

Corporate Governance Report

Being an institution which places **great emphasis on the provision of excellent services to all its customers, the practice of effective and transparent corporate governance** ensures that the Bank is managed in a responsible and value-driven manner, aimed towards sustaining the confidence of shareholders, employees, stakeholders and the public

Introduction

In a bid to maintain our continuous commitment to good corporate governance principles and practices, the Bank commissioned a top notch auditing firm to perform a thorough appraisal of its compliance with the principles of corporate governance and practices. The major aim of the Bank was to benchmark its current corporate governance structures and practices with the Central Bank of Nigeria (CBN) Code of Conduct on Corporate Governance 2006 and to proffer solutions on how the Bank can bridge identified gaps in its current corporate governance structures.

Being an institution which places great emphasis on the provision of excellent services to all its customers, the practice of effective and transparent corporate governance ensures that the Bank is managed in a responsible and value-driven manner, aimed towards sustaining the confidence of shareholders, employees, regulators and other stakeholders at large.

The Board and management of the Bank reaffirm that they understand that the sacred duty to establish, entrench and maintain an effective corporate governance process, internal control system, record keeping and decision making is theirs and strict adherence to their roles will ensure effective risk management within the organization.

The said annual appraisal was performed as mandated by CBN in its Code of Conduct on Corporate Governance for Banks in the year under review and the focal point was an examination of the level of compliance of the Bank in terms of the Board's structure and composition, processes and relationships, competencies, roles and responsibilities.

Governance Structure

The Board

The Board placed emphasis on the following values: strategy, corporate culture, stewardship, Board operations, monitoring and evaluation. The direct effect of this approach was a more effective governance, accountability and appropriate risk management.

The Board of directors is composed of thirteen (13) members; 9 non-Executive Directors, 4 Executive Directors inclusive of the Managing Director/Chief Executive Officer (MD/CEO). One of the non-Executive Directors chairs the Board. There were changes to the Board composition in the year under review as two new directors joined the Board.

The role of the Chairman and the Chief Executive are separate and no one individual combines the two positions. The Board delegated the day to day management of the Bank to the Managing Director/Chief Executive Officer who is assisted by the Executive Management Team. The Executive Management team which is composed of seasoned and experienced individuals executes the powers delegated to them without undue interference and in accordance with agreed guidelines. They are accountable to the Board for the development and implementation of strategies and policies.

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The Board composition is presented as follows:

S/N	Name of Director	Director Status	Position	Date of Appointment to Board	Interest Represented
1	Chief Samuel Bolarinde	Non-Executive	Chairman	May 2009	SW 8 Investment Ltd
2	Segun Oloketuyi	Executive	MD/CEO	May 2009	Management
3	Nurudeen Fagbenro	Executive	ED, South-West Bank	Aug. 2006	Management
4	Ademola Adebise	Executive	ED, Lagos & South-South Bank	May 2009	Management
5	Chief Opeyemi Bademosi	Non-Executive		May 2009	SW 8 Investment Ltd
6	Prince Adebode Adefioye	Non-Executive		May 2009	SW 8 Investment Ltd
7	Dr. Ayo Akinyelure*	Non-Executive		July 2010	Oodu'a Inv. Co. Ltd.
8	Prof. Taiwo Osipitan (SAN)*	Non-Executive		Sept 2010	Oodu'a Inv. Co. Ltd.
9	Mr Ramesh Hathiramani	Non-Executive		Sept 2011	Shareholding
10	Mr Abubakar Lawal	Non-Executive		Sept 2011	Shareholding

*Messrs. Dr. Ayo Akinyelure and Prof. Taiwo Osipitan (SAN) tendered their resignation from the Board effective January 1, 2012 and July 2012 respectively.

Role of the Board

The primary purpose of the Board is to provide strategic direction for the Bank in order to deliver long term value to shareholders through its general overseeing of the Bank's business. The Board makes decision on all matters of importance to the bank and ensures there exist an effective risk management policy.

