Bank and provide critical feedback. 22.22% are neutral.



66.67% of respondents agreed 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.



88.89% of respondents agreed the Board receives regular reports on the Whistle Blowing policy. 11.11% are neutral.

*Responses have been discounted to reflect only the directors who were involved in the Board Operations as at December 2024.

Survey Scorecard

Survey Details	Deployed Questionnaires : 10	Completed: 9	Incomplete: 1	No response: 0
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As part of the survey, we included questions that solicited written responses. The responses of the Directors have been highlighted below:

What additional skill set do you feel is required for representation on the Board?

- IT and Cybersecurity experts due to high rate of growth in technology , artificial intelligence and impact on financial services.
- Digital and Data Analytics
- Digital skills
- IT specific expertise and experience.
- Treasury skills
- Ideally a female member with a strong digital/IT background.
- Cyber skills

Directors' suggestions for additional training

- Governance and strategy
- Digital transformation and other areas in technology
- Board training is haphazard at the moment and I have not noticed any structured training plan in the last 2 years but this may be to do with the financial situation of the Bank in that period.
- Strategy & Strategic Leadership
- Trends in the digital economy
- Cyber risk/ risk management
- Strategy, risk management and cybersecurity.
- Cybersecurity

What changes or suggested improvements do you have for the Board?

- Increase the frequency of training
- To promote gender diversity on the Board, additional female Directors should be appointed
- We need more ED's so the MD is not the sole decision maker in Management on the Board

What areas can be looked into for a more robust Enterprise Risk Management System?

- Additional focus on cyber and new risk around AI
- Market risk, reputational risk and liquidity risk
- More senior and experienced people in management to oversee Internal Control and Internal Audit.
- Tools for identification and mitigation including staff needs a bit of scaling up. There is also need to deploy robust IT tools and applications.
- Integration of risk awareness at all levels of the Bank by promoting a culture of accountability, encouraging open communication and conducting continuous training on risk management and mitigation.

Indicate other key focus areas for the Board to consider

- Brand Image need to be adequately addressed in order to attract and retain excellent staff
- The HR area and general corporate culture needs to be focused on, we have a big weakness in these areas - Management with Board support needs to do more in these areas.
- Culture issues must be a top priority for the Bank- team work, learning environment, mutual respect
- Current attrition rates and ways and means for staff retention in current exodus of skilled professionals from our nation
- Objectivity of appointment to Executive Role
- More emphasis on digital transformation
- Gender diversity

Interview Feedback

There has been a reconnect between the management and the Board

We belong to a strong ecosystem that can offer us support

The Board is open and lets superior reasoning to reign supreme

We are making significant efforts to recruit successors for key roles in the Bank

We have been able to manage what would have been an existential crisis.

We have done some cost corrections in the Bank and also resourcing the various departments. We are having people responsible for certain functions and are being mandated to champion the various initiatives.

Periodically we do get some of our Board trainings done ahead of our Board meetings. We get some resource persons to train us on key regulatory issues, such as AML/CFT.

The current Directors on the Board are all professionals and ethical.

There were some visible improvements indicated from the reports that we continue to receive from the management, so I think we continue to key into the current strategy. I believe there is improvement in the right direction

We strengthened the relationship with critical stakeholders, and I believe we have a better understanding on how to run our business and engage them.

I will say there is a right balance to the Board composition in terms of skill set. In one word, it is "Satisfactory"

So far there have been improvements in terms of profitability, risk management and general balance sheet position.

Interview Feedback

The training plan for Directors have been really poor.

The aspect on the ED was due to lack of track. We have not been able to attract some individuals and those we have attracted we have not been able to get the regulatory approvals from the regulator.

We have onshore and offshore trainings which are available to address specific gaps but certainly there can be improvements in that regard because sometimes it is tied to the financial implications.

In terms of timeliness of getting the Board packs, there have been an engagement around that. We requested improvement and had to set prescriptive timelines for the secretariat

The succession plan is currently weak.

All executive power is centralized in the Managing Director.

The Board is anxious not to return to the tough situation the Bank experienced in previous years.

I think we can do better in terms of geographical spread. We have only one non-Southern Director, other Directors are south-south and Southwest. I think we can do better and ensure we look for someone with IT experience.

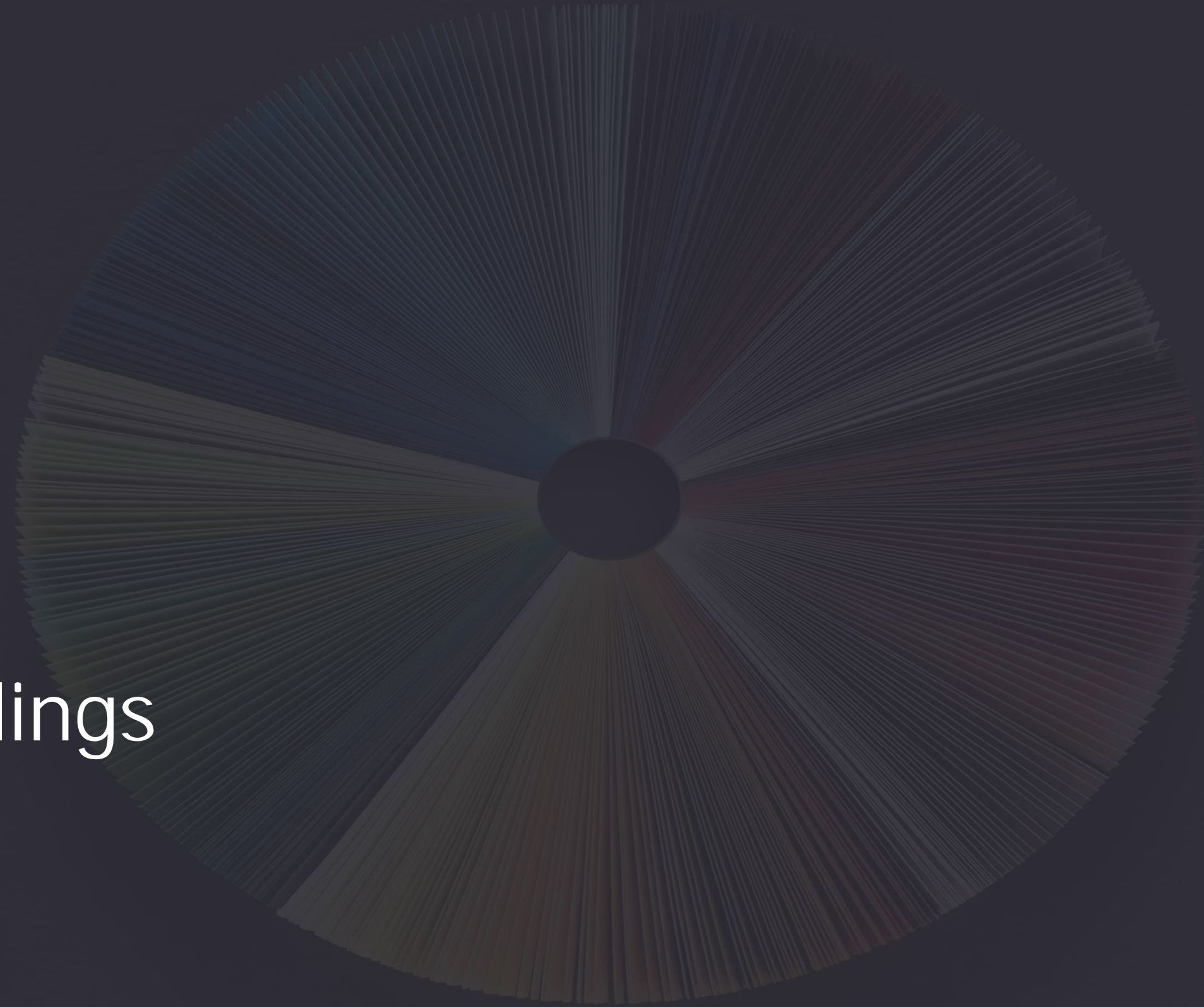
The Bank has not been able to really retain talents around cybersecurity. The Bank will be a bigger target when they start making money.

The Board should be more engaging and more involved in the strategic initiatives that we have as a governing body.

With respect to the Board composition, gender-wise we are not really compliant with that I must confess.

03

Detailed Findings



Key Indicators

- The Board has set clear strategic objectives, values, responsibilities and accountabilities.
- The Board has an approved role-based succession plan for Directors.
- Management reports are rendered to the Board on a quarterly basis

Strategic Planning and Monitoring

Section 2.4 of the CBN CGG states that the Board shall define and approve the Bank's strategic goals, its short, medium and long-term strategies and monitor implementation by management. Similarly, FRC NCCG Section 1.4 states that the role of the Board includes considering and approving the long-term and short-term strategies for the business of the Company and monitoring their implementation by management,

The Board has approved a 5-year (2024 to 2028) strategy for the Bank. The five-year corporate strategy of the Bank covers market definitions and opportunities, strategic ambitions, business and operating model. The strategy was discussed extensively at the 2025 budget and strategy session. The overarching aspiration of the strategy is to be the most respected Nigerian merchant Bank in Africa by 2028.

The strategic objectives of the Bank include achievement of top five in trade finance, the best in trading revenue and the first in investment banking revenue. Other aspirations include the following: to grow the total assets of the Bank to N1.3 trillion and the PBT to N221 billion, grow the Bank loans and advances to N451 billion and total customer deposit volume to N996 billion, to manage operating expense at N166 billion while interest expense would be N732 billion.

Management Succession Planning

The Bank has a Board ratified succession planning policy called the succession management policy that articulates how to identify critical roles and potential leaders, nurture and develop potential leadership talent and aspiring leaders at all levels within the Bank. It also articulates the framework that governs the operationalization of succession management activities within the Bank. The key pillars of the plan are leadership capacity, bench strength and leadership pipeline. The Bank has identified key positions that play strategic roles in the Bank. The identified roles include: Chief executive Officer (CEO), Deputy Managing Director (DMD), Executive Director, Head of Department (HOD), Unit Head (UH). However, we did not observe the succession plan with identified pool of successors for key positions in the Board and Senior Management.

The Board Governance and Nominations charter specifies that the Committee is responsible for reviewing the size, structure composition and commitment of the Board at least annually, including succession planning and recommend appropriate skill mix, personal qualities, expertise and abilities required to discharge the Board's duties.

In the year under review, we observed a smooth transition of authority from the erstwhile CEO to the Acting CEO, which indicates that the succession planning process is effective. **Howbeit, there are some key management roles that are still currently vacant.** The Board has however taken active steps to fill the roles with competent individuals who can discharge their duties effectively.

Key Indicators

- The Board has set clear strategic objectives, values, responsibilities and accountabilities.
- The Board has an approved role-based succession plan for Directors.
- Management reports are rendered to the Board on a quarterly basis

Information Technology Governance

According to FRC NCCG 2018 section 1.10, the Board has the responsibility of providing oversight over Information Technology governance. We observed from our review that the Board through the Board Risk Management Committee provides oversight functions over Information Technology Data Governance and ensures it aligns with the Company's objectives, enable its business strategy, delivers values and improves performance. We observed the existence of a project management framework that provides an operational framework for managing projects within the Bank.

According to Section 1.7 of the CBN CGG 2023, it is required that at least two Non-Executive Directors (NEDs), one of whom must be an INED, possess the requisite knowledge and experience in innovative financial technology, Information Communication Technology (ICT), and/or cybersecurity. From our interviews, we noted that Olayinka Tihamiyu, an INED, has significant experience in IT-related matters. His expertise in this area aligns with the regulatory requirements and enhances the Board's capability to address the challenges and opportunities presented by technological advancements in the financial sector. This experience is invaluable in guiding the Company's strategic direction and ensuring robust oversight of technology-related risks and initiatives.

Oversight of Management

CBN CGG 2023 Section 2.1 CBN CGG Section 2.15 states that the Board is accountable and responsible for the performance and affairs of the Bank. The Board shall ensure the establishment and monitoring of agreed performance targets for the directors and senior management of the Bank. Additionally, The FRC NCCG 2018 Section 1.1 requires that the Board exercise 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.

We observed from the Board minutes that the Board and the established Board Committees receive regular report from the management team in order to evaluate their performance on the day-to-day activities in achieving the strategic objectives of the Bank. The reports covered key areas such as:

- The Acting CEO's Report
- Chief Risk Officer report
- Reports from each Committee
- Human Resources report
- Compliance reports, financial performance report among others.



