



FINANCIAL REPORTING COUNCIL OF NIGERIA **(Federal Ministry of Industry, Trade & Investment)**

FRC/CG/001: TEMPLATE FOR REPORTING COMPLIANCE WITH THE NIGERIAN CODE OF CORPORATE GOVERNANCE 2018

Section A: Introduction

Corporate Governance is a key driver of corporate accountability and business prosperity. The Nigerian Code of Corporate Governance, 2018 (NCCG 2018) seeks to institutionalize corporate governance best practices in Nigerian companies. It is also aimed at increasing entities' levels of transparency, trust and integrity, and create an environment for sustainable business operations.

The Code adopts a principle-based approach in specifying minimum standards of practice that companies should adopt. Where so required, companies are required to adopt the "Apply and Explain" approach in reporting on compliance with the Code. The 'Apply and Explain' approach assumes application of all principles and requires entities to explain how the principles are applied. This requires companies to demonstrate how the specific activities they have undertaken best achieve the outcomes intended by the corporate governance principles specified in the Code.

This will help to prevent a 'box ticking' exercise as companies deliberately consider how they have (or have not) achieved the intended outcomes. Although, the Code recommends practices to enable companies apply the principles, it recognises that these practices can be tailored to meet industry or company needs. The Code is thus scalable to suit the type, size and growth phase of each company while still achieving the outcomes envisaged by the principles.

This form seeks to assess the company's level of compliance with the principles in the NCCG 2018. Entities should explain how these principles have been applied, specify areas of deviation from the principles and give reasons for these deviations and any alternative practice(s) adopted.

Please read the instructions below carefully before completing this form:

- i. Every line item and indicator must be completed.
- ii. Respond to each question with "Yes" where you have applied the principle, and "No" where you are yet to apply the principle.
- iii. An explanation on how you are applying the principle, or otherwise should be included as part of your response.
- iv. Not Applicable (N/A) is not a valid response.

Section B – General Information

S/No.	Items	Details
i.	Company Name	DEVELOPMENT BANK OF NIGERIA PLC
ii.	Date of Incorporation	September 19, 2014
iii.	RC Number	1215724
iv.	License Number	1215724
v.	Company Physical Address	The Clan Place Plot 1386A, Tigris Crescent Maitama, Abuja FCT
vi.	Company Website Address	www.devbankng.com
vii.	Financial Year End	December 31
viii.	Is the Company a part of a Group/Holding Company? Yes/No If yes, please state the name of the Group/Holding Company	No, the company is not part of a Group, but it has a subsidiary company known as Impact Credit Guarantee Limited.
ix.	Name and Address of Company Secretary	Shofola Osho Plot 1386A, Tigris Crescent, Maitama, Abuja FCT
x.	Name and Address of External Auditor(s)	KPMG Professional Services, KPMG Tower, Bishop Aboyade Cole Street, Victoria Island, Lagos.
xi.	Name and Address of Registrar(s)	Meristem Registrars and Probate Services Limited 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos.
xii.	Investor Relations Contact Person (E-mail and Phone No.)	Ijeoma Ozulumba Chief Financial Officer The Clan Place Plot 1386A, Tigris Crescent Maitama, Abuja FCT iozulumba@devbankng.com 08022907333
xiii.	Name of the Governance Evaluation Consultant	PricewaterhouseCoopers Limited 252E Muri Okunola Street Victoria Island Lagos.
xiv.	Name of the Board Evaluation Consultant	PricewaterhouseCoopers Limited 252E Muri Okunola Street Victoria Island Lagos.

Section C - Details of Board of the Company and Attendance at Meetings

1. Board Details:

S/No.	Names of Board Members	Designation (Chairman, MD, INED, NED, ED)	Gender	Date First Appointed/ Elected	Remark
1	Dr. Shehu Yahaya	Chairman/ NED	Male	March 20, 2017	Re- appointed
2	Mr. Uche Orji	NED	Male	Jan 16, 2017	Re- appointed
3	Mr. Batchi Baldeh	NED	Male	May 8, 2019	Appointed
4	Mrs. Clare Omatseye	INED	Female	Jan 16, 2017	Re- appointed
5	Mr. Bello Maccido	INED	Male	Jan 16, 2017	Re- appointed
6	Mr. Phillips Oduoza	INED	Male	Jan 16, 2017	Re- appointed
7	Mr. Andrew Alli	INED	Male	Jan 16, 2017	Re- appointed
8	Dr. Oladimeji Alo	INED	Male	Jan 16, 2017	Re- appointed
9	Mr. Tony Okpanachi	MD/CEO	Male	Jan 9, 2017	Appointed

2. Attendance at Board and Committee Meetings:

S/No.	Names of Board Members	No. of Board Meetings Held in the Reporting Year	No. of Board Meetings Attended in the Reporting Year	Membership of Board Committees	Designation (Member or Chairman)	Number of Committee Meetings Held in the Reporting Year	Number of Committee Meetings Attended in the Reporting Year
1	Dr. Shehu Yahaya	5	5	None	Chairman	None	None
2	Mr. Uche Orji	5	5	1	Member	BFC – 5	5
3	Mr. Batchi Baldeh	5	5	2	Member	BCRC - 4 BFC – 5	4 5
4	Mrs. Clare Omatseye	5	5	2	Member	BACC - 5	5
				1	Chairperson	BNGC - 4 BEC - 2	4 2
5	Mr. Bello Maccido	5	5	2	Member	BNGC – 4	4
				1	Chairman	BEC – 2 BCRC – 4	2 4
6	Mr. Phillips Oduoza	5	5	2	Member	BCRC - 4 BEC – 2	4 2
				1	Chairman	BFC - 5	5
7	Mr. Andrew Alli	5	5	2	Member	BFC – 5 BEC – 2	5 2
				1	Chairman	BACC - 5	5
8	Dr Oladimeji Alo	5	5	2	Member	BACC - 5 BEC – 2	5 2
				1	Chairman	BNGC – 4	4
9	Mr. Tony Okpanachi	5	5	2	Member	BFC – 5	5
						BCRC – 4	4