Other functions of the Board include:

- To review management succession plan and determine their compensation
- To ensure that the Bank operates ethically and complies with applicable laws and regulations;
- To approve capital projects and investments
- To consider and approve the annual budget of the Bank, monitor its performance and ensure that the Bank remains a going concern;
- To ensure that adequate system of internal control, financial reporting and compliance are in place;
- To ensure that an effective risk management process exists and is sustained;
- To constitute Board Committees and determine their terms of reference and procedures; including reviewing and approving the reports of these Committees.

In Compliance with the CBN Code, the Board meets quarterly and additional meetings are convened as the need arises. In furtherance of the above roles, the Board met six (6) times during the period under review.

Board Committees

In the discharge of its roles and responsibilities, the Board is assisted by five (5) Standing Committees. These committees have their clearly defined terms of reference setting out their roles, responsibilities, functions and reporting procedures to the Board.

The Board Committees in operation during the period under review are:

- Board Risk Management Committee
- Board Credit Committee
- Audit Committee of the Bank
- Board General Purpose Committee
- Board Nomination & Governance Committee

The roles and responsibilities of these committees are discussed as follows:

Board Risk Management Committee

In line with the CBN Guideline for "Developing Risk Management Framework for Individual Risk Elements in Banks", the Board has exhibited its commitment to achieving best practice risk management and full compliance with the laws and regulatory requirements. The Bank has continuously singled out risk management as an area to be significantly strengthened at every point in time, hence, the Bank has a risk management framework covering risk governance, policies for the key risk areas of credit, market and operational risks, and other pervasive risks as may be posed by the events in the industry from time to time. The Board has also established risk management policies, procedures and

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systems that address risk identification, measurement, management, control and reporting.

The Bank's Chief Risk Officer is a seasoned Banker who has occupied the same role in other reputable banks and he presents regular briefings to the Board Committee at its meeting. The Bank has also entered into a contract with an expatriate consultant with years of experience in risk management to enable the Bank harness from his wealth of experience.

The Bank also has an Inspection department manned by a General Manager who also performs compliance functions which provides adequate assurance in protecting the integrity of the operations of the Bank.

The Bank is working on its plans to fully implement the risk management framework giving due considerations to the changes in the Bank, governance, skill and capacity development as well as the new directives of the CBN regarding implementation of Basel II and III.

The Committee's major responsibilities are to set policies on the Bank's risk profile and limits, determine the adequacy and completeness of the Bank's risk detection and measurement systems, assess the adequacy of the mitigants to the risks, review and approve the contingency plan for specific risks and ensure that all units in the Bank are fully aware of the risks involved in their functions. The Committee further reviews the Bank's central liability report and summary of challenged loans with the concurrent power of recommending adequacy of the provisions for loan losses and possible charge offs. The Committee meets quarterly, and additional meetings are convened as required. The committee met three (3) times during the 2011 financial year. The Committee is made up of the following members:

- Chief Opeyemi Bademosi (*Non-Executive Director*)
Chairman
- Professor Taiwo Osipitan, (SAN) (*Non-Executive Director*)
Member
- Dr. Ayo Akinyelure (*Non-Executive Director*)
Member
- Segun Oloketuyi (*Managing Director*)
Member
- Nurudeen Fagbenro (*Executive Director*)
Member
- Ademola Adebise (*Executive Director*)
Member

Board Credit Committee

This Committee is made up of individuals who are versed in credit analysis. They are responsible for the consideration of loan applications above the limits delegated to the Management Credit Committee or Managing Director as may be defined by the Board from time to time.

The credit risk process was re-engineered by the Bank in terms of credit appraisal, sanctioning, collateral management and remedial management. The Bank developed policies covering the key risk areas of credit risk.

The Committee is also responsible for ensuring that the Bank's internal control procedures in the area of risk assets remain high to safeguard the quality of the Bank's risk assets. All credits that qualify as "Large Exposures" as defined by the Board from time to time are considered and approved by the Board Credit Committee at special meetings convened for that purpose.