Board Structure and Composition

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.

Board Composition

The Board of Coronation Bank is made up of distinguished persons with an understanding of business and financial affairs with expertise from diverse backgrounds. The Board consists of ten (10) Directors. This is in accordance with 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 has nine (9) Non-Executive Directors (NEDs), **and one (1) Executive Directors (ED). The ED is functioning in acting capacity.** FRC NCCG Section 5.2 states that EDs should support the MD/CEO in the proper implementation and achievement of the Company's strategic imperatives, as well as prudent management of the Company's finances and other resources. **However, there was just one ED on the Board who is the acting MD/CEO.**

We observed that the number of NEDs are more than the EDs on the Board. This aligns with CBN CGG 2023, Section 1.4 which states that the Board shall consist of Executive and Non-Executive Directors. The number of Non-Executive Directors shall be more than Executive Directors on the Board and its Committees.

We observed that there are three (3) Independent Non-Executive Directors on the Board. This is in accordance with the requirement of the CBN CGG 2023, Section 1.5 which requires the Board to have at least three (3) Independent Non-Executive Directors. Section 2.3 (b) of the FRC CCG recommends that it is desirable that most of the Non-Executive Directors are Independent. The Board can work towards meeting the recommendation in the long-term.

Gender Diversity

The Board composition has a gender ratio of 7:3 male to female Directors. **This implies that the female Director made up 30% of the Board.** Principle 4 of the CBN Guidance Note of Nigerian Sustainable Banking Principles recommends a minimum of 40% female representation on the Board. There is less than the minimum 40% recommended female representation on the Board which does not reflect gender inclusivity. The Board should therefore consider bridging the gender diversity gap in future appointments. The Board complies with the provision of the CBN CGG Section 1.8 that no Board shall consist of one gender as the Board membership consists of both male and female directors.

The Bank has a gender diversity policy which ensures all employees are treated fairly and equally regardless of their gender, sexual orientation, family status, race, color, nationality, ethnic or national origin, religious belief, age or physical challenge in the 2023 annual report. The Board has a Policy on the appointment of Directors (Fit and Proper Policy). In section 7.3 of the policy, it states that gender diversity must be deliberate, and that the Board should comply with a minimum of 30% female representation at the Board level. Female representation on the Board was 30% in the year under review.



Board Structure and Composition

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.

Segregation of Duties

FRC NCCG Section 2.7 states that the positions of the Chairman of the Board and the Managing Director/Chief Executive Officer (MD/CEO) of the Company should be separate such that no person can combine the two positions. The separation of the roles of Board Chairman and Managing Director/Chief Executive Officer (MD/CEO) is a governance practice that promotes a proper balance of power. By ensuring that these positions are held by different individuals, the Bank can maintain an appropriate distribution of authority, preventing any one person from having excessive control over both the Board and management. We observed that the position of the Board Chairman and MD/CEO is segregated. The position of the Board Chairman is held by Mr Babatunde Folawiyo while the position of MD/CEO is currently held in Acting Capacity by Mr Paul Abiagam.

CBN CGG Section 1.17 states that the position of an Executive Chairman or Vice Chairman shall not be recognized in the Board structure of any Bank. The Board complies with the provision as there is no Executive Vice Chairman in the Board structure.

FRC NCCG 2018 section 2.9 states that the Chairman of the Board should not serve as chairman or member of any Board Committee. We reviewed the Committee composition and membership, and our finding indicated that the Board Chairman is not a member of any of the Board Committees.

Director Tenure

CBN CGG 2023 Section 3.2 & 3.3.1 states the tenure of the MD/CEO and 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. We observe that the Board Governance and Nominations Committee oversees the governance, re-election, evaluation, and removal of Directors in compliance with Section 12.1 of the FRC NCCG which states that the Board should approve the criteria for appointing Directors, as recommended by the Committee responsible for nomination and governance. In the year under review, two directors exited the Board, the erstwhile MD/CEO and the COO while two directors were appointed into the Board, the acting MD/CEO and an INED.

FRC NCCG Section 12.10 requires that INEDs do not remain on the Board continuously for more than three (3) terms of three (3) years, we observed that no INED has exceeded the maximum tenure. Section 4.6 and 5.3 of the Board Charter states that an Independent Director must be free from relationships that could affect their judgment and can serve a maximum of five years. After this term, they may continue as a NED or remain independent with Board justification and Shareholder approval. No INED had exceeded the maximum tenure indicated in the Board Charter.

CBN CGG 2023 Section 3.2 states 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. The acting MD/CEO has not exceeded the maximum regulatory tenure of twelve (12) years. The Acting MD/CEO has served the Bank in that capacity for less than a year which is below the maximum period of appointment and hence in compliance with the provision.

CBN CGG 2023 Section 3.4.2 states 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. There is no NED who has been on the Board for more than the regulatory tenure of twelve (12) years.

CBN CCG section 2.4.3 requires that the procedure for appointment to the Board shall be formal, transparent and documented in the Board Charter. From our review, we observed the evidence of criteria for appointment to the Board documented in the Board Charter. This criteria includes the qualification, experience and track records. We observed a Policy on the appointment of Directors (Fit and Proper Policy) which specified key criteria for selecting directors.



Board Operation

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.

Board and Board Committee Composition

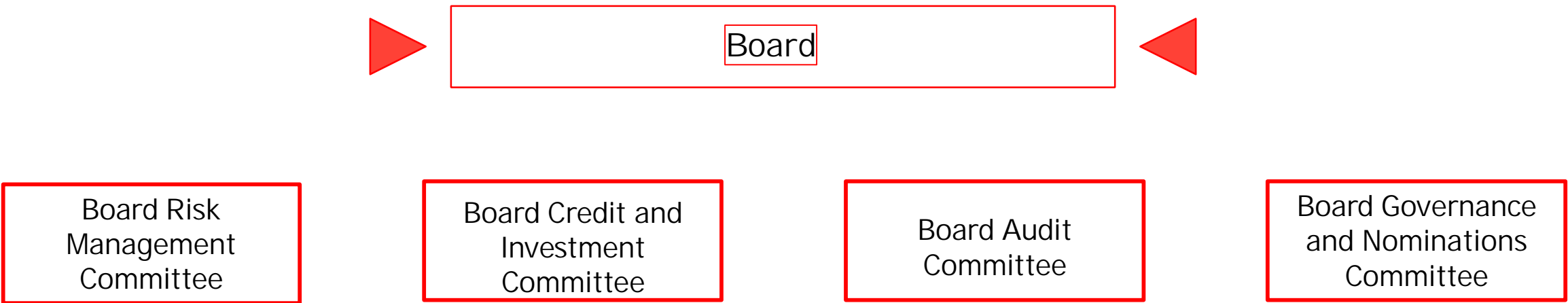
Principle 11 of the FRC NCCG states that to ensure efficiency and effectiveness, the Board delegates some of its functions, duties and responsibilities to well-structured Committees, without abdicating its responsibilities. EY reviewed the Board Structure and observed the establishment of Board Committees to execute specific responsibilities. The Board has established four (4) Board Committees and membership of the Committees range from a minimum of three (3) members to a maximum of Eight (8) members in line with Section 11.1.5 of the FRC NCCG 2018 requires that each Committee should be composed of at least three members.

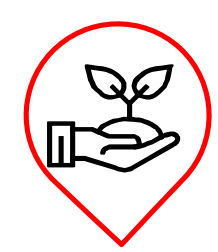
Section 6.1 of the CBN CCG states that the terms of reference and composition of Board Committees shall be set out in the Board-approved charter for each Committee. From our review, we noted that the terms of reference and composition of Board and Board Committees are clearly set out in the Charters.

We observed that the Audit Committee and Risk Committee are separate with at least one NED as member of both Committees. Five (5) NEDs sit on both Committees. The NEDs (including INEDs in this instance) are Mr Olayinka Tiamiyu, Mr Olukayode Akindele, Mr Idaere Gogo Ogan, Ms. Olubunmi Fayokun and Ms. Evelyn Oputu. This is in accordance with Section 6.10 of the CBN CGG that requires that the functions of the Board Risk Management Committee and the Board Audit Committee (BAC) shall not be combined for Commercial, Merchant or Non-interest banks. Provided however, that at least one NED on the Board of the Bank shall be a member of both Committees concurrently.

CBN CGG Section 6.5 states that in addition to the mandatory Committees listed in Recommended Practice 11.1.6 of NCCG 2018, the Board of any CMNIB shall also establish a Board Credit Committee (BCC) with oversight responsibility on credit matters. We observed that the Bank has established a Board Credit Committee to oversee the Bank's credit risk management. The Board and Board Committees have charters approved by the Board. These charters define the roles and responsibilities of the Committee members, structure, obligations and proceedings.

As at the year end, Coronation had established the following Committees listed below:





Board Operation

Board Committee Composition and Meeting attendance

Board Risk Management Committee (BRMC)

- Key Committee Activities

The Risk Management Committee is a standing Committee of Coronation responsible for overseeing the management of risks within the Bank, establishment of policies, standards and guidelines for risk management. 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

- Collective skills and experience

The Committee members possess expertise and experience in Banking, Financial Analysis, IT Processes, Law, Credit Risk, Accounting, Investment Banking, Commercial Banking, Branding, Corporate Governance and Enterprise Risk Management, Operations and Processes, People Management, Visioning and Strategy

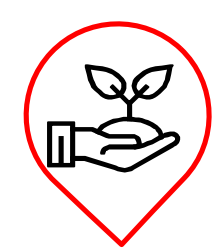
- Committee composition

The BRMC Charter requires that the Committee shall comprise a minimum of five (5) members, majority of whom must be Non-executive Directors (NED). As at end of the review period, the BRMC consists of eight (8) Directors, seven of whom are NEDs. **The Committee is chaired by Ms. Evelyn Oputu, a Non-Executive Director.** This is in line with section 11.5.4 of the FRC NCCG and Section 6.14 of the CBN CGG 2023 which states that the BRMC of a Bank shall be chaired by a NED and its composition shall include at least two NEDs and the ED in charge of risk management.

- Meeting and Attendance

The BRMC Charter requires that the Committee shall meet at least once every quarter or as the business exigencies dictate. The FRC NCCG Section 11.5.5 mandates the Committee responsible for risk management should meet at least twice every financial year or such number of times as may be appropriate to discharge its duties. Additionally, Section 5.2 of the CBN CGG 2023 requires that to effectively perform its oversight function and monitor management's performance, the Board and its Committees shall meet at least once every quarter. The review of the BRMC attendance shows that the Committee met a total of five (5) times during 2024 with an average attendance rate of 98%.

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



Board Operation

Board Committee Composition and Meeting attendance

Board Credit and Investment Committee (BCIC)

- Key Committee Activities

The Credit and Investment Committee is a standing Committee of Coronation established to support the Board in fulfilling its oversight responsibilities concerning the establishment and maintenance of effective credit governance. This includes ensuring the adequate management, measurement, monitoring, and control of credit risk within the Bank. The Committee oversees the Bank's credit exposure, management, lending practices, and offers strategic guidance for the development and attainment of the Bank's credit and lending objectives.

- Collective skills and experience

The Committee members possess expertise and experience in Banking, Financial Analysis, IT Processes, Law, Credit Risk, Accounting, Investment Banking, Commercial Banking, Branding, Corporate Governance and Enterprise Risk Management, Operations and Processes, People Management, Visioning and Strategy.

- Committee composition

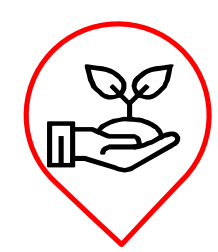
The BCIC Charter mandates the Committee shall comprise a minimum of five (5) members, with at least an INED. We observed that in the year under review, the Committee comprised of eight (8) members: two (2) Independent Non-Executive Directors, five (5) Non-Executive Directors and the Acting MD/CEO who sits as the ED in charge of risk management function in the Bank.

Section 6.3 of the CBN CGG states that all Board Committees shall be chaired by NEDs. The Committee is chaired by Mr. Larry Ettah, a NED which is in compliance with the guideline.

- Meeting and Attendance

The BCIC Charter mandates that the Committee shall meet at least once every quarter or as business exigencies dictate. Section 5.2 of the CBN CGG 2023 requires that to effectively perform its oversight function and monitor management's performance, the Board and its Committees shall meet at least once every quarter. A review of the attendance shows that the Committee met a total of seven (7) times in the year under review with an average attendance rate of 100%.