- BCRC** – Board Credit & Risk Committee
BFC – Board Finance Committee
BNGC – Board Nomination & Governance Committee
BEC – Board Ethics Committee
BACC – Board Audit & Compliance Committee

Section D - Details of Senior Management of the Company

1. Senior Management:

S/N o.	Names	Position Held	Gender
1.	Mr. Tony Okpanachi	Managing Director/CEO	Male
2.	Mrs. Ijeoma Ozulumba	Chief Financial Officer	Female
3.	Mr. Bonaventure Okhaimo	Chief Operations Officer	Male
4.	Mr. Olu Adegbola	Chief Risk Officer	Male
5.	Mr. Idris Salihu	Head, Corporate Services	Male
6.	Mr. Joshua Ohioma	Head, Internal Audit	Male
7.	Mr. Shofola Osho	Company Secretary/Legal Adviser	Male
8.	Mr. Joseph Nnanna	Chief Economist	Male
9.	Mrs. Uche Ogbonnaya	Head, Human Resources	Female

Section E – Application

Principles	Reporting Questions	Explanation on application or deviation
Part A - Board of Directors and Officers of the Board		
<p>Principle 1: Role of the Board</p> <p><i>"A successful Company is headed by an effective Board which is responsible for providing entrepreneurial and strategic leadership as well as promoting ethical culture and responsible corporate citizenship. As a link between stakeholders and the Company, the Board is to exercise oversight and control to ensure that management acts in the best interest of the shareholders and other stakeholders while sustaining the prosperity of the Company"</i></p>	<p>i) Does the Board have an approved Charter which sets out its responsibilities and terms of reference? Yes/No If yes, when was it last reviewed?</p>	<p>Yes. The Board has a Board Charter which sets out the role and responsibilities of the Board, its Committees, the role of the Board Chairman and that of the Company Secretary amongst other issues which advance the effectiveness of the Board. The Charter was updated in FY 2020.</p>
<p>Principle 2: Board Structure and Composition</p> <p><i>"The effective discharge of the responsibilities of the Board and its committees is assured by an appropriate balance of skills and diversity (including experience and gender) without compromising competence, independence and integrity "</i></p>	<p>i) What are the qualifications and experiences of the directors?</p>	<p>Please see the attached Annex 1 which details the qualifications and expertise of the Directors.</p>
	<p>ii) Does the company have a Board-approved diversity policy? Yes/No If yes, to what extent have the diversity targets been achieved?</p>	<p>Yes. DBN has a Board-approved Diversity strategy. The targets are being achieved with new recruitments. The COVID-19 crisis has slowed down the pace of new recruitments however, the diversity targets are being largely achieved.</p>
	<p>iii) Are there directors holding concurrent directorships? Yes/No If yes, state names of the directors and the companies?</p>	<p>Yes. Please see the attached Annex 2</p>
	<p>iv) Is the MD/CEO or an Executive Director a chair of any Board Committee? Yes/No If yes, provide the names of the Committees.</p>	<p>No. The MD/CEO is not a Chair of any Board Committee.</p>
<p>Principle 3: Chairman</p> <p><i>"The Chairman is responsible for providing overall leadership of the Company and the Board, and eliciting the constructive participation of all Directors to facilitate effective direction of the Board"</i></p>	<p>i) Is the Chairman a member or chair of any of the Board Committees? Yes/no If yes, list them.</p>	<p>No. The Chairman is not a Chair or member of any Board Committee.</p>
	<p>ii) At which Committee meeting(s) was the Chairman in attendance during the period under review ?</p>	<p>None. The Chairman is not a member of any Board Committee.</p>
	<p>iii) Is the Chairman an INED or a NED?</p>	<p>The Chairman, Dr. Shehu Yahaya is a Non-Executive Director.</p>

	<p>iv) Is the Chairman a former MD/CEO or ED of the Company? Yes/No</p> <p>If yes, when did his/her tenure as MD end?</p>	<p>Yes. When the DBN was conceived as a Project between the Federal Government of Nigeria and its Development Partners, the current Chairman was appointed as an Interim Managing Director to mid-wife the registration and formal take-off of the Company.</p> <p>His tenure as Interim MD ended on January 4, 2017.</p>
	<p>v) When was he/she appointed as Chairman?</p>	<p>He was appointed as Board Chairman on March 20, 2017.</p>
	<p>vi) Are the roles and responsibilities of the Chairman clearly defined? Yes/No</p> <p>If yes, specify which document</p>	<p>Yes. The roles and responsibilities of the Chairman are clearly defined and stated in the Board charter.</p>