The Board Credit Committee is further responsible for approving write-offs in excess of Management limits and within the limits as set by the Board, approving credit guidelines for strategic plans and approving the Bank's credit policy, which includes defining levels and limits of lending authority. The Board Credit Committee meets at least once in each quarter. However, additional meetings are convened as required. The Committee met six (6) times during the 2011 financial year. The Committee is made up of the following members:

- Prof. Taiwo Osipitan, (SAN) (*Non-Executive Director*)
Chairman
- Adebode Adefioye (*Non-Executive Director*)
Member
- Chief Opeyemi Bademosi (*Non-Executive Director*)
Member
- Segun Oloketuyi (*Managing Director*)
Member
- Nurudeen Fagbenro (*Executive Director*)
Member
- Ademola Adebise (*Executive Director*)
Member

Audit Committee of the Bank

This Committee was established in compliance with the Companies and Allied Matters Act of Nigeria (CAMA). The Committee consists of three shareholder representatives

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appointed at Annual General Meetings and three Non Executive Directors. All the members of the committee are independent of the Bank's Management. The Committee meets quarterly, with its proceedings regulated by the Audit Charter. The Chief Inspector of the Bank serves as the secretary to the Committee, while one of the shareholders serve as the Chairman of the Committee.

The Committee is responsible for ascertaining whether the accounting and reporting policies of the Bank are in accordance with the legal requirements and agreed ethical practices, reviewing the scope and planning of audit requirements, reviewing the findings on management matters as reported by the external auditors and departmental responses thereon, reviewing the effectiveness of the Bank's system of accounting and internal control, making recommendations to the Board in regards to the appointment, removal and remuneration of the external auditor of the Bank and authorizing the internal auditor to carry out investigations into any activities of the Bank which may be of interest or concern to the Committee.

The Committee also reviews the Bank's annual and interim financial statements, including reviewing the effectiveness of the Bank's disclosure, controls and systems of internal control, the integrity of the Bank's financial reporting and the independence and objectivity of the external auditors. The Committee may seek additional information and explanations from the external auditors. The internal and external Auditors have unrestricted access to the Committee and this ensures that their independence is not impaired in any way.

The Board Audit Committee meets at least once in each quarter. However, additional meetings are convened as required. The Committee met four (4) times during the 2011 financial year. The Committee is made up of the following members:

- Mathew Akinlade (*Shareholder*)
Chairman
- Prince Adekunle Olodun (*Shareholder*)
Member
- Joe Anosike (*Shareholder*)
Member
- Chief Opeyemi Bademosi (*Non-Executive Director*)
Member
- Adebode Adefioye (*Non-Executive Director*)
Member
- Dr. Ayo Akinyelure (*Non-Executive Director*)
Member

General Purpose Committee

This Committee handles all staff matters and is responsible for the oversight of strategic people issues, employee retention, equality and diversity as well as other significant employee relations matters and administrative issues.

Other functions of this Committee include:

- To define the strategic business focus and plans of the Bank
- To support Management business development efforts
- To define capital expenditure limits and approve all capital expenditure on behalf of the Board

The Board General Purpose Committee meets at least once in each quarter. However, additional meetings are convened as required. The Committee met five (5) times during the 2011 financial year. The Committee is made up of the following members:

- Adebode Adefioye (*Non-Executive Director*)
Chairman
- Chief Opeyemi Bademosi (*Non-Executive Director*)
Member
- Dr. Ayo Akinyelure (*Non-Executive Director*)
Member
- Segun Oloketuyi (*Managing Director*)
Member
- Ademola Adebise (*Executive Director*)
Member

Nomination and Governance Committee

This Committee was a new initiative of the Board in furtherance of its desire to comply with best practice in corporate governance. The Committee met two (2) times during the 2011 financial year.

The responsibilities of the committee include overseeing the nomination, remuneration, performance management and succession planning processes of the Board. The Committee is also to facilitate a process to engage all directors in determining their specific needs and aligning their needs with their roles and responsibilities. The Committee is composed of only non-executive directors.