More details on the Committee attendance can be found in the [Appendix C](#).



Board Operation

Board Committee Composition and Meeting attendance

Board Audit Committee (BAC)

- Key Committee Activities

The Audit Committee is a standing Committee of Coronation Board of Directors responsible for overseeing the financial reporting and disclosure process, the audit process, the system of internal controls, and compliance with laws and regulations.

- Collective skills and experience

The Committee members possess expertise and experience in Accounting, Banking and Finance, Law, Risk Management, Financial Management and Compliance.

Section 6.13(c) of CBN CGG 2023 states that at least one member of the BAC of a CMNIB shall be knowledgeable in Innovative Technology, ICT and/or Cybersecurity. Upon review of the Directors CVs and profile, it was observed that one of the Directors in the BAC possess the required knowledge or requisite experience in Innovative Technology, ICT, or Cybersecurity.

Section 11.4.2 of the FRC NCCG requires that all members of the Committee should be financially literate and should be able to read and understand financial statements. At least one member of the Committee should be a financial expert, have current knowledge in accounting and financial management and be able to interpret financial. We noted that Evelyn Oputu is well versed in the finance field. Her profile indicated that she has been responsible for the Corporate Finance Division of a tier 1 bank.

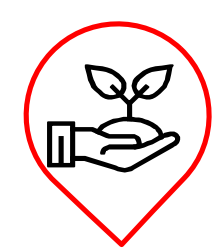
- Committee composition

Section 11.1.5 of the FRC NCCG requires that each Committee should be composed of at least three members. Additionally, the Board Audit Committee Mandate shows that the Committee shall have a minimum of three members all of whom shall be NEDs. We observed that the BAC consists of five (5) members, none of whom is an ED. This aligns with Section 11.4.3 of the FRC NCCG which states that for private companies, members of the Committee responsible for Audit should be NEDs.

The Committee is chaired by Mr Olayinka Tihamiyu , an Independent Non-Executive Director which aligns 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.

- Meeting and Attendance

The FRC NCCG Section 11.4.5 and the Board Audit Committee Charter mandates the Committee to convene at least once every quarter. The BAC attendance shows that the Committee met a total of five (5) times in year under review. Members collective attendance for 2024 was 100% . More details on the Committee attendance can be found in the [Appendix C](#).



Board Operation

Board Committee Composition and Meeting attendance

Board Governance and Nominations Committee (BGNC)

- Key Committee Activities

The Governance and Nominations Committee is a standing Committee of Coronation responsible for ensuring that the Board has the appropriate balance and size, and the required mix of skills, experience, and other core competencies. The Committee supports the Board in its oversight of governance, director appointments, re-elections, and removals, ensuring the selection of high-quality directors who add value to the Bank and comply with CBN requirements. It also advises on director induction, training, Board and Committee performance evaluations, and governance processes.

CBN CGG Section 6.7 states that Banks shall maintain the exact names of each of the mandatory Committees stated in Recommended Practice 11.1.6 of NCCG 2018, and where the functions of two or more Committees are combined in a single Committee as approved by CBN, the name of such Committee shall reflect the roles or functions combined. We noted that the function of the remuneration Committee was subsumed within the BGNC. However, the name of the BGNC does not reflect it also handles remuneration. We recommend that the name of the BGNC is expanded to reflect that it is also in charge of remuneration.

- Collective skills and experience

The Committee members possess expertise and experience in Banking, Financial Analysis, IT Processes, Law, Credit Risk, Accounting, Investment Banking, Commercial Banking, Branding, Corporate Governance and Enterprise Risk Management, Operations and Processes, People Management, Visioning and Strategy

- Committee composition

The BGNC Charter mandates that the Committee shall comprise at least three (3) members all of whom shall be Non-Executive Directors. The Committee is composed of five (5) Directors all of whom are NEDs. This is in line with Section 11.3.2 of the FRC NCCG that states that Members of the Committee responsible for remuneration should be NEDs, and a majority of them should be INEDs where possible. Section 11.3.3 of the FRC NCCG states that It is desirable that the Chairman of the Committee be an INED. Additionally, CBN CGG 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 noted that the Committee is chaired by Ms. Olubunmi Fayokun, an INED.

- Meeting and Attendance

The BGNC Charter mandates that the Committee shall meet at least once every quarter or as the business exigencies dictate. Additionally, Section 11.2.4 of the FRC NCCG states that the Committee should meet at least twice a year or such number of times as may be appropriate to discharge its duties. Section 5.2 of the CBN CGG 2023 requires that to effectively perform its oversight function and monitor management's performance, the Board and its Committees shall meet at least once every quarter. A review of the BGNC attendance shows that the Committee met a total of nine (9) times in FY24 with an average attendance rate of 100%.

More details on the Committee attendance can be found in the [Appendix C](#).



Board Meetings and Attendance

The CBN CGG 2023 section 5.6 requires that every Director is required to attend all meetings of the Board and its Committees that he or she is a member. In order 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 met the reappointment requirement.

The CBN CGG 2023 section 5.2 and Section 10.2 of the FRC NCCG 2018 states that to effectively perform its oversight functions and monitor management's performance, the Board shall meet at least once every quarter. A review of the Board meetings showed that the average attendance at Board meetings was 100%.

At each Board Meeting, the reports to the Board included the highlights of events in the macroeconomic environment, people, compliance and other issues which occurred during the period. We observed that the various Board Committees also presented their reports to the Board summarizing their activities for the period. More details on the Board attendance can be found in the [Appendix C](#).

Section 3.5.7 of the CBN CGG 2023 states that all INEDs shall hold a formal meeting at least once in a year without the other directors being present. We observed evidence that the meeting held within the review period. Based on our interview session with members of the Board, we noted that the Board meetings are well-organized, agenda-driven, and robust interactions among members.

Company Secretary

Review of the Company Secretary's profile showed that he is a Chartered Company Secretary with over twenty-five (25) years working experience spanning across company secretarial practice, regulatory compliance, corporate governance, dispute management, contract management and legal advisory. This is in accordance with Section 3.6.1 of the CBN CGG 2023 and Section 8.1 of the FRC NCCG 2018 that states the Company Secretary should be a person with relevant qualifications and competence necessary to effectively discharge the duties of the office.

Section 3.6.2 of the CBN CGG 2023 states that the functions of a company secretary shall not be outsourced by Banks. We observed that the Bank has complied with the provision as the Company Secretary is a staff of the Bank.

Section 8.2 of the FRC NCCG 2018 states that where the Company Secretary is an employee of the Company, she should be a member of senior management and should be appointed through a rigorous selection process similar to that of new Directors. We observed that the Company Secretary is an Assistant General Manager and a member of Senior Management.

Section 3.6.3 of the CBN CGG 2023 states that the role of the Company Secretary in a CMNIB, shall not be combined with that of the Head Legal/Legal Adviser, without the approval of the CBN. We observed that an approval was received from the CBN to combine both positions.

Section 8.6.4 of the FRC NCCG 2018 requires the Company 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 helps in organizing annual general meetings, Board and Board Committee meetings for the Company with strict turnaround time for production of minutes and reports.

Feedback from the Directors from survey and interview, reflected overall satisfaction with the Company Secretariat's performance in organizing meetings, preparing Board documents, and managing Board communications effectively.



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. We observed an approved Framework for the delegation of authority in the Bank that documents the limits of authority and specifies 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 CEO, senior management 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.

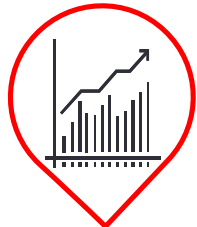
Board Remuneration

The Board Mandate provides that the Board shall put in place a remuneration policy 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 CCG 2023 Section 11.4.

We further 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 includes 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 Directors reflects the extent of their responsibilities and liabilities and consists of sitting allowances (based on Board and Board Committee meetings 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.



Quality of the Board

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, in order to keep up to date with the new technologies, regulations, and best practices for the environment.

Performance Evaluation

Section 14.1 of the FRC NCCG and Section 10.1 of the CBN CGG 2023 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. We observed that the Bank conducts an annual appraisal of the Board, its Committees, the Chairman, and individual directors. This appraisal encompasses all aspects of the Board’s structure, composition, responsibilities, officers of the board, meetings of the board and its Committees as prescribed by the CBN Guidelines for Annual Board Evaluation by External Consultants of Banks and Other Financial Institutions in Nigeria.

Section 10.3 of the FRC NCCG and Section 10.3 of the CBN CGG 2023 requires the annual appraisal shall be conducted by an independent external consultant with adequate experience, knowledge and competence in corporate governance and performance management. From our review we observed that the Board appointed Ernst & Young as an independent consultant to conduct the annual board evaluation and corporate governance evaluation for the financial year ending 2024. This report is evidence of the decision on the Board performance evaluation.

Furthermore, the Board, through its Board 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.

Profile and Experience of the Board

The FRC NCCG Section 2.2 states that the Board should assume responsibility for its composition by setting the direction and approving the processes for it to attain the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities.

The Board of Coronation is made up of Directors who collectively possess adequate and relevant technical skills, competencies and experiences required for effective oversight of Board activities. Based on our review, we observed that the Board comprise of individuals who have knowledge on business and financial matters and possess the technical skills and competencies, to provide a positive impact on the governance of the Bank. The Board has a mix of Directors with Entrepreneurial Skills, Banking, Accounting, Law, Enterprise And Information Technology and Financial Knowledge which helps them to make significant contributions, sound decisions towards the growth, sustainability and functionality of the Bank. The collective wealth of knowledge and experience has had a positive impact on the turnaround, growth and governance of the Bank.



Quality of the Board

Babatunde Folawiyo

Chairman



Paul Abiagam

Acting Managing Director / CEO



Akindele Olukayode

Non-Executive Director



📅

April 2015

📅

2024

📅

April 2023

QUALIFICATIONS

BSc Economics, London School of Economics
LLB, London School of Economics
LLM Law, University College London

KEY STRENGTHS

Business Development
Strategic Planning and Operations
Corporate governance

Relevant Corporate Experience

Managing Director of the Yinka Folawiyo Group
Director at MTN Nigeria Communications Ltd.
Director at Unic Insurance Plc

Director’s Evaluation

In compliance with Section 3.1 of the FRC NCCG Mr.Folawiyo effectively discharged his duties as Chairman of Coronation by facilitating the effective operation of the Board and ensuring that the Board works as a group towards achieving Coronation strategic objectives.

The Minutes of Coronation 2024 Board Meetings confirm his regular meeting attendance and his active contribution to strategic decision-making.

QUALIFICATIONS

BSc University of Benin
MBA Pan African University
Honorary Senior Member of the Chartered Institute of Bankers of Nigeria
Member, Institute of Directors of Nigeria
Fellow of the Chartered Institute of Management Accountants, UK
Member of the American Institute of Certified Public Accountants

KEY STRENGTHS

Business Transformation
Business Development
Strategy Formulation and Execution
Process and Change Management

Relevant Corporate Experience

Deputy Manager & Branch Head, Commercial Banking Group, GTBank
Divisional Head, Corporate Banking, Lagos Island, GTBank
Pioneer Managing Director/CEO of Guaranty Trust Pension Managers Ltd

Director’s Evaluation

In compliance with Section 4.1 and Section 4.2 of the FRC NCCG Mr. Abiagam has demonstrated a broad understanding of the business and has successfully inculcated a culture of integrity, performance and conformance .

As required by Section 4.4.4 of the FRC NCCG, Mr. Abiagam consistently provides the Board complete, accurate and timely information and documentation to enable it make sound decisions. This is evidenced by the Acting CEO’s Update Report made during quarterly Board Meetings held in 2024.

QUALIFICATIONS

BA Hons Degree in Philosophy, Politics, and Economics, University of Oxford

KEY STRENGTHS

Merger and Acquisitions
Audit
Product Development
Debt Structuring
Investment Banking

Relevant Corporate Experience

Audit & Assurance Associate, PricewaterhouseCoopers (PwC)
Manager/Associate Director, Lloyds Banking Group
Vice President/Assistant General Manager in UBA Global Markets
Co-Founder and Partner in TIA Capital

Director’s Evaluation

His immense dedication to Coronation is visible from his contribution to Board meetings and the four Committees he belongs.