Principles	Reporting Questions	Explanation on application or deviation
<p>Principle 4: Managing Director/Chief Executive Officer</p> <p><i>"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"</i></p>	<p>i) Does the MD/CEO have a contract of employment which sets out his authority and relationship with the Board? Yes/No If no, in which documents is it specified?</p>	<p>Yes. The MD/CEO has a Letter of Appointment which sets out his authority and relationship with the Board.</p>
	<p>ii) Does the MD/CEO declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No</p>	<p>Yes, the MD/CEO disclosed all his related parties upon appointment and has done this annually thereafter at the start of every financial year. The disclosure is then treated in accordance with the Bank's Related Party Disclosure Forms.</p>
	<p>iii) Which of the Board Committee meetings did the MD/CEO attend during the period under review?</p>	<p>The MD/CEO attends the meetings of all Board Committees. He is however, a member of the Board Credit & Risk Committee and the Board Finance Committee.</p>
	<p>iv) Is the MD/CEO serving as NED in any other company? Yes/no. If yes, please state the company(ies)?</p>	<p>Yes. The MD/CEO serves as an Interim Chairman on the Board of the bank's subsidiary, Impact Credit Guarantee Limited ("ICGL").</p>
	<p>v) Is the membership of the MD/CEO in these companies in line with the Board-approved policies? Yes/No</p>	<p>Yes. His appointment on the Board of ICGL was approved by the Board of the bank.</p>
<p>Principle 5: Executive Directors</p> <p><i>Executive Directors support the Managing Director/Chief Executive Officer in the operations and management of the Company</i></p>	<p>i) Do the EDs have contracts of employment? Yes/no</p>	<p>No. The bank did not have any ED in the reporting period.</p>
	<p>ii) If yes, do the contracts of employment set out the roles and responsibilities of the EDs? Yes/No If no, in which document are the roles and responsibilities specified?</p>	<p>No. The bank did not have any ED in the reporting period. The roles and responsibilities are clearly stated in the MDs letter of appointment.</p>
	<p>iii) Do the EDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No</p>	<p>No. The bank did not have any ED in the reporting period, but the MD/CEO declares any conflicts in accordance with the policies of the bank.</p>
	<p>iv) Are there EDs serving as NEDs in any other company? Yes/No If yes, please list</p>	<p>No. The bank did not have any ED in the reporting period.</p>
	<p>v) Are their memberships in these companies</p>	

	in line with Board-approved policy? Yes/No	No. The bank did not have any ED in the reporting period.
<p>Principle 6: Non-Executive Directors</p> <p><i>Non-Executive Directors bring to bear their knowledge, expertise and independent judgment on issues of strategy and performance on the Board</i></p>	i) Are the roles and responsibilities of the NEDs clearly defined and documented? Yes/No If yes, where are these documented?	Yes. The roles and responsibilities of Non-Executive Directors are detailed in their Letters of Appointment.
	ii) Do the NEDs have letters of appointment specifying their duties, liabilities and terms of engagement? Yes/No	Yes, the NEDs have Letters of Appointments, and these specify their duties, liabilities, and terms of engagement.
	iii) Do the NEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	Yes, the NEDs disclosed any conflict upon appointment, and annually at the start of every financial year. Disclosures are also made at Board meetings, where there are any interests in agenda items. The concerned director recluses himself from deliberations and his disclosure is minuted in the Board minutes.
	iv) Are NEDs provided with information relating to the management of the company and on all Board matters? Yes/No If yes, when is the information provided to the NEDs	Yes. All NEDs receive information relating to the bank. The right to receive such information is guaranteed in their Letters of Appointment. The information is provided regularly at Board and Board Committee meetings, and through briefings provided by the MD/CEO from time to time.
	v) What is the process of ensuring completeness and adequacy of the information provided?	All information provided to the Directors are vetted and approved by the MD/CEO, on the recommendation of the concerned Departmental Head. For financial statements and reports, the Chief Financial Officer and the MD/CEO review and certify the Financial Statements before these are provided to the Directors.
	vi) Do NEDs have unfettered access to the EDs, Company Secretary and the Internal Auditor? Yes/No	Yes, the right of access to functionaries of the bank, is provided to all Directors.
<p>Principle 7: Independent Non-Executive Directors</p>	i) Do the INEDs meet the independence criteria prescribed under Section 7.2 of the Code? Yes/No	Yes. The INEDs meet the independence criteria set out in Principle 7. The Board also specifically adopted the definition of Independence as set out in Principle 7 of the Code as the standard for Independence at the bank

Principles	Reporting Questions	Explanation on application or deviation
<p><i>Independent Non-Executive Directors bring a high degree of objectivity to the Board for sustaining stakeholder trust and confidence"</i></p>	ii) Are there any exceptions?	No. There are no exceptions. All the INEDs adhere to a high level of objectivity in the discharge of their duties.
	iii) What is the process of selecting INEDs?	The process for the appointment of an INED is as stipulated in the Memorandum and Articles of Association of the bank. Please see Annex 3
	iv) Do the INEDs have letters of appointment specifying their duties, liabilities and terms of engagement? Yes/No	Yes. All the INEDs have Letters of Appointment which detail their duties, liabilities and terms of engagement.
	v) Do the INEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	<p>Yes, the INEDs disclose any conflict upon appointment, and annually at the start of every financial year.</p> <p>Disclosures are also made at Board meetings, where there are any personal interests in agenda items. The concerned INED recluses himself/herself from deliberations and his/her disclosure is minuted in the Board minutes as required by the regulations.</p>
	vi) Does the Board ascertain and confirm the independence of the INEDs? Yes/No If yes, how often? What is the process?	<p>Yes. The Board confirms annually and on an ongoing basis, the continued Independence of the INEDs.</p> <p>The Board relies on an External Board Evaluation Consultant who reviews the Independent status of the INEDs and provides a report to the Board.</p> <p>On an ongoing basis, the Board, through the Board Ethics Committee, receives recommendations on ensuring the independence of the INEDs.</p>
	vii) Is the INED a Shareholder of the Company? Yes/No If yes, what is the percentage shareholding?	No. The INEDs do not have shares in the bank.
	viii) Does the INED have another relationship with the Company apart from directorship and/or shareholding? Yes/No If yes, provide details.	No. INEDs do not have any relationship with the bank.
	ix) What are the components of INEDs remuneration?	<ol style="list-style-type: none"> 1. Directors Fees. 2. Sitting Allowances