Membership of the Committee are as follows:

- Dr. Ayo Akinyelure (*Non-Executive Director*)
Chairman
- Adebode Adefioye (*Non-Executive Director*)
Member
- Professor Taiwo Osipitan (SAN) (*Non-Executive Director*)
Member

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Attendance of Board and Committee Meetings

The table below shows the frequency of meetings of the Board of Directors and Board committees, as well as members attendance for the financial year ended

Directors	Board	Board Credit Committee	Board Audit Committee	Risk Mgt Committee	Nomination & Governance Committee	General Purpose Committee
Frequency of Meetings	6	6	4	3	2	5
Chief Samuel Bolarinde	5	N/A	N/A	N/A	N/A	N/A
Segun Oloketuyi	6	6	N/A	3	N/A	5
Nurudeen Fagbenro	6	4	N/A	3	N/A	N/A
Ademola Adebise	6	5	N/A	2	N/A	5
Chief Opeyemi Badamosi	6	6	4	3	N/A	5
Prince Adebode Adefioye	6	6	4	N/A	2	5
Dr. Ayo Akinyelure	1	N/A	2	2	2	2
Prof. Taiwo Osipitan (SAN)	6	5	4	3	2	3
Mr Ramesh Hathiramani*	2	N/A	N/A	N/A	N/A	N/A
Mr Abubakar Lawal*	3	N/A	1	N/A	N/A	N/A

*Messrs. Ramesh Hathiramani and Abubakar Lawal joined the Board in September 2011.

Tenure of Directors

In pursuance of the Bank's drive to continually imbibe best Corporate Governance practices, there is an existing Board of Directors resolution which dates back to March 2005 adopting a maximum tenure of two (2) terms of four (4) years each subject to statutory provisions, directives and attainment of 70 years of age, whichever is earlier.

Board Appraisal

An effective Board of Directors is a critical factor in ensuring a well governed, well directed and successful Bank. A periodic Evaluation of the effectiveness and performance of the Board of Directors, its committees, is consistent with good corporate governance.

In furtherance of best corporate governance practices the Board commissioned KPMG Advisory Services to carry out a Board evaluation for the Financial Year ended 31 December 2011. The evaluation was based primarily on bench-marking the performance of the Board of Directors with the requirements of the CBN Code using five key corporate governance considerations:

1. **Board Operations:** the Board's ability to manage its own activities
2. **Strategy:** The Board's role in the strategy process

3. **Corporate Culture:** The Board's role in overseeing the achievement of ethical behaviour in the organization.
4. **Monitoring and Evaluation:** The Board's role in monitoring management and evaluating its performance against defined goals.
5. **Stewardship:** The Board's responsibility towards shareholders and other stakeholders and accountability for their interests.

The Independent advisory firm adjudged the performance of the Board and stated that the Board's compliance culture to corporate governance is positive and largely consistent with the CBN and SEC Code of Corporate Governance.

Though certain areas were identified which require upgrades to achieve full compliance with leading governance practices, the Board is intent upon developing a detailed plan setting out objectives, tasks, responsibilities and timing, with in-built mechanisms for periodic checks to monitor the progress of the implementation.

The Company Secretary

The Company Secretary is responsible for assisting the Board and Management in the implementation of the Code of Corporate Governance of the Bank, coordinating the orientation and training

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of new Directors and the continuous education of Non-Executive Directors; assisting the Chairman and Managing Director to formulate an annual Board Plan and with administration of other strategic issues at Board level; organizing Board meetings and ensuring that the minutes of the Board clearly and properly capture the Board's discussions and decisions.

The Company Secretary also liaises with Regulatory Authority to ensure adequate compliance with the Code of Best Corporate Governance Practices.

Induction and Continuous Training

The Bank is committed to skills and capacity development for the Directors. The first step towards this process is director induction, the Bank has developed a formal orientation programme and induction policies for new directors as a means of investing in the Board with a view to further developing and strengthening the Board collectively.