Committee membership



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Committee membership

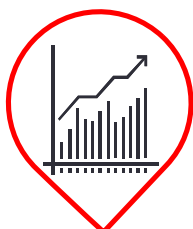


2/4

Committee membership



4/4



Quality of the Board

Olayinka Tihamiyu

Independent Non-Executive Director



Adamu Atta

Non-Executive Director



Larry Ettah

Non-Executive Director



📅

July 2023

📅

April 2015

📅

April 2015

QUALIFICATIONS

B.Sc. Hons Degree in Petroleum Engineering, University of Ibadan
M.Sc. in Industrial Engineering , University of Ibadan MBA, University of Lagos
Fellow of the Institute of Chartered Accountants of Nigeria (“ICAN”)
Senior honorary member of the Chartered Institute of Bankers
Associate of the Chartered Institute of Taxation of Nigeria.

KEY STRENGTHS

Internal Audit
Credit Risk Management
Financial Control

Relevant Corporate Experience

Audit Senior/ Assistant, Arthur Andersen
Head, Financial Control, Strategy, Systems and Controls, Credit Risk
Management, and Internal Audit, Access Bank Plc
General Manager in charge of Group Internal Audit, Access Bank

Director’s Evaluation

Section 6.1 of the FRC NCCG sets out the selection criteria for Non-Executive Directors includes wide experience, knowledge and personal qualities and are expected to bring these qualities to bear on the Company’s business and affairs.

Mr Tihamiyu possesses the right blend of qualities that has enabled him make immense contributions. He is a member of the four Board Committees. He regularly attends the meetings and makes immense contributions. He serves as the Chair of the BAC.

QUALIFICATIONS

BA. International Relations/International Economics
MA. Development Economics
Masters Political Science

KEY STRENGTHS

Business Consulting
Systems Coordination
Development Economics

Relevant Corporate Experience

Founded and Head, Matad Group Nigeria Limited (“Matad”)
Served on the Boards of various companies, including WAPIC
Insurance Plc, Access Investment & Securities Limited etc.

Director’s Evaluation

Section 6.1 of the FRC NCCG sets out the selection criteria for Non-Executive Directors includes wide experience, knowledge and personal qualities and are expected to bring these qualities to bear on the Company’s business and affairs.

Mr. Atta possesses cogent experience that has enabled him make immense contribution to the Board in the review period. He is a member of three Board Committees and actively participates in meetings.

QUALIFICATIONS

B.Sc. Industrial Chemistry, University of Benin
MBA, University of Michigan

KEY STRENGTHS

Corporate Finance
Business Development
Human Resource

Relevant Corporate Experience

Group Managing Director/Chief Executive Officer of UAC of Nigeria Plc,
Chairman of the following publicly quoted companies: UAC Property
Development Company Plc (UPDC), Chemical & Allied Products Plc etc.

Director’s Evaluation

Mr. Ettah is an experienced director with a notable track record. He effectively discharges his duty by being a key contributor in the three Committees he belongs. He is the Chairman of the BCIC.

Committee
membership



4/4

Committee
membership

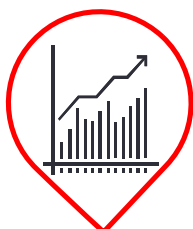


3/4

Committee
membership



3/4



Quality of the Board

Evelyn Oputu

Non-Executive Director



Olubunmi Fayokun

Independent Non-Executive Director



Idaere Gogo Ogan

Non-Executive Director



April 2015

November 2017

November 2017

QUALIFICATIONS

B.Sc. Business Administration,

KEY STRENGTHS

Treasury
Marketing
Financial Consulting
Corporate Finance

Relevant Corporate Experience
Senior Manager & Deputy Head of the Corporate Finance Division,
International Merchant Bank
Chairman and Chief Executive at KES Products Ltd
Executive Director at First Bank Nigeria Plc

Director’s Evaluation

As Chairperson of the BRMC, she has made immense contribution towards ensuring proper risk oversight in the Bank. She is a member of three Board Committees and regularly attends meetings.

QUALIFICATIONS

Bachelor of Laws (LL.B
Council Member of the Nigerian Bar Association Section on Business Law)
Director of the Association of Issuing Houses of Nigeria

KEY STRENGTHS

Corporate Law
Natural Resource Law
Merger and Acquisition

Relevant Corporate Experience
Senior Partner, Aluko & Oyeboode
Legal Adviser/Company Secretary of Denham Management Limited.

Director’s Evaluation

She has used her vast wealth of experience to make valuable inputs into Board and Board Committee meetings. She is a member of all four Board Committees of the Bank and is Chairperson of the BGNC.

QUALIFICATIONS

B.Sc. (Hons) Economics
MBA International Finance
member, Institute of Directors of Nigeria,

KEY STRENGTHS

Financial Advisory
Corporate Finance
Business Development

Relevant Corporate Experience
Group Chairman of Calvary Group
Head, Corporate Bank Pharmaceutical Group at Guaranty Trust Bank PLC
Chairman, Board of Directors of United Securities Limited (USL)

Director’s Evaluation

Mr. Idaere is an experienced director with a notable track record. He effectively discharges his duty by being a key contributor in the three Committees he belongs.

Committee membership



3/4

Committee membership



4/4

Committee membership



3/4



Quality of the Board

Adetola Owolabi

Independent Non-Executive Director



2024

QUALIFICATIONS

B.Sc. Business Administration, University of Lagos
MBA, University of Liverpool,

KEY STRENGTHS

Management
Financial Analysis
People Development
Risk Management

Relevant Corporate Experience
Assistant General Manager and Group Head Maritime Group, GTBank
Group Head, Commercial Banking Group, GTBank
Executive Director, Black Pelican Limited

Director’s Evaluation

She joined the Board in 2024 and has brought in her wealth of experience to discussions in the Board meeting. Her experience on other Boards have made her integrate seamlessly into Coronation.

Committee membership



3/4



Quality of the Board

Developmental activities

According to FRC NCCG Section 13.2, all Directors should participate in periodic, relevant, continuing education programs to update their knowledge and skills and keep them informed of new developments in the Company’s business and operating environment.

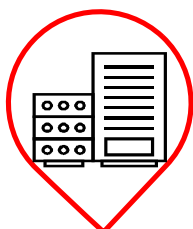
To enhance the Board Effectiveness, Directors are required to participate in continuous professional development trainings, to remain abreast of issues facing the Board and Board Committees as well as meet regulatory requirements.

A review of the Board Governance and Nominations Charter shows that the BGNC has been given the responsibility to monitor and assess the continuing education program for Directors. During the year under review, the directors participated in several training programs designed to enhance their skills and keep them up to date with new developments in the Banks’ business environment.

Below is the shared list of Coronation Director’s Training for 2024:



S/N	Name	Training	Venue	Date
1	Olukayode Akindele	Cyber Security for Directors	Corporate Governance Institute (Virtual)	June 19, 2024
2	Olayinka Tihamiyu	Cyber Security for Directors	Corporate Governance Institute (Virtual)	May 8, 2024
3	Evelyn Oputu	Advanced International Corporate Finance program	INSEAD Fointainebleau, France	November 18-22, 2024



Board Risk Management Activities

Key Indicators

- The Board champions the risk culture within the Company 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

Oversight of Risk Management Activities

The Board has delegated the responsibility for independent and objective oversight of risk management to the Board Risk Management Committee. This Committee is tasked with ensuring the quality, integrity, and reliability of the organization's risk management and governance processes. The Committee is responsible for reviewing the risks associated with the organization, as well as overseeing the Risk Management policy, risk profile, and appetite. Additionally, it evaluates the methodologies used for risk identification and measurement.

From the review of the minutes, we observe that the Board Risk Management Committee receives quarterly reports from the risk department 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 include 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.

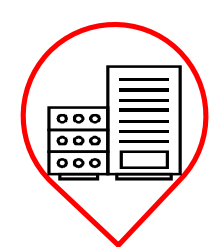
We observed that the Bank has a Chief Risk Officer (CRO) – Mr. Saheed Alamutu who is in charge of the risk management function and listed among its Senior Management Staff. This aligns with Section 17.8 of the FRC NCCG 2018, which recommends that the Board ensures the risk management function is led by a senior management member possessing relevant qualifications, competence, objectivity, and experience. Section 12.3 and 12.4 of CBN CGG 2023 however requires the Board to 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. **The Bank does not have an ED designated for this role.**

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.

Existence of Risk Management Framework

The Board has approved an Enterprise Risk Management (ERM) Framework that ensures all risks are adequately identified, assessed, reviewed, and controlled in line with the enterprise risk strategy of the Bank. According to Section 12.1 of CBN CGG, the approved ERM Framework of a Bank shall clearly describe the roles and responsibilities of the Board, BRMC, ED Risk, Chief Risk Officer (CRO), senior management and internal control function. We observed that the ERM Framework of the Bank has specified the roles of the Board, the BRMC and other relevant departments in the Bank.

The framework is approved by the Board and outlines the risk management strategy, risk appetite, risk management practices, risk management process and other risk components relevant to the Bank. The framework also establishes comprehensive guidelines for identifying, assessing, monitoring, measuring, controlling, and reporting risks and opportunities across various activities, services, products, and business lines, addressing operational, hazard, financial and strategic risks. It is designed for all stakeholders, including the Board of Directors, Executive Management, Internal Audit & Control, Enterprise Risk Management, Business/Support Divisions, and Employees, defining the Bank's overall approach to managing identified risks. This is in compliance with Section 17.1 and 17.2 of FRC NCCG.



Board Risk Management Activities

Compliance Function

Coronation Bank has established a Compliance function tasked with assisting Senior Management in effectively managing the compliance risks faced by the Bank. This function ensures that the Bank adheres to relevant statutory, regulatory, and supervisory requirements, fostering a positive working relationship with supervisors and regulators. By doing so, it plays a crucial role in preventing the imposition of fines and sanctions.

The compliance function is responsible for ensuring that any deviations are reported to an appropriate level of Management or the Board. The compliance function should also be responsible for designing and developing annual mandatory compliance training programme that aligns the Company's core objectives with regulatory obligations and internal standards.

We observed that the Bank has a Chief Compliance Officer (CCO) – Mr. Isaiah Ailenmoagbon who is a distinguished Compliance professional with over 27 years of experience in internal audit, compliance, governance, risk management, internal control, and banking operations. The CCO is responsible for but not limited to Coordinating and monitoring AML/CFT Compliance by the Bank. This is in accordance with Section 15.4 of CBN CGG The CCO shall have the primary responsibility of monitoring and coordinating the implementation of regulatory requirements as cascaded by the Executive Compliance Officer. **We however observed that the Bank does not have an ECO as required by Section 15.1 and 15.2 of the CBN CGG.**

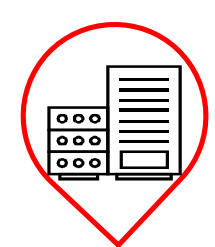
Section 15.7 of the CBN CGG states that the CCO shall report to the Board through the ECO. **However, from the review of the Board minutes, we observed that the CCO presents the Compliance reports to the Board Risk Management Committee.**

Compliance Risk Management Policies

Section 2.6 of the CBN CGG states that the Board shall maintain oversight of the Bank's Anti-Money Laundering, Combating the Financing of Terrorism, and Countering Proliferation Financing (AML/CFT/CPF) policies and procedures. In line with its oversight responsibilities, we have observed that the Board has formally approved an AML/CFT Policy. This policy serves to affirm the Board's commitment to upholding the highest standards of AML/CFT compliance.

The approved AML/CFT policy is designed to prevent the misuse of the Bank's products, services, channels, or resources for money laundering, terrorist financing, or any other financial crimes. By establishing this framework, the Board demonstrates its proactive approach to mitigating risks associated with financial crime and ensuring that the Bank operates within the regulatory requirements. This commitment not only enhances the Bank's reputation but also reinforces its dedication to ethical practices and corporate responsibility in the financial sector.

It was also observed that the Board has also approved other compliance policies including Anti-Bribery and Corruption Policy, whistleblowing policy, conflict of interest and related party policy, code of business conduct, Compliance Manual etc. These policies are implemented to provide guidance for making decisions on the day-to-day activities of Management and for compliance with regulatory requirements. These policies provide strategic guidance for the management's daily operations and ensure compliance with regulatory mandates.