		3. Reimbursable for expenses incurred in the discharge of their duties as Directors.
<p>Principle 8: Company Secretary</p> <p><i>"The Company Secretary support the effectiveness of the Board by assisting the Board and management to develop good corporate governance practices and culture within the Company"</i></p>	i) Is the Company Secretary in-house or outsourced?	The Company Secretary is in-house.
	ii) What is the qualification and experience of the Company Secretary?	Mr. Shofola Osho holds a Bachelor of Laws degree (1997) and a Master's Degree in International Commercial Law (2020). He is also a Chartered Secretary. He was called to the Nigerian Bar in FY 1999. Until his appointment in February 2018, he was Assistant Company Secretary at First Bank of Nigeria.
	iii) Where the Company Secretary is an employee of the Company, is the person a member of senior management?	Yes, the Company Secretary is a member of senior management.
	iv) Who does the Company Secretary report to?	The Company Secretary reports to the Board, through the Board Chairman and has an administrative reporting line to the MD/CEO.
	v) What is the appointment and removal process of the Company Secretary?	The Company Secretary is appointed by the Board, and his discipline, promotion and removal is at the discretion of the Board.
	vi) Who undertakes and approves the performance appraisal of the Company Secretary?	The MD/CEO prepares a preliminary appraisal of the Company Secretary, which is then considered presented to the Board Chairman for review and input. The Board Chairman receives input from other directors before concluding the appraisal of the Company Secretary.
<p>Principle 9: Access to Independent Advice</p> <p><i>"Directors are sometimes required to make decisions of a technical and complex nature that may require independent external</i></p>	i) Does the company have a Board-approved policy that allows directors access to independent professional advice in the discharge of their duties? Yes/No If yes, where is it documented?	Yes. The right to access Independent external advice is contained in the charters of the Board, the respective Committees of the Board, and in the individual letters of appointment of the respective directors.
	ii) Who bears the cost for the independent professional advice?	The cost is borne by the bank.

<p>expertise”</p>	<p>iii) During the period under review, did the Directors obtain any independent professional advice? Yes/No If yes, provide details.</p>	<p>Yes. The Board Ethics Committee obtained Independent Legal advice on conflict of Interest and Independence of INEDs.</p>
<p>Principle 10: Meetings of the Board</p> <p>“Meetings are the principal vehicle for conducting the business of the Board and successfully fulfilling the</p>	<p>i) What is the process for reviewing and approving minutes of Board meetings?</p>	<p>The Company Secretary prepares a draft of the minutes which is then reviewed by the MD and sent to the Board Chairman for comments. Any comments received are incorporated into the draft, which is then circulated to directors, for additional comments.</p> <p>Comments from directors are tracked on a copy which is then sent to the Board Chairman for information and is then presented for review and adoption at the next Board meeting.</p>
<p>“Meetings are the principal vehicle for conducting the</p>	<p>ii) What are the timelines for sending the minutes to Directors?</p>	<p>Minutes are sent to directors no later than ten (10) days from the date of the meeting.</p>
<p>business of the Board and successfully fulfilling the</p>	<p>iii) What are the implications for Directors who do not meet the Company policy on meeting attendance?</p>	<p>Every Director is required to attend all meetings of the Board, and Board Committees in which he is a member. In order to qualify for re-election, a Director must have attended at least two-thirds of all Board and Board Committee meetings.</p>

<p>Principle 11: Board Committees</p> <p><i>"To ensure efficiency and effectiveness, the Board delegates some of its functions, duties and responsibilities to well-structured committees, without abdicating its responsibilities"</i></p>	<p>i) Do the Board Committees have Board-approved Charters which set out their responsibilities and terms of reference? Yes/No</p>	<p>Yes. All the Board Committees have charters which set out their terms of reference.</p>
	<p>ii) What is the process for reviewing and approving minutes of Board Committee of meetings?</p>	<p>The Company Secretary prepares the minutes and then sends the draft to the Chairman of the respective Committee for review. Comments are incorporated into the draft which are then circulated to members for comments. Comments are incorporated and the minutes are uploaded into the meeting portal for consideration and approval at the next meeting of the committee.</p>
	<p>iii) What are the timelines for sending the minutes to the directors?</p>	<p>Minutes are sent to directors no later than ten (10) days from the date of the meeting.</p>
	<p>iv) Who acts as Secretary to board committees?</p>	<p>The Company Secretary acts as Secretary to the Board Committees.</p>
	<p>v) What Board Committees are responsible for the following matters? a) Nomination and Governance b) Remuneration c) Audit d) Risk Management</p>	<p>(a) And (b) is handled by the Board Nomination and Governance Committee.</p> <p>(c) Is handled by the Board Audit and Compliance Committee, while</p> <p>(d) is within the purview of the Board Risk Management Committee</p>
	<p>vi) What is the process of appointing the chair of each committee ?</p>	<p>The Chairmen of the respective Committees are appointed based on the nature of the Committee, the competencies and qualifications required for the role. The Chairman takes the lead in the appointment of the Chair of each Committee, and it is the Board that appoints the Chairmen of each Committee.</p>
	Committee responsible for Nomination and Governance	
	<p>vii) What is the proportion of INEDs to NEDs on the Committee responsible for Nomination and Governance?</p>	<p>All members of the Board Nomination and Governance Committee are INEDS.</p>
	<p>viii) Is the chairman of the Committee a NED or INED ?</p>	<p>The Chairman of the Committee, Dr. Oladimeji Alo is an INED.</p>
	<p>ix) Does the Company have a succession plan policy? Yes/No</p>	<p>Yes. The bank has a succession plan.</p>
	<p>x) How often are Board and Committee charters as well as other governance policies reviewed?</p>	<p>The Board and Committee charters are reviewed every two (2) years, or sooner as the need arises.</p>
<p>xi) How does the committee report on its activities to the Board?</p>	<p>The Committee reports on its activities quarterly to the Board, and this is after each meeting of the Committee. The Chairman of the Committee presents a Report to the Board on the deliberations</p>	