Also, the Bank has institutionalized regular training of Board members and senior management on issues pertaining to their oversight functions and their fiduciary duties and responsibilities.

Management Committees

The Committees are composed of senior management staff of the Bank. These Committees are risk driven as they are entirely set up to identify, analyze, synthesize and make recommendations on risks arising from day-to-day activities of the Bank.

These Committees also ensure that risk limits as contained in the Board and Regulatory Policies are complied with at all times. In addition, they provide inputs for the respective Board Committees of the Bank and ensure that recommendations of the Board Committees are effectively and efficiently implemented.

They frequently meet as the risk issues occur to immediately take action and decisions within confines of their limits.

The following are the standing Management Committees in the Bank:

- Management Credit Committee
- Watchlist Committee
- Assets and Liabilities Committee
- Management Audit Committee
- IT Steering Committee
- Executive Committee (EXCO)
- Management Tender Committee
- Management Risk Committee
- Disciplinary Committee

Management Tender Committee

Membership of the Committee includes the Divisional Head, Corporate Services, Company Secretary, Head, Internal Control, Head, General Services, Chief Finance Officer, Head, Corporate Transformation & Change Management, Head, IT and Head, Procurement and Vendor Management. The Secretary of the Committee is the Head, Procurement and Vendor Management.

It is the responsibility of the Committee to obtain the most favorable terms for acquisition of goods, work and services required for the Bank's main activities ("purchases") on the principles of competitiveness, transparency and team decision making.

As part of its functions, the MTC has the authority to:

- Call for tenders
- Receive and open tenders
- Oversee the evaluation of all tenders
- Approve all tender recommendations and awards
- Approve requests for pre-qualification or other methods of procurement
- Provide guidelines for procurement on behalf of the Bank's EXCO.

Management Risk Committee (MRC)

This Committee oversees and ensures the effective management of the Bank's Enterprise Risk Management Framework / Basel II, III. It is responsible for ensuring a holistic approach is applied in managing the risks Wema Bank is exposed to as an enterprise. The MRC will have a direct reporting relationship to the Board Risk Management Committee (BRMC) in addition to its reporting relationship to Executive Committee (EXCO).

Specific responsibilities of MRC with respect to enterprise risk management will be to (but not limited to):

- Provide management oversight for Basel II & Basel III / enterprise risk management.
- Ensure policies and procedures for managing all facets of risks the Bank is exposed to are developed, implemented and effectively communicated throughout the Bank according to local and international best practices, Basel II and Basel III.
- Periodically review the Basel II & III / enterprise risk management framework to ensure appropriateness and continued usefulness in line with the size and complexity of the Bank.
- Monitor regularly the bank's risk exposures and take timely decisions/actions required to manage exposures within agreed tolerance levels / risk limits.

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- Deliberate on risk exposure reports (and updates) presented by the Bank's Enterprise Risk Management Division and other relevant departments as necessary, and take decisions/ actions as necessary.
- Review and approve recommended actions to mitigate/control potential risk events pertaining to Wema Bank such as credit risk, operational risk, market risk, residual risk model risk, credit concentration risk, country risk, Interest Rate in Banking Book (IRRBB), liquidity risk, settlement risk, reputational risk and strategic Risk, external factors such as earnings risk, risks originating in the economic and regulatory environment, compliance risk etc.
- Review and approve new products/market entry plans subject to the approval/ratification of the Board of Directors and its delegated risk committee.
- Provide periodic reports to the Board Risk Management Committee (BRMC) on the bank's enterprise risk exposures and plans to mitigate/control risks within tolerance levels and limits set by the BRMC

Members of the MRC includes Managing Director/CEO (Chairman), all Executive Directors, Chief Risk Officer (CRO), Regional Executive (Lagos), Divisional Head (Retail Banking), Head of Corporate Banking, Divisional Head of Corporate Services, Head of IT, Legal Adviser/ Company Secretary, Treasurer, Chief Inspector, Chief Finance Officer, and Head of Internal Control.