Board Risk Management Activities



Internal Audit

During our review, we observed that the Bank has established an internal audit function that provides independent assurance regarding the quality and effectiveness of the Bank's internal control, risk management, and governance systems and processes. This unit plays a vital role in helping the Bank achieve its objectives by employing a systematic and disciplined approach to evaluate and enhance the effectiveness of its risk management, internal control, and governance processes.

The Internal Audit function is instrumental in ensuring that the Bank's operations align with its strategic goals by identifying areas for improvement and recommending best practices. Additionally, it plays a significant role in the combined assurance model, which integrates various assurance activities to provide a comprehensive view of the organization's risk management and control environment. By fulfilling these responsibilities, the Internal Audit function contributes to the overall integrity and resilience of the Bank's governance framework.

Section 13.4 of the Central Bank of Nigeria's Corporate Governance Guidelines (CBN CGG) stipulates that the head of internal audit, who must hold a position no lower than Assistant General Manager, shall report directly to the Board Audit Committee (BAC). During our review and discussions with the Directors, we observed that the Bank currently does not have a Chief Audit Executive. However, it was noted that the recruitment process for this position is actively ongoing.

Section 13.5 of the CBN CGG states that 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. It was noted that the Bank has initiated this procedure, and the report will be submitted before the regulatory deadline.

External Audits

The audit of the Company's financial statements is conducted and published annually. External auditors are responsible for reviewing the accounting records, controls, and financial statements, providing an opinion on whether the financial statements present a true and fair view for the year under review. While the audited financial statements for 2024 were not available for our review, we examined the 2023 financial statements and noted that KPMG Professional Services was appointed as the external auditor for that year.

The External Audit Partner, Nneka Eluma, had over 15 years of professional experience in financial statement audits and related services with extensive expertise in International Financial Reporting Standards (IFRS), audit and financial advisory services, as well as due diligence. Her qualifications and experience contributed significantly to the credibility and reliability of the audit process, ensuring that the financial statements are thoroughly evaluated and accurately reported.



Relationship with stakeholders

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.

Stakeholder Engagement

Section 25.1 of the CBN CGG requires that banks maintain a website and encourages them to communicate with stakeholders through this platform and other official channels. The Bank is dedicated to upholding high standards of corporate disclosure to both existing and potential shareholders, as well as regulators, enabling informed decision-making regarding its operations.

Section 25.1 of the FRC NCCG stipulates that the Board should adopt and implement a stakeholder management and communication policy. We observed that the Board of CMB has approved a Communication Policy that outlines the principles and guidelines that all employees, clients, and relevant stakeholders must adhere to when communicating within and on behalf of the Bank. In addition to the established Communication Policy, we noted that the Bank hosts up to five years of historical annual reports and other pertinent information on its website (www.coronationmb.com), in alignment with Section 27.4 of the FRC NCCG. This initiative not only enhances transparency but also encourages shareholders to actively participate in sustaining the Bank's corporate values by exercising their rights as protected by law. By fostering open communication and accessibility to information, the Bank demonstrates its commitment to stakeholder engagement and responsible governance.

It was 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 Bank 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 the feedback received during the Director interviews, it is evident that the Bank demonstrates a strong commitment to adhering to Central Bank of Nigeria (CBN) regulatory directives, with compliance recognized as one of its core values. The Bank perceives compliance not merely as a regulatory obligation but as a fundamental principle that underpins its operations and decision-making processes.

Overall, regulatory compliance is treated with the utmost seriousness by the Bank, reflecting its dedication to maintaining high standards of governance and ethical conduct. This proactive approach to compliance not only safeguards the Bank's reputation but also fosters trust among stakeholders and contributes to the long-term sustainability of its operations.



Relationship with stakeholders

Corporate Social Responsibility (CSR)

In accordance with Section 2.21 of the Central Bank of Nigeria's Corporate Governance Guidelines (CBN CGG), the Board is committed to ensuring that the Bank practices effective Corporate Social Responsibility (CSR). This commitment is demonstrated by a comprehensive list of CSR projects and initiatives undertaken in the year 2024.

During our review, we noted that the CSR initiatives implemented by Coronation Merchant Bank focus on several key areas, including Education, Environment, Healthcare, Agriculture, Arts and Culture, Entrepreneurship, and Women Empowerment. These initiatives highlight the Bank's dedication to making a meaningful impact in the communities it serves, reflecting a well-rounded approach to social responsibility that addresses diverse societal challenges and promotes sustainable development.

Protection of Shareholder Rights

Section 23 of the Financial Reporting Council's National Code of Corporate Governance (FRC NCCG) mandates that the Bank ensure equitable treatment of shareholders and the protection of their statutory and general rights, with particular emphasis on safeguarding the interests of minority shareholders to promote good governance.

From our review of the Board minutes, we observed that the Board actively engages shareholders in making significant decisions related to the operations and investment strategies of the Bank. This engagement reflects the Board's commitment to transparency and inclusivity, ensuring that all shareholders have a voice in the decision-making process. By fostering this collaborative approach, the Bank not only upholds its governance responsibilities but also strengthens shareholder trust and confidence in its leadership.



Sustainability

Paying adequate attention to sustainability issues, including environmental, social, occupational, and community health and safety, is essential for ensuring successful long-term business performance. It also positions the Bank as a responsible corporate citizen contributing to economic development.

Section 26.1 of the Financial Reporting Council's National Code of Corporate Governance (FRC NCCG) 2018 stipulates that the Board should establish policies and practices concerning its social, ethical, safety, working conditions, health, and environmental responsibilities, as well as policies addressing corruption.

We observed that the Board has proactively established sustainability-related policies that address key areas such as corruption, health and safety, environmental concerns, and social risks. These policies reflect the Board's commitment to integrating sustainability into the Company's operations and governance framework, thereby promoting responsible business practices and enhancing the Company's reputation in the community.

Annual General Meeting (AGM)

General meetings serve as crucial platforms for the Board to engage with shareholders, enabling them to gain a deeper understanding of the Bank's business, governance, and performance. These meetings provide shareholders with the opportunity to exercise their ownership rights and express their views to the Board on various areas of interest. The Board, along with its Committees and Management, is committed to ensuring that decisions made during general meetings are effectively implemented.

From the review of the acknowledgement copies of the AGM notice, we observed that the Bank provides sufficient information and appropriate time in rendering the AGM notice to its shareholders and other stakeholders. The AGM notice was dated 28th of May 2024 and the meeting was scheduled for 20th June 2024. This is in compliance with Section 21.4 of the FRC NCCG, which states that Notices of General Meetings must be issued at least 21 days prior to the date on which the meeting is to be held.



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.

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.

Whistle Blowing

The Bank has established a Whistleblowing Policy that is applicable to all employees, management, directors, and shareholders. This policy aims to encourage individuals to disclose any malpractice or misconduct they observe, in accordance with Section 19.1 of the FRC NCCG and Section 17 of the CBN CGG.

The policy clearly outlines the reporting channels and processes available for whistleblowers, which include both external and internal reporting options. Specifically, employees can report concerns through the internal whistleblowing email at kpmqethicsline@ng.kpmg.com, as well as via dedicated hotlines indicated in the Policy.

Additionally, a web link for reporting is available at <https://apps.ng.kpmg.com/ethics>. This information is prominently displayed on the Bank's website and in the annual report, demonstrating a public commitment to the whistleblowing mechanism. This proactive approach aligns with Section 19.3 of the FRC NCCG, reinforcing the Bank's dedication to transparency and accountability in its operations. 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.



Business Code of Conduct

Section 21.1 of the CBN CGG mandates that banks establish a Code of Business Conduct and Ethics, disclosing the necessary information and practices to maintain confidence in the Bank's integrity.

We observed that the Bank has implemented a Board Ethical Conduct and Values Policy that clearly specifies the expected behaviors of its employees and directors. This policy is designed to empower individuals at all levels of the organization and facilitate effective decision-making in alignment with defined ethical principles.

New employees are required to read and sign an attestation confirming their understanding of the Bank's Code of Conduct, reinforcing the importance of ethical behavior from the outset of their employment. Additionally, the Bank has a Compliance Manual that provides comprehensive guidelines for addressing violations or breaches of the Code, ensuring the enforcement of discipline among staff. The Chief Compliance Officer is tasked with monitoring adherence to the Code of Conduct, further underscoring the Bank's commitment to maintaining high ethical standards and compliance within its operations.

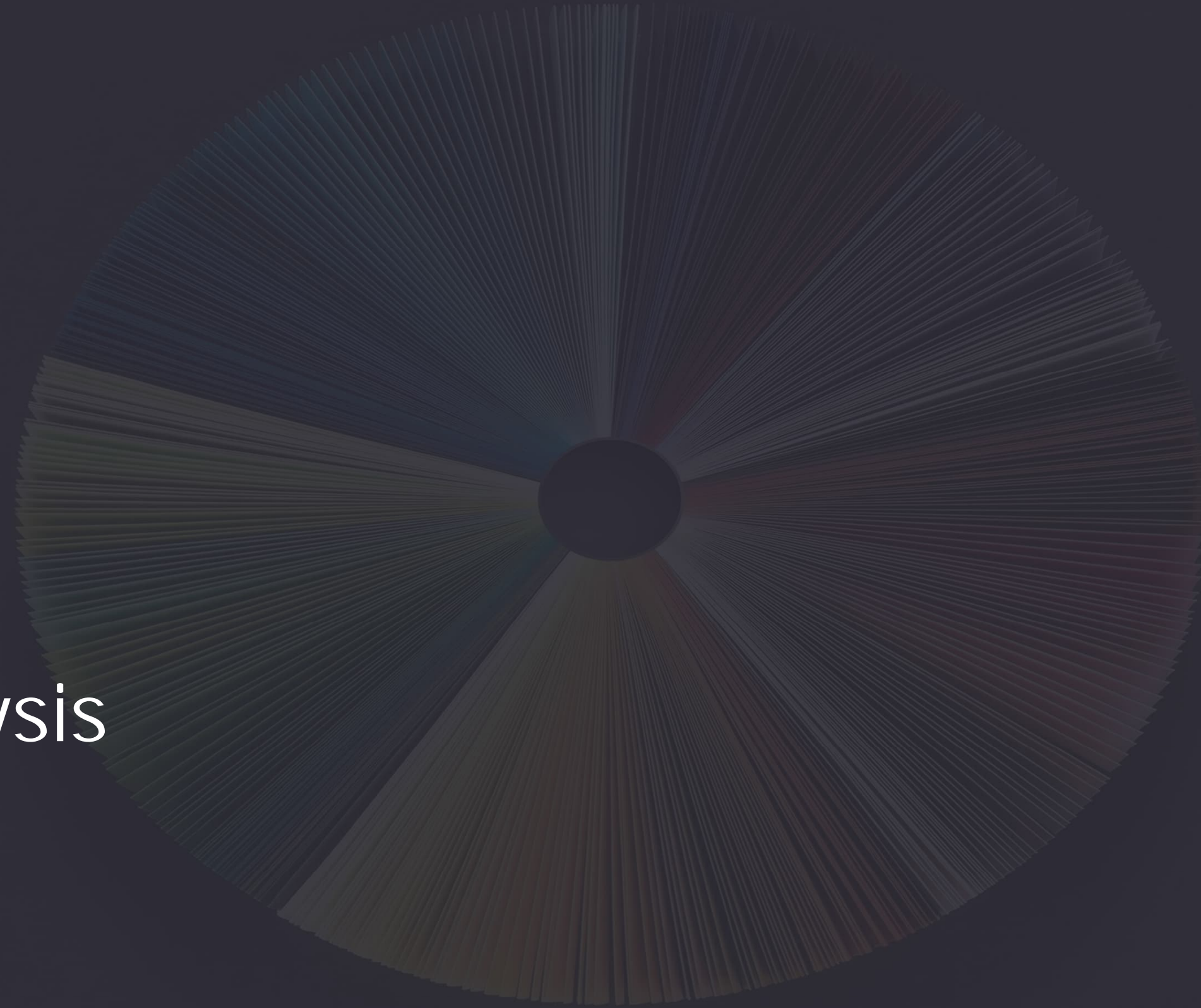
Conflict of Interest

Section 23.1 of the CBN CGG stipulates that the Board must develop and adopt a policy to guide the Board and individual directors in managing conflict-of-interest situations. This policy should include the approval and revision date, a definition of conflict of interest, the purpose of the policy, and the procedures to follow in such situations.