	and decisions of the Committee and the Report is circulated to the full board ahead of each Board meeting. The Board discusses the Report and approves the recommendations of the Committee, as required.
Committee responsible for Remuneration	
xii) What is the proportion of INEDs to NEDs on the Committee responsible for Remuneration?	The Board Nomination and Governance Committee is responsible for Remuneration. All members of the Board Nomination and Governance Committee are INEDS.
xiii) Is the chairman of the Committee a NED or INED ?	The Chairman of the Committee, Dr. Oladimeji Alo is an INED.
Committee responsible for Audit	
xiv) Does the Company have a Board Audit Committee separate from the Statutory Audit Committee? Yes/No	Yes. The Board has an Audit Committee which is separate from the Statutory Audit Committee.
xv) Are members of the Committee responsible for Audit financially literate? Yes/No	Yes. All members of the Committee are financially literate.
xvi) What are their qualifications and experience?	Please see attached Annex 4
xvii) Name the financial expert(s) on the Committee responsible for Audit	Mr. Andrew Alli
xviii) How often does the Committee responsible for Audit review the internal auditor's reports?	The Board Audit & Compliance Committee ("BACC") reviews the Internal Auditors report on a quarterly basis.
xix) Does the Company have a Board approved internal control framework in place? Yes/No	Yes. The bank has a board-approved internal control Framework.
xx) How does the Board monitor compliance with the internal control framework?	The Chief Risk Officer exercises oversight of the bank's internal control architecture and reports on the system of internal controls to the Board through the BACC on a quarterly basis. The bank also has an internal audit function which monitors the implementation of the internal control framework.
xxi) Does the Committee responsible for Audit review the External Auditors management letter, Key Audit Matters and management response to issues raised? Yes/No Please explain.	Yes. The BACC reviews the Management Letters and tracks the resolution of any issues raised therein.
xxii) Is there a Board-approved policy that clearly specifies the non-audit services that the external auditor shall not provide? Yes/No	No. The Bank is yet to develop this policy. However, the bank is guided by Section 5.2.11 of the CBN Code of Corporate Governance for Development Finance Institutions on those services which an External Auditor should not provide.

	xxiii) How many times did the Audit Committee hold discussions with the Head of internal audit function and external auditors without the management during the period under review?	An Executive session is held with the Head of Internal Audit at the end of every meeting of the Board Audit & Compliance Committee. Similar sessions are held with the External Auditors when they present the External Audit Report to the Board Audit & Compliance Committee.
	Committee responsible for Risk Management	
	xxiv) Is the Chairman of the Risk Committee a NED or an INED?	The Chairman of the Board Credit & Risk Committee ("BCRC"), Mr. Bello Maccido, is an INED.
	xxv) Is there a Board approved Risk Management framework? Yes/No? If yes, when was it approved?	Yes. The Risk Management Framework was approved in FY 2018 and is being reviewed periodically.
	xxvi) How often does the Committee review the adequacy and effectiveness of the Risk Management Controls in place? Date of last review	This is done on a quarterly basis, was done at the October 15, 2020 BCRC meeting.
	xxvii) Does the Company have a Board-approved IT Data Governance Framework? Yes/No If yes, how often is it reviewed?	Yes. This was approved in FY 2019. The policy is reviewed every two (2) years, or earlier as the circumstance requires.
	xxviii) How often does the Committee receive and review compliance report on the IT Data Governance Framework?	The Chief Compliance Officer provides a quarterly report on all risk issues to the BCRC.
	xxix) Is the Chief Risk Officer (CRO) a member of Senior Management and does he have relevant experience for this role? Yes/No	Yes, the Chief Risk Officer is a member of senior management and has the experience for the discharge of the role.
	xxx) How many meetings of the Committee did the CRO attend during the period under review?	The CRO attended all four (4) meetings of the Committee held in the reporting year.
Principle 12: Appointment to the Board	i) Is there a Board-approved policy for the appointment of Directors? Yes/No	Yes. This is as enshrined in the Memorandum and Articles of Association of the bank and the Board charter.
<i>"A written, clearly defined, rigorous, formal and transparent procedure serves as a guide for the selection of Directors to ensure the appointment of high-quality individuals to the Board"</i>	ii) What criteria are considered for their appointment?	These are a combination of skills, competencies, expertise and experience together with other criteria as are deemed relevant by shareholders.
	iii) What is the Board process for ascertaining that prospective directors are fit and proper persons?	The bank relies on a combination of the CBN Competency Framework for the Banking Industry, recourse to a transparent recruitment process handled through an external consultant and background checks, also undertaken through external consultants. Formal CBN approval is also sought as part of the process.
	iv) Is there a defined tenure for the following: a) The Chairman b) The MD/CEO c) INED d) NED e) EDs	Yes. Their respective tenures are as follows: a) The Chairman - A maximum of two (2) terms of 4 years each. b) The MD/CEO - A maximum of two (2) terms of 5 years each.