All Departmental Heads in the Enterprise Risk Management Division are always in attendance at regularly scheduled meetings.

Management Credit Committee

This Committee is entirely responsible for ensuring that the Bank is in total compliance with the Credit Policy Manual as approved by the Board of Directors.

- It provides inputs for the Board Credit Committee
- Reviews and approves credit facilities to individual obligors not exceeding an aggregate sum as determined by the Board of the Bank from time to time.
- Responsible for reviewing and approving all credits that are above the approval limit of the Managing Director/CEO as determined by the Board of Directors.
- Reviews the entire credit portfolio of the Bank and conducts periodic checks of the quality of risk assets in the Bank.
- Ensures adequate monitoring of credits is carried out.

The Committee meets monthly depending on the number of credit applications to be appraised and considered. The

Secretary to the Committee is Head of Credit Risk Management Department of the Bank.

Disciplinary Committee

Members of the Committee include:

- Ademola Adebise, *Executive Director, Lagos & South-South*
- Tope Adebayo, *Chief Inspector*
- Jude Monye, *Chief Risk Officer*
- Wole Ajimisinmi, *Company Secretary/Legal Adviser*
- Akinlolu Ayileka, *Divisional Head, Retail Banking*
- Olufunke Okoli, *Head, Corporate Transformation & Human Capital Management*
- Kunle Olatubosun, *Regional Operations Executive, Lagos & South South*
- Oluwatoyin Kariere, *Head, Internal Control*
- Esohe Emela, *Secretary*
- Luqman Abdulrasheed, *Observer (Chairman NUBIFIE)*
- Kunle Adeleke, *Observer (Chairman, ASSIBIFI)*

Objectives

The objective of the Committee is to complement the normal disciplinary procedure. The Committee shall only be consulted for the purpose of making recommendations in serious cases that might warrant termination or dismissal. However, the recommendation of the Disciplinary Committee shall be subject to the approval of EXCO.

Functions

- Meet on Ad-hoc basis to adjudicate on serious disciplinary matters.
- Recommending appropriate disciplinary sanctions to EXCO for approval.
- Hearing of Appeals

Watchlist Committee

It is the responsibility of this Committee to assess the risk asset portfolio of the Bank.

- It highlights the status of the Bank's risk assets in line with the Internal and External Regulatory Framework.
- Takes actions appropriately in respect of delinquent assets.
- Ensures that adequate provisions are made in line with the regulatory guidelines.

Membership of the Committee includes the Managing Director, all Executive Directors, Head of Remedial Assets Management

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and other relevant Senior Management Staff of the Bank. The Secretary to the Committee is Head of Loan Review and Monitoring Unit.

Assets and Liabilities Committee

This is a Committee that shoulders the responsibility for Management of a variety of risks arising from the Bank's business which includes;

- market and liquidity risk management,
- loan to deposit ratio analysis, cost of funds analysis
- establishing guidelines for pricing on deposit and credit facilities,
- exchange rate risks analysis,
- balance sheet structuring,
- regulatory considerations and monitoring of the status of implemented assets and liabilities strategies.

Membership of the Committee includes, the Managing Director/CEO, Executive Directors, Treasurer, Chief Finance Officer and Risk Officers together with other relevant Senior Management Staff.

Management Audit Committee

In line with global best practice and the Code of Corporate Governance, the Committee was constituted to amongst other things:

- Carefully and painstakingly plan, review and give necessary recommendation as it relates to Internal Control and Auditing processes and practices in the bank.

Membership of the Committee includes Chief Inspector; Representative of the Business Area, Risk Management, Internal Control, Representatives of Operations, Information Technology and Legal Service Department.

IT Steering Committee

In many organizations, Information Technology has become crucial in the support, sustainability and the growth of the business. This pervasive use of Technology has created a critical dependency on IT that calls for a specific focus on IT Governance.