From our review, we observed that the Board has indeed approved a conflict-of-interest policy. Additionally, we reviewed copies of conflict declaration forms that were filled out and signed by the directors, which further confirms the Board's adherence to the policy. This proactive approach demonstrates the Board's commitment to transparency and ethical governance, ensuring that potential conflicts are appropriately managed and disclosed.

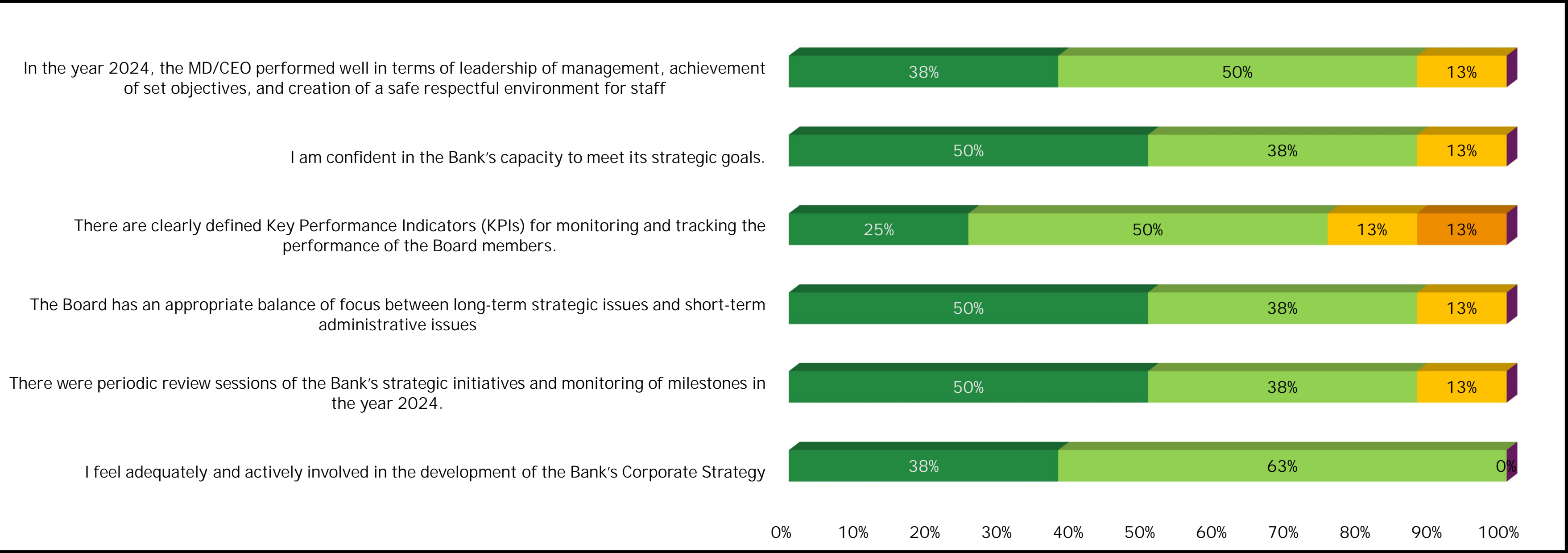
04

Survey Analysis



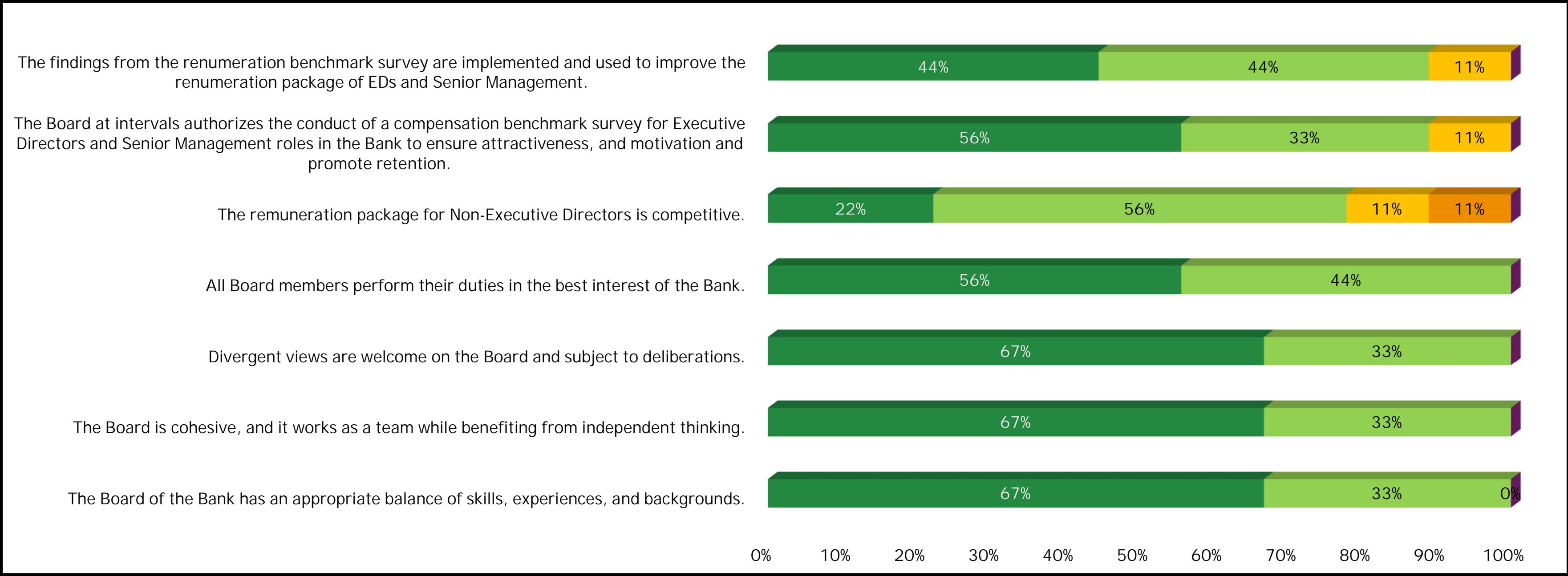
Survey Details	Deployed Questionnaires : 10	Completed: 9	Incomplete: 1	No response: 0
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Strategic Leadership



Survey Details	Deployed Questionnaires : 10	Completed: 9	Incomplete: 1	No response: 0
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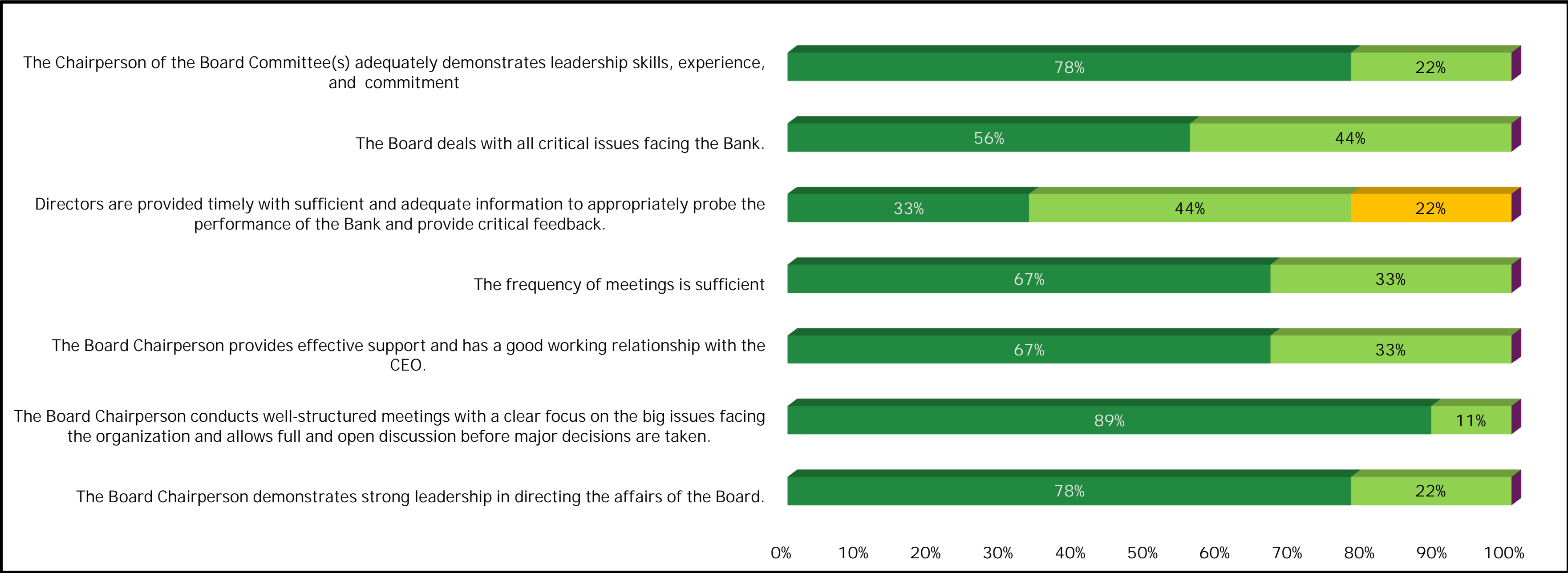
Board Composition, Capacity and Remuneration



Detailed Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 9	Incomplete: 1	No response: 0
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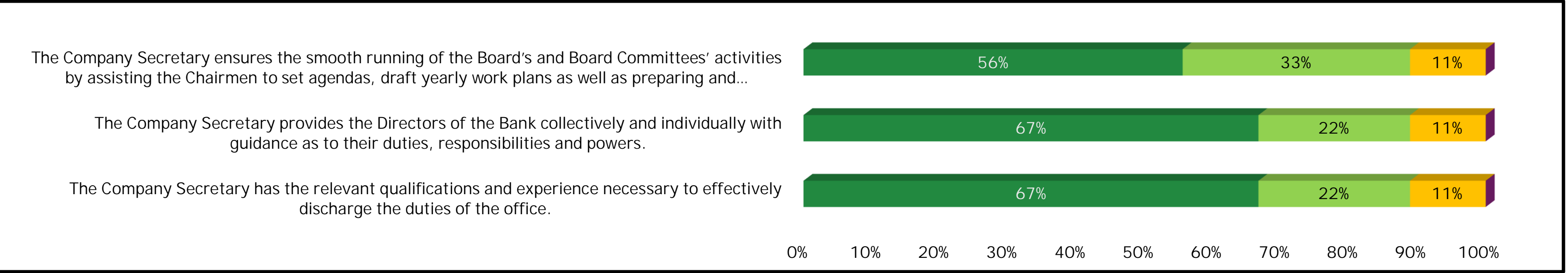
Board Operations



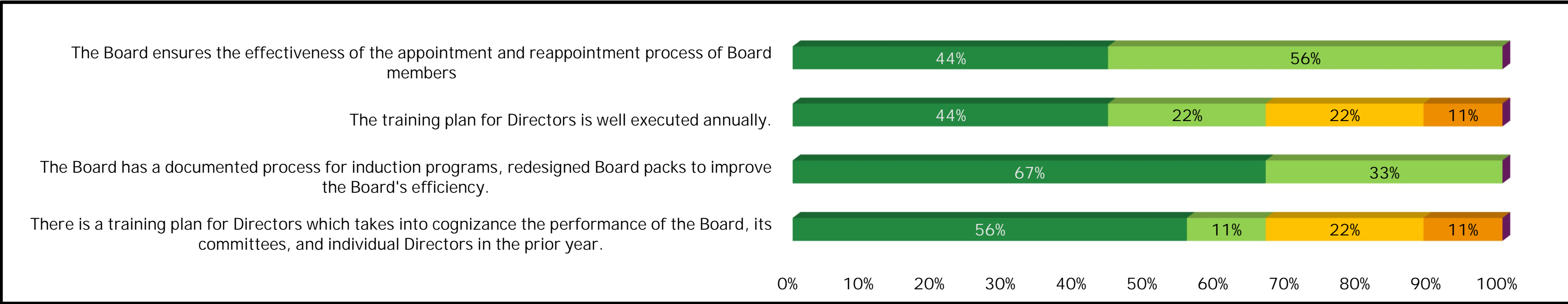
Detailed Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 9	Incomplete: 1	No response: 0
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Company Secretariat Function