		<p>c) INED - A maximum of two (2) terms of 4 years each.</p> <p>d) NED - A maximum of two (2) terms of 4 years each.</p> <p>e) The bank did not have an ED , apart from the MD/CEO in the reporting period.</p>
	v) Please state the tenure	Please see above.
	vi) Does the Board have a process to ensure that it is refreshed periodically? Yes/No?	Yes. The Board keeps under review the skills requirement and competencies required for board positions and factors these into board-level recruitments.
<p>Principle 13: Induction and Continuing Education</p> <p><i>"A formal induction programme on joining the Board as well as regular training assists Directors to effectively discharge their duties to the Company"</i></p>	i) Does the Board have a formal induction programme for new directors? Yes/No	Yes. The Board has a formal induction process for new directors.
	ii) During the period under review, were new Directors appointed? Yes/No iii) If yes, provide date of induction.	Yes. The Board appointed one (1) INED and One (1) ED subject to the approval of the Central Bank of Nigeria. Both appointments are under review by the CBN. A formal induction would be held once CBN approval is received for the appointments.
	iv) Are Directors provided relevant training to enable them effectively discharge their duties? Yes/No If yes, provide training details.	Yes. Please see attached Annex 5.
	v) How do you assess the training needs of Directors?	This is determined through a combination of the Board strategic direction for each financial year, and the outcome of Board Evaluation process. The Board may also provide trainings to members based on emerging trends and the need to ensure that directors are fully aware of such events/trends.
	vi) Is there a Board-approved training plan? Yes/No	Yes. The training plan for Directors compiled at the start of each financial year.
	vii) Has it been budgeted for? Yes/No	Yes. The training plan is budgeted for.
<p>Principle 14: Board Evaluation</p> <p><i>"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 Company's objectives"</i></p>	i) Is there a Board-approved policy for evaluating Board performance? Yes/No	Yes. This is as stipulated in the Board charter and Directors Letters of Appointment.
	ii) For the period under review, was there any Board Evaluation exercise conducted? Yes/No	Yes. The Board Evaluation exercise for FY 2019 was done, while that for FY 2020 is in process.
	iii) If yes, indicate whether internal or external. Provide date of last evaluation.	Board Evaluations are undertaken by an External Consultant. The last evaluation was concluded on April 17, 2020.
	iv) Has the Board Evaluation report been presented to the full Board? Yes/No If yes, indicate date of presentation.	Yes. It was presented to the full Board at the meeting held on April 28, 2020

	v) Did the Chairman discuss the evaluation report with the individual directors? Yes/No	Yes
	vi) Is the result of the evaluation for each Director considered in the re-election process? Yes/No	Yes
<p>Principle 15: Corporate Governance Evaluation</p> <p><i>"Institutionalizing a system for evaluating the Company's corporate governance practices ensures that its governance standards, practices and processes are adequate and effective"</i></p>	i) For the period under review, has the Company conducted a corporate governance evaluation? Yes/No If yes, provide date of the evaluation.	Yes. The Board Evaluation and the Corporate Governance Evaluation are conducted together by an External Consultant. The last evaluation was conducted by PricewaterhouseCoopers and concluded on April 17, 2020. The bank also engaged the Boston Consulting Group in FY 2020, to carry out a Corporate Governance Evaluation of the bank and its subsidiary, Impact Credit Guarantee Limited. The evaluation was undertaken in November 2020.
	ii) Is the result of the Corporate Governance Evaluation presented and considered by the Board? Yes/No	Yes.
	iii) If yes, please indicate the date of last presentation.	Yes. It was presented to the full Board at the meeting held on April 28, 2020
	iv) Is the summary of the Corporate Governance Evaluation included in the annual reports and Investors portal? Yes/No	Yes.
<p>Principle 16: Remuneration Governance</p> <p><i>"The Board ensures that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term"</i></p>	i) Is there a Board-approved Directors' remuneration policy? Yes/No If yes, how often is it reviewed?	Yes, there is a Board-approved Board Remuneration Policy. It is reviewed once every two years or sooner as the need arises.
	ii) Provide details of directors' fees, allowances and all other benefits paid to them during the period under review	Chairman – Directors Fees – N19,750,000 P/A Sitting Allowance - N600,000 per meeting INED - Directors Fess – N16,860,00 P/A Sitting Allowance – N500,000 per meeting NED – Directors Fee – N4,500,000 P/A Sitting Allowance – N250,000 per meeting
	iii) Is the remuneration of NEDS presented to shareholders for approval? Yes/No If yes, when was it approved?	Yes. Shareholder approval was obtained for NEDs compensation at the 3rd AGM held on May 19, 2020.
	iv) What portion of the NEDs remuneration is linked to company performance?	None. NEDs compensation is fixed and is not linked to company performance.
	v) Is there a Board-approved remuneration policy for Executive and Senior management? Yes/No If yes, to what extent is remuneration linked to company performance?	Yes. The compensation of Executives and senior management is as fixed by the Board. The bank has a board-approved bonus scheme, which rewards all staff only when pre-determined performance targets are