This Committee's responsibilities are as follows:

- Oversees the development and maintenance of the IT strategic plan,
- Approves vendors used by the organization and monitors their financial condition

- Approves and monitors major projects, IT budgets, priorities, standards, procedures, and overall IT performance.
- Coordinates priorities between the IT department and user departments.
- Reviews the adequacy and allocation of IT resources in terms of funding, personnel, equipment and service levels.
- Provides use and business perspective to IT investments, priorities and utilization
- Monitors the implementation of the various initiatives and ensure that deliverables and expected outcomes/business value are realized.
- Ensures increased utilization of technology and that the Bank gets adequate returns on all IT investments.
- Makes recommendations and/or decisions in the best interest of the Bank, following review by IT department, on such items as desktops, equipment and service standards, and networking requirements, including benchmarks.
- Evaluates progress toward established goals and present a report to EXCO as at when necessary.
- Acts in a supervisory capacity, in implementing the Bank's IT strategy.

Executive Committee (EXCO)

The EXCO comprise the Managing Director and all Executive Directors and other members of Senior Management as may be appointed from time to time. The Committee meets fortnightly (or such other times as business exigency may require) to deliberate and take policy decisions on the effective and efficient management of the Bank. It also serves as a processing unit for issues to be discussed at the Board level. EXCO's primary responsibility is to ensure the implementation of strategies approved by the Board, provide leadership to the management team and ensure efficient deployment and management of the Bank's resources. Its Chairman is responsible for the day-to-day running and performance of the Bank.

Other specific functions of EXCO include but not limited to the following:

- Review the Strategic Operations of the Bank.
- Review Audit & Inspection reports
- Review of Branch Compliance Officers' functions in branches
- Review Adequacy and Sufficiency of Branch tools
- Review manning levels in branches and Head office departments
- Consideration and Approval of Capital and Recurrent Expenses
- Executes disciplinary power and impose sanctions
- Monitor and give strategic direction on regulatory issues.

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Monitoring Compliance with Corporate Governance

The Chief Compliance Officer of the Bank monitors compliance with money laundering requirements and the implementation of the CBN Code of Corporate Governance.

The Chief Compliance Officer alongside with Chief Executive Officer of the Bank certify bi-yearly to the Central Bank of Nigeria that they are not aware of any other violation of the Corporate Governance Code, other than as reported during the course of the year.

The Bank forwards monthly returns to the Central Bank of Nigeria on all whistle-blowing reports and Corporate Governance breaches.

Whistle Blowing Procedures

In compliance with the CBN mandate on whistle blowing and in line with the Bank's commitment to instill the best corporate governance practices, it has established a whistle blowing procedure that guarantees anonymity.

The Bank has a dedicated e-mail address for whistle-blowing procedures and the whistle-blowing policy is permanently available on the Bank's intranet.

There is a direct link on the Bank's intranet for dissemination of information, to enable members of staff report all identified breaches of the Bank's Code of Corporate Governance.

Code of Professional Conduct for Employees

The Bank has an internal code of professional conduct (Human Capital Management Manual) which all staff are expected to subscribe to upon assumption of duties and reaffirm their commitment to the Bank's Code on yearly basis.

Shareholders

The Annual General Meeting of the Bank is the highest decision making body. The General Meetings of the Bank are conducted in a transparent and fair manner.

Shareholders are opportuned to express their opinions on the Bank's financials and other issues affecting the Bank. The attendees of the meetings are regulators such as Central Bank of Nigeria, Securities & Exchange Commission, The Nigerian Stock Exchange, Corporate Affairs Commission, minority shareholders and representatives of Shareholders' Association.

The Board places considerable importance on effective communication with shareholders on developments in the Bank. The Bank has established an Investors Relations Unit to promote and deepen shareholders' access to information and enhance effective communication with shareholders.

Protection of Shareholders' Rights

The Board ensures the protection of the Statutory and General Rights of Shareholders at all times, particularly voting rights at General Meetings of the Bank. All are treated equally, regardless of volume of shareholding or social status.