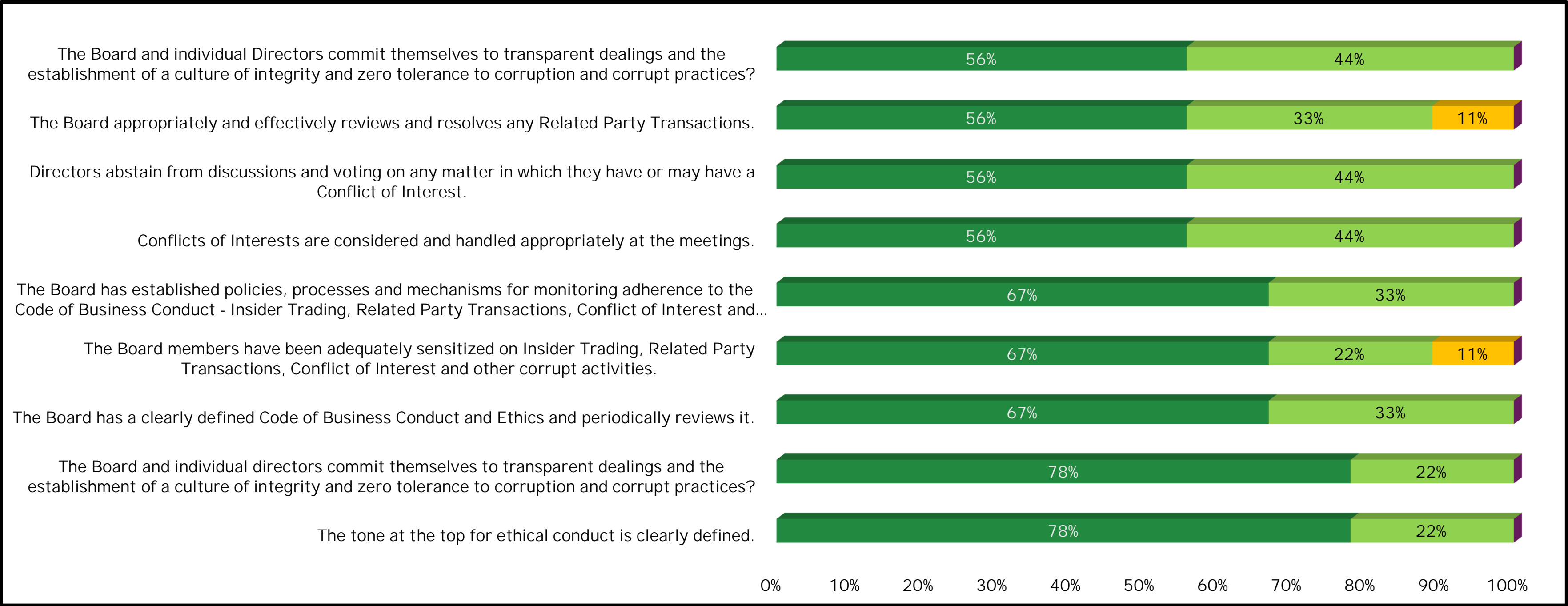


Quality of the Board



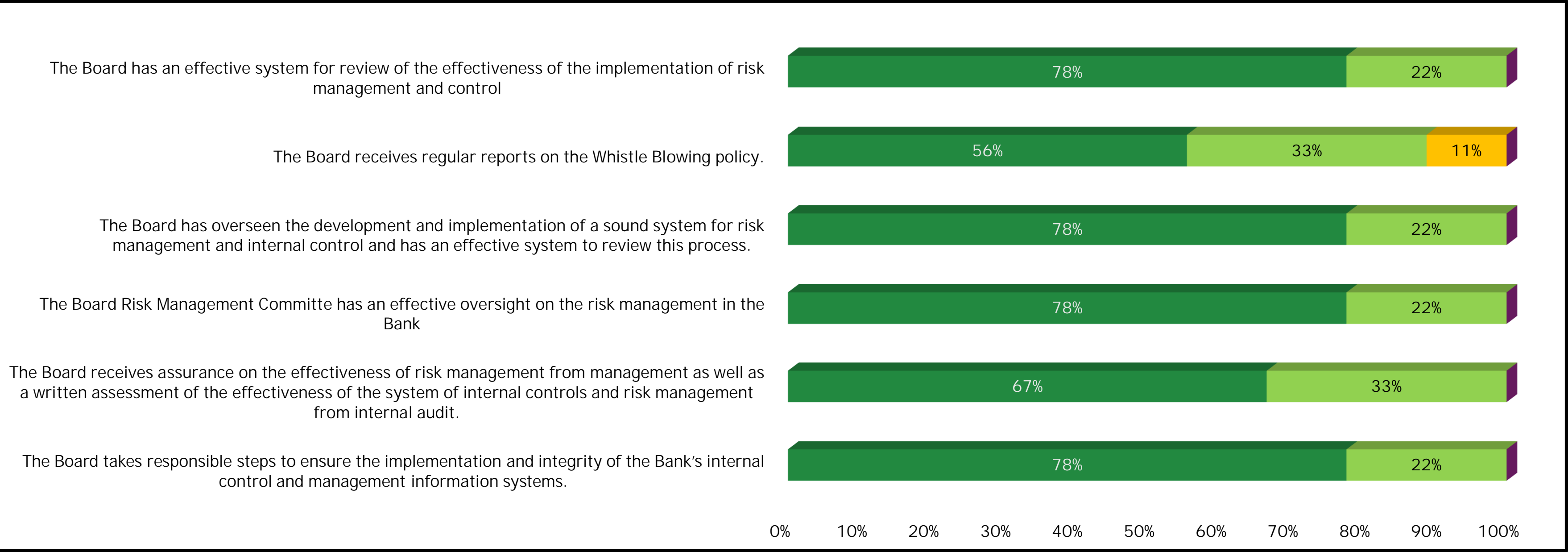
Survey Details	Deployed Questionnaires : 10	Completed: 9	Incomplete: 1	No response: 0
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Business Conduct, Culture and Ethics Issues



Survey Details	Deployed Questionnaires : 10	Completed: 9	Incomplete: 1	No response: 0
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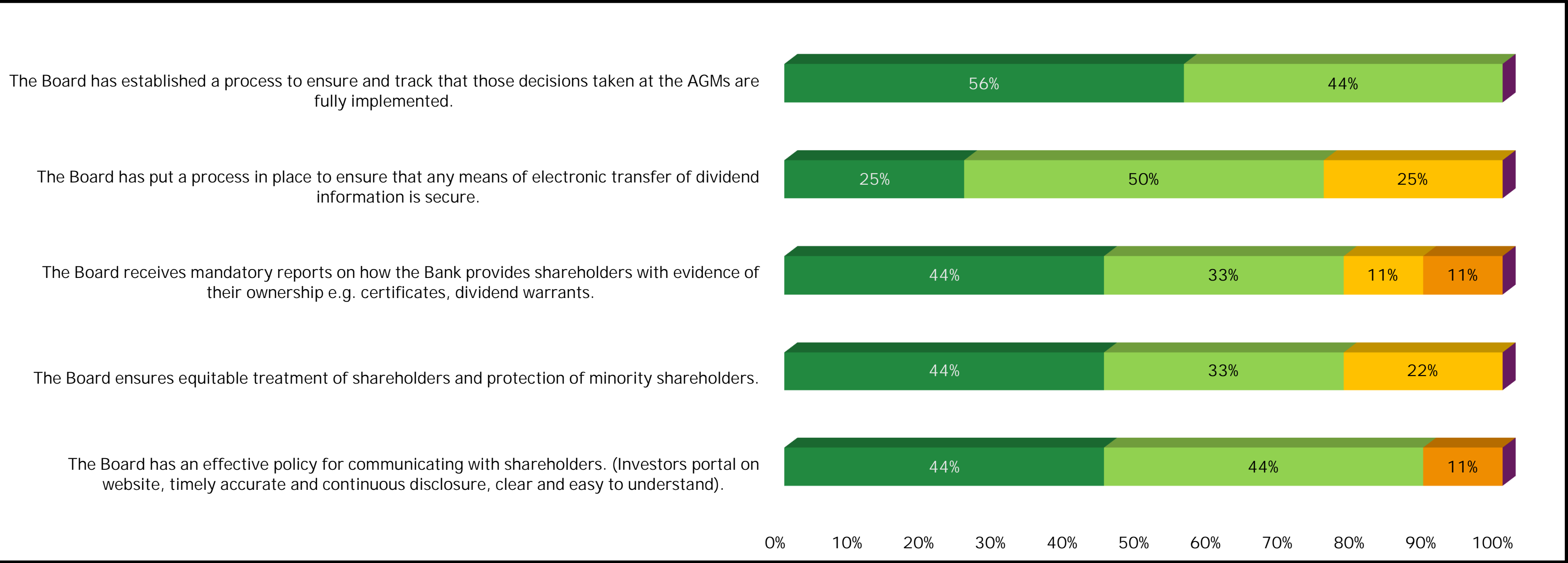
Risk Management and Control



Detailed Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 9	Incomplete: 1	No response: 0
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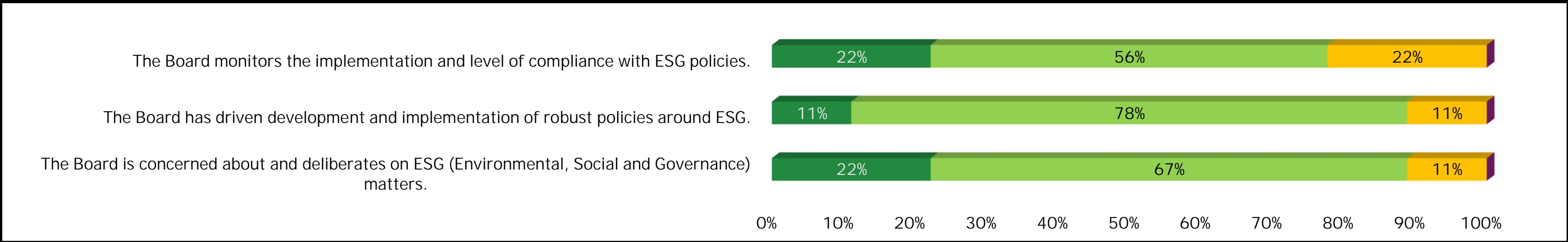
Shareholder's Relationship



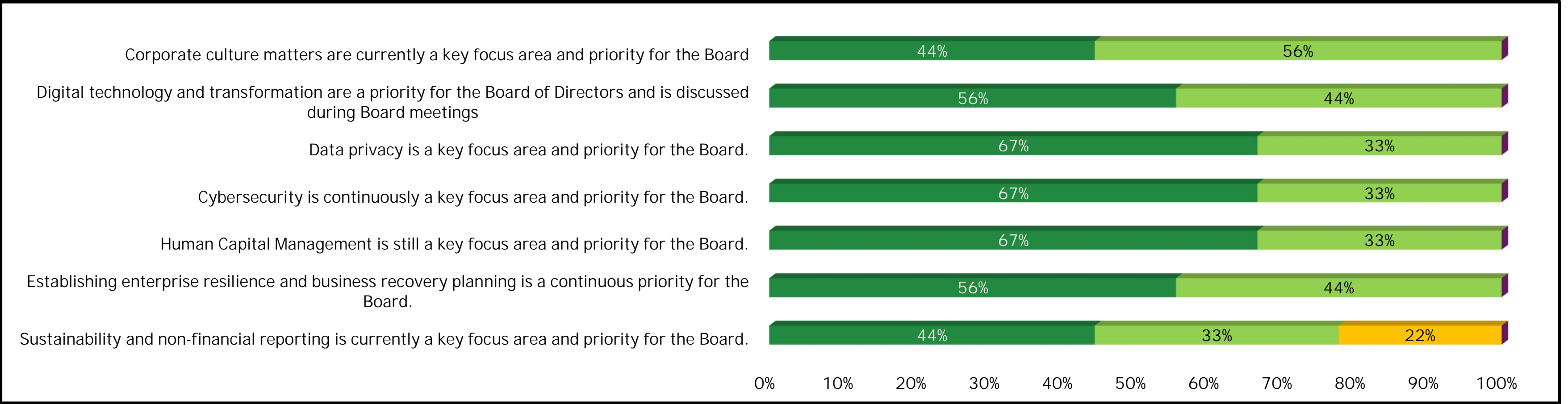
Detailed Survey Analysis

Survey Details	Deployed Questionnaires : 10	Completed: 9	Incomplete: 1	No response: 0
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Sustainability