		achieved. The bonus scheme is designed not to reward excessive risk-taking.
	vi) Has the Board set KPIs for Executive Management? Yes/No	Yes. The Board sets KPIs for Management on an annual basis.
	vii) If yes, was the performance measured against the KPIs? Yes/No	Yes. Performance is tracked on periodically on a quarterly basis and at the end of each financial year.
	viii) Do the MD/CEO, EDs and Company Secretary receive a sitting allowance and/or directors' fees? Yes/No	No.
	ix) Which of the following receive sitting allowance and/or fees: a. MD/CEO b. ED c. Company Secretary d. Other Senior management staff	None of the listed employees receive sitting allowances.
	x) Is there a Board-approved clawback policy for Executive management? Yes/No If yes, attach the policy.	Yes. There is a Clawback policy for Executive management compensation.
Principle 17: Risk Management	i) Has the Board defined the company's risk appetite and limit? Yes/No	Yes. This has been defined by the Board.
<i>"A sound framework for managing risk and ensuring an effective internal control system is essential for achieving the strategic objectives of the Company"</i>	ii) How often does the company conduct a risk assessment?	This is done on a quarterly basis and reported to the Board by the Chief Risk Officer, through the BCRC.
	iii) How often does the board receive and review risk management reports?	On a quarterly basis.
Principle 18: Internal Audit	i) Does the company have an Internal Audit function? Yes/No If no, how has the Board obtained adequate assurance on the effectiveness of internal processes and systems?	Yes. The bank has an internal audit function. On a quarterly basis, the Head, Internal Audit reviews the bank's governance, risk and control environment and provides an Assurance Statement to the Board through the BACC.
<i>"An effective internal audit function provides assurance to the Board on the effectiveness of the governance, risk management and internal control systems"</i>	ii) Does the company have a Board-approved internal audit charter? Yes/No	Yes. The bank has a board-approved internal audit charter
	iii) Is the head of internal audit a member of senior management? Yes/No	Yes. The Head, Internal Audit is a member of senior management.
	iv) What is the qualification and experience of the head of internal audit?	Mr. Joshua Ohioma, Head, Internal Audit is a graduate of Economics with postgraduate qualification in Business Administration. He is also a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), a Certified Risk Analyst, ISO 27001 Lead Auditor and an alumnus of Lagos Business School (Senior Management Programme).
	v) Does the company have a Board-approved annual risk-based internal audit plan? Yes/No	Yes. The bank has a board-approved internal audit plan.
	vi) Does the head of the internal audit function report at least once every quarter to the committee responsible for audit, on the adequacy and effectiveness of management, governance, risk and control	Yes.

	environment; deficiencies observed and management mitigation plans? Yes/No	
	vii) Is there an external assessment of the effectiveness of the internal audit function at least once every three years by a qualified independent reviewer appointed by the Board? Yes/No If yes, when was the last assessment?	Yes. The first assessment was undertaken by Deloitte Nigeria Limited for the period 2017 – 2020. This Assessment was undertaken in FY 2020.
	viii) Who undertakes and approves the performance evaluation of the Head of Internal Audit?	The Head, Internal Audit is assessed by the MD/CEO in consultation with the Chairman, Board Audit & Compliance Committee. The appraisal is then approved by the Board
Principle 19: Whistleblowing <i>"An effective whistle-blowing framework for reporting any illegal or unethical behaviour minimises the Company's exposure and prevents recurrence"</i>	i) Does the company have a Board-approved whistleblowing framework? Yes/No If yes, when was the date of last review	Yes, The bank has a board-approved whistleblowing policy. It was reviewed last in October 2020.
	ii) Does the Board ensure that the whistleblowing mechanism and are process reliable, accessible to all stakeholders, guarantees anonymity and protection of the whistleblower? Yes/No	Yes.
	iii) Is the Audit committee provided with the following reports on a periodic basis? a) Reported cases b) Process and results of Investigated cases	Yes.
Principle 20: External Audit <i>"An external auditor is appointed to provide an independent opinion on the true and fair view of the financial statements of the Company to give assurance to stakeholders on the reliability of the financial statements"</i>	i) Who makes the recommendations for the appointment, re-appointment or removal of external auditors?	This is done jointly by the Board Audit & Compliance Committee, to the Board, and the Statutory Audit Committee, to the Board based on Section 404 (7) (e) of the Companies and Allied Matters Act, 2020.
	ii) Who approves the appointment, re-appointment, and removal of External Auditors?	The Shareholders on the recommendation of the Board of Directors.
	iii) When was the first date of appointment of the External auditors?	August 9, 2016
	iv) How often are the audit partners rotated?	Every five (5) years
Principle 21: General Meetings <i>"General Meetings are important platforms for the Board to engage shareholders to facilitate greater understanding of the Company's business, governance and performance. They provide shareholders with an opportunity to exercise their ownership rights and express their views to the Board on any areas of interest"</i>	i) How many days prior to the last general meeting were notices, annual reports and any other relevant information dispatched to Shareholders?	Twenty-one (21) clear days
	ii) Were the Chairmen of all Board Committees and the Chairman of the Statutory Audit Committee present to respond to Shareholders' enquiries at the last meeting? Yes/No	Yes. They were all present at the AGM
Principle 22: Shareholder Engagement <i>"The establishment of a system of regular dialogue with shareholders balance their needs, interests and</i>	i) Is there a Board-approved policy on shareholders' engagement? Yes/No If yes: a) when was it last reviewed? b) Is the policy hosted on the company's website?	Yes. The bank has a Board-approved Communication policy which caters for engagement with shareholders. a) FY 2019 b) Yes. This is available on the website.

<p>expectations with the objectives of the Company”</p>	<p>ii) How does the Board engage with Institutional Investors and how often?</p>	<p>This is done through investor calls and routine reporting to the Development Partners two of whom are shareholders in the bank.</p>
<p>Principle 23: Protection of Shareholder Rights “Equitable treatment of shareholders and the protection of their statutory and general rights, particularly the interest of minority shareholders, promote good governance”</p>	<p>i) Does the Board ensure that adequate and timely information is provided to the shareholders on the Company's activities? Yes/No</p>	<p>Yes. The Development Partners receive routine reports on the progress of the bank's operations and there are routine disclosures both on the bank's website and through publications on the bank's operations and activities, in general.</p>
<p>Principle 24: Business Conduct and Ethics “The establishment of professional business and ethical standards underscore the values for the protection and enhancement of the reputation of the Company while promoting good conduct and investor confidence”</p>	<p>i) Does the company have a Board-approved Code of Business Conduct and Ethics (COBE) that guides the professional business and ethical standards? Yes/No</p> <p>If yes:</p> <p>a) Has the COBE been communicated to all internal and external Stakeholders? Yes/No</p> <p>b) Is the COBE applicable to any or all of the following:</p> <ol style="list-style-type: none"> 1. Board 2. Senior management 3. Other employees 4. Third parties 	<p>Yes. The bank has a board-approved code of Ethics.</p> <p>Yes.</p> <p>Yes. It is applicable to all internal and external stakeholders of the bank.</p>
<p>ii) When was the date of last review of the policy?</p>	<p>The was reviewed in FY 2019. A recommendation for a further review of the Code would be presented to the Board in the current operating year.</p>	
<p>iii) Has the Board incorporated a process for identifying, monitoring and reporting adherence to the COBE? Yes/No</p>	<p>Yes. This is done by the Human Resources function and reported to the Board through the Board Nomination & Governance Committee.</p>	
<p>iv) What sanctions were imposed for the period under review for non-compliance with the COBE?</p>	<p>There were no infractions of the code in the period under review.</p>	
<p>Principle 25: Ethical Culture “The establishment of policies and mechanisms for monitoring insider trading, related party transactions, conflict of interest and other corrupt activities, mitigates the adverse effects of these abuses on the Company and promotes good ethical conduct and investor confidence”</p>	<p>i) Is there a Board- approved policy on insider trading? Yes/No</p> <p>If yes:</p> <p>a) When was the last date of review?</p> <p>b) How does the Board monitor compliance with this policy?</p> <p>ii) Does the company have a Board approved policy on related party transactions? Yes/No</p> <p>If yes:</p> <p>a) When was the last date of review?</p> <p>b) How does the Board monitor compliance with this policy?</p> <p>c) Is the policy applicable to any or all of the following:</p> <ol style="list-style-type: none"> 1. Board 2. Senior management 3. Other employees (Specify) 4. Third parties (Specify) <p>iii) How does the Board ensure adequate disclosure of Related Party Transactions by the responsible parties?</p> <p>iv) Does the company have a Board-approved policy on conflict of interest? Yes/No</p>	<p>No. There is a Shareholders Agreement which regulates when and how shareholders can transfer their shares.</p> <p>Yes. The bank has a conflict of interest and related party disclosure policy.</p> <p>The policy was reviewed in FY 2019.</p> <p>The CRO monitors compliance with the policy through disclosures provided by the board and staff.</p> <p>The policy is applicable to all directors, staff and third parties who provide services or are contractual parties with the bank.</p> <p>The policy has a Disclosure Form as an appendix which captures details of all relevant information for the disclosure.</p> <p>Yes. The bank has a Conflict-of-Interest Policy.</p>

	<p>If yes:</p> <p>a) When was the last date of review?</p> <p>b) How does the Board monitor compliance with this policy?</p> <p>c) Is the policy applicable to any or all of the following:</p> <ol style="list-style-type: none"> 1. Senior management 2. Other employees (Specify) 	<p>It was reviewed in FY 2019.</p> <p>The Chief Compliance Officer ("CCO") monitors compliance with the policy and provides routine reports to the Board, through the BACC.</p> <p>Yes, the Policy applies to all internal stakeholders, including the Board and Employees.</p>
<p>Principle 26: Sustainability</p> <p><i>"Paying adequate attention to sustainability issues including environment, social, occupational and community health and safety ensures successful long-term business performance and projects the Company as a responsible corporate citizen contributing to economic development"</i></p>	<p>i) Is there a Board-approved sustainability policy? Yes/No If yes, when was it last reviewed?</p>	<p>Yes. The bank has a board-approved Sustainability policy. It was reviewed with the Monitoring and Evaluation Policy of the bank on February 25, 2019</p>
	<p>ii) How does the Board monitor compliance with the policy?</p>	<p>The Office of the Chief Economist is charged with driving the policy and he provides routine updates to the Board, through the Board Ethics Committee on the bank's sustainability initiatives.</p> <p>The Board Ethics Committee exercises oversight over the bank's Sustainability matters.</p>
	<p>iii) How does the Board report compliance with the policy?</p>	<p>The board reports on compliance through the annual Integrated Report which is published by the bank and provided to regulators and other stakeholders.</p>
	<p>iv) Is there a Board-approved policy on diversity in the workplace? Yes/No If yes, when was it last reviewed?</p>	<p>Yes. This was reviewed in FY 2019</p>
<p>Principle 27: Stakeholder Communication</p> <p><i>"Communicating and interacting with stakeholders keeps them conversant with the activities of the Company and assists them in making informed decisions"</i></p>	<p>i) Is there a Board-approved policy on stakeholder management and communication? Yes/No</p>	<p>Yes. The bank has a Communication Policy which caters for the engagement with stakeholders.</p>
	<p>ii) Does the Company have an up to date investor relation portal? Yes/No If yes, provide the link.</p>	<p>Yes. This is available on the bank's website</p>
<p>Principle 28: Disclosures</p> <p><i>"Full and comprehensive disclosure of all matters 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"</i></p>	<p>i) Does the company's annual report include a summary of the corporate governance report? Yes/No</p>	<p>Yes. The Annual Report contains a Corporate Governance Report.</p>
	<p>ii) Has the company been fined by any regulator during the reporting period? Yes/No If yes, provide details of the fines and penalties.</p>	<p>No. The bank has not received any fine in the reporting period.</p>