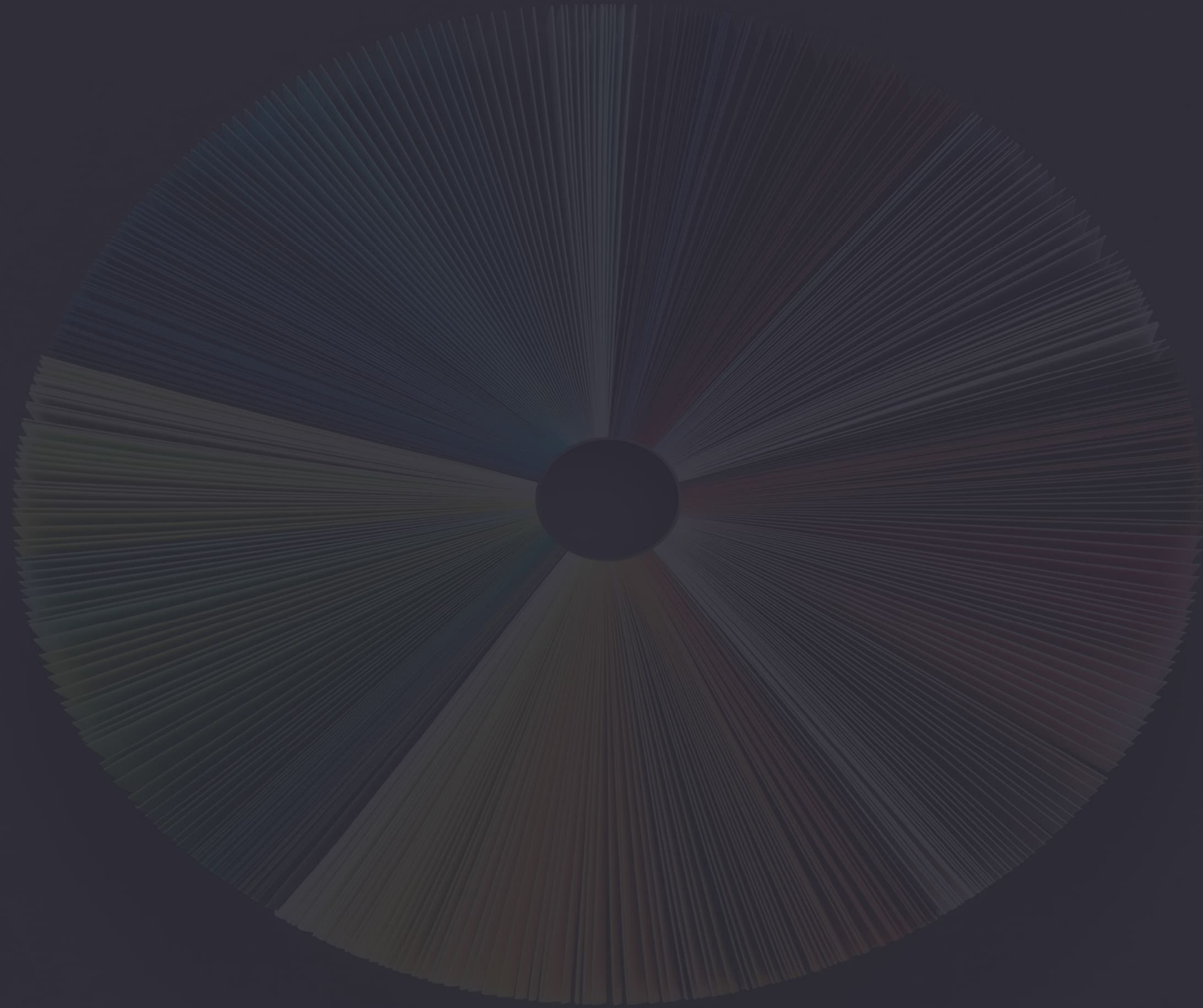


Board Priorities



05

Appendix



Appendix A – List of Documents Reviewed (1/2)

#	Document Title	#	Document Title
1	Board Audit Committee Charter	18	Board Code of Conduct and Ethics Policy
2	Board Risk Management Committee Charter	19	Board Succession Plan
3	Board Governance and Nominations Committee Charter	20	Litigation Management Policy
4	Board Credit and Investment Committee Charter	21	Policy on Appointment of Directors
5	2023 Annual Report	22	Policy on Protection of Minority Shareholders
6	Anti-Bribery & Corruption Policy	23	Policy on Delegation of Authority
7	Anti-Money Laundering Policy	24	Assessment Report of INED Independence
8	Attendance Register for Board Committee Meetings	25	CSR Activities and Strategy
9	Board Remuneration Policy	26	CV and Job Description of Company Secretary
10	CMB Business Continuity Plan and Management Policy	27	CV of Chief Compliance Officer
11	CBN's Approval for CCO, Acting MD/CEO and Company Secretary	28	CV of Directors
12	Compensations and Benefits Policy (Clawback policy)	29	Dates of Directors' Appointment
13	Code of Business Conduct for Employees	30	Directors' Attestation to the Code of Conduct
14	Conflict of Interest Policy	31	ERM Framework
15	Conflict of Interest Statement for Directors	32	HSE Policy
16	Copies of Key Returns to the Directors	33	Induction Pack for New Directors
17	Compliance Manual	34	Information Technology Framework

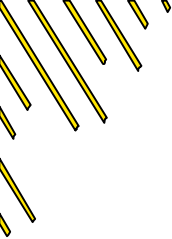
Appendix A – List of Documents Reviewed (1/2)

#	Document Title	#	Document Title
35	CMB Investment Policy	44	FY 2023 Financials Published in Nigerian Dailies
36	KPIs for Directors	45	Communication Policy
37	List of Key Management Staff	46	Strategy Plan Document
38	List of Trainings Attended by Directors	47	Succession Management Policy
39	Approved Organogram	48	Whistleblowing Policy
40	Schedule of Infractions – 2024	49	Sustainable Bank and Environmental, Social and Governance Risk Management Framework
41	Minutes of the Meeting of the Chairman with NEDs	50	2025 IT Project Management Framework.
42	CBN's No Objection to the Combination of the role of Head Legal/Legal Adviser	51	Acknowledgment of AGM Notices.
43	Fully Signed Minutes of INED Meeting	52	Investment Policy and evidence of submission to CBN

Appendix B – Coronation Board Membership

The table below shows the members of the Board of Directors.

S/N	Name	Role
1	Tunde Folawiyo	Chairman – Non – Executive Director
2	Paul Abiagam	Acting. Chief Executive Officer
3	Larry Ettah	Non – Executive Director
4	Evelyn Oputu	Non – Executive Director
5	Olubunmi Fayokun	Independent Non – Executive Director
6	Idaere Gogo Ogan	Non – Executive Director
7	Adamu Atta	Non – Executive Director
8	Olukayode Akindele	Non – Executive Director
9	Olayinka Tihamiyu	Independent Non – Executive Director
10	Adetola Owolabi	Independent Non – Executive Director



Appendix C – Coronation Board Meeting Attendance

LEGEND
P – Present
A – Absent
NA – Not Appointed

Full Board Attendance Schedule										
Name of Director	Role	22/01/24	22/04/24	22/07/24	21/10/24	23/12/24	Total	Expected No	% Attendance	Average
Tunde Folawiyo	Chairman – NED	P	P	P	P	P	5	5	100%	100%
Paul Abiagam	Ag. MD/CEO	P	P	P	P	P	5	5	100%	
Larry Ettah	NED	P	P	P	P	P	5	5	100%	
Evelyn Oputu	NED	P	P	P	P	P	5	5	100%	
Olubunmi Fayokun	INED	P	P	P	P	P	5	5	100%	
Idaere Gogo Ogan	NED	P	P	P	P	P	5	5	100%	
Adamu Atta	NED	P	P	P	P	P	5	5	100%	
Olukayode Akindele	NED	P	P	P	P	P	5	5	100%	
Olayinka Tihamiyu	INED	P	P	P	P	P	5	5	100%	
Adetola Owolabi	INED	NA	NA	NA	NA	P	1	1	100%	

Appendix C – Coronation Board Meeting Attendance

LEGEND
P – Present
A – Absent
NA – Not Appointed

Board Risk Management Committee										
Name of Director	Role	17/01/24	17/04/24	31/05/24	17/07/24	16/10/24	Total	Expected No	% Attendance	Average
Evelyn Oputu	Chairman	P	P	P	P	A	4	5	80%	98%
Larry Ettah	Member	P	P	P	P	P	5	5	100%	
Olubunmi Fayokun	Member	P	P	P	P	P	5	5	100%	
Idaere Gogo Ogan	Member	P	P	P	P	P	5	5	100%	
Adamu Atta	Member	P	P	P	P	P	5	5	100%	
Olukayode Akindele	Member	P	P	P	P	P	5	5	100%	
Olayinka Tihamiyu	Member	P	P	P	P	P	5	5	100%	
Paul Abiagam	Member	P	P	P	P	P	5	5	100%	

Appendix C – Coronation Board Meeting Attendance

LEGEND
P – Present
A – Absent
NA – Not Appointed

Board Credit and Investment Committee												
Name of Director	Role	15/01/24	15/04/24	03/06/24	15/07/24	02/09/24	14/10/24	02/12/24	Total	Expected No	% Attendance	Average
Larry Ettah	Chairman	P	P	P	P	P	P	P	7	7	100%	100%
Evelyn Oputu	Member	P	P	P	P	P	P	P	7	7	100%	
Olubunmi Fayokun	Member	P	P	P	P	P	P	P	7	7	100%	
Idaere Gogo Ogan	Member	P	P	P	P	P	P	P	7	7	100%	
Adamu Atta	Member	P	P	P	P	P	P	P	7	7	100%	
Olukayode Akindele	Member	P	P	P	P	P	P	P	7	7	100%	
Olayinka Tihamiyu	Member	P	P	P	P	P	P	P	7	7	100%	
Paul Abiagam	Member	P	P	P	P	P	P	P	7	7	100%	

Appendix C – Coronation Board Meeting Attendance

LEGEND
P – Present
A – Absent
NA – Not Appointed

Board Audit Committee										
Name of Director	Role	17/01/24	26/03/24	17/04/24	17/07/24	16/10/24	Total	Expected No	% Attendance	Average
Olayinka Tihamiyu	Chairman	P	P	P	P	P	5	5	100%	100%
Evelyn Oputu	Member	P	P	P	P	P	5	5	100%	
Olubunmi Fayokun	Member	P	P	P	P	P	5	5	100%	
Idaere Gogo Ogan	Member	P	P	P	P	P	5	5	100%	
Olukayode Akindele	Member	P	P	P	P	P	5	5	100%	

Appendix C – Coronation Board Meeting Attendance

LEGEND
P – Present
A – Absent
NA – Not Appointed

Board Governance and Nominations Committee														
Name of Director	Role	16/01/24	16/04/24	04/06/24	02/07/24	16/07/24	23/08/24	03/09/24	15/10/24	02/12/24	Total	Expected No	% Attendance	Average
Olubunmi Fayokun	Chairperson	P	P	P	P	P	P	P	P	P	9	9	100%	100%
Larry Ettah	Member	P	P	P	P	P	P	P	P	P	9	9	100%	
Adamu Atta	Member	P	P	P	P	P	P	P	P	P	9	9	100%	
Olukayode Akindele	Member	P	P	P	P	P	P	P	P	P	9	9	100%	
Olayinka Tihamiyu	Member	P	P	P	P	P	P	P	P	P	9	9	100%	

Appendix D – Coronation Directors Interviewed and Surveyed

Director interviews and survey was conducted to solicit Board Members’ views and perspectives on the Board of CMB, all Board members identified were interviewed and responded to our survey.

S/N	Name	Role	Interviewed	Survey Completed
1	Tunde Folawiyo	Chairman – Non – Executive Director	✓	✓
2	Paul Abiagam	Acting. Chief Executive Officer	✓	✓
3	Larry Ettah	Non – Executive Director	✓	✓
4	Evelyn Oputu	Non – Executive Director	✓	✓
5	Olubunmi Fayokun	Independent Non – Executive Director	✗	✓
6	Idaere Gogo Ogan	Non – Executive Director	✓	✓
7	Adamu Atta	Non – Executive Director	✓	✓
8	Olukayode Akindele	Non – Executive Director	✓	✓
9	Olayinka Tiamiyu	Independent Non – Executive Director	✓	✓
10	Adetola Owolabi	Independent Non – Executive Director	✗	✗

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