

RICH HERITAGE BRIGHT FUTURE



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The term 'FBN Holdings Plc' or the 'Group' means FBNHoldings together with its subsidiaries, which include FBNBank DRC Limited. FBN Holdings Plc is a financial holding company incorporated in Nigeria on 14 October 2010. The Company was listed on the Nigerian Stock Exchange under the 'Other financial services' sector on 26 November 2012 and has issued and fully paid-up share capital as 35,895,292,792 ordinary shares of 50 kobo each (₦17,947,646,396).

FBN Holdings Plc is structured under four business groups, namely: Commercial Banking, Merchant Banking and Asset Management¹, Insurance and Other Financial Services².

- The Commercial Banking business comprises First Bank of Nigeria Limited, FBNBank (UK) Limited, FBNBank DRC Limited, FBNBank Ghana Limited, FBNBank The Gambia Limited, FBNBank Guinea Limited, FBNBank Sierra Leone Limited, FBNBank Senegal Limited, First Pension Custodian Nigeria Limited and FBN Mortgage Limited. FirstBank (Nigeria) is the lead entity of the Commercial Banking business.
- The Merchant Banking and Asset Management business consists of FBN Merchant Bank and FBN Capital Limited. Subsidiaries of FBN Capital include: FBN Trustees Limited, FBN Capital Asset Management Limited, FBN Funds Limited and FBN Securities Limited.
- The Insurance business comprises FBN Insurance Limited, FBN General Insurance Limited and FBN Insurance Brokers Limited.
- Other Financial Services business includes the Group's non-operating holdings company and other non-banking financial services businesses, primarily FBN Microfinance Bank, which provides microfinance services. The Group's interest in FBN Microfinance Bank Limited was sold to Letshego Holdings in December 2015.

Unless otherwise stated, the income statement analysis compares the 12 months to December 2015 to the corresponding 12 months of 2014, and the balance sheet comparison relates to the corresponding position at 31 December 2014. Unless otherwise stated, all disclosed figures relate to continuing operations. Relevant terms that are used in this document but are not defined under applicable regulatory guidance or the IFRS are explained in the glossary or abbreviation section of this report.

Shareholders will receive a compact disc (CD) containing the Annual Report and Accounts for FBN Holdings Plc, as well as information on outstanding dividend claims and a list of all our business locations. There will be an option to view a navigable PDF copy of the FBNHoldings report and the First Bank of Nigeria report as well as standard PDFs of certain subsidiary reports at the download centre. A CD will be available on request by contacting FBN Holdings Plc, Investor Relations department, Samuel Asabia House, 35 Marina Street, Lagos.

¹ Following the acquisition of the merchant banking licence in 2015, the Investment Banking and Asset Management business (IBAM) is now the Merchant Banking and Asset Management business (MBAM).

² Other Financial Services will no longer be classified as one of the main operating companies following the sale of the Microfinance business, which is classified under this category.

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OVERVIEW

WHO WE ARE

FBNBank DRC S.A. is one of the premier banks in the Democratic Republic of Congo and has been contributing to the country's economic development since 1994. Despite undergoing many transformations over the years due to political, regulatory and ownership requirements, it has remained resilient, trustworthy and dynamic. The Bank, which is jointly owned by First Bank of Nigeria Ltd (75%) and BSG Capital Markets Ltd (25%), has a total asset base (including contingents) of about CDF346,575,521,723 (around USD374.0 million) as at 31 December 2015. With pre-tax profits in excess of CDF 9,269,374,629 (around USD10.3 million) in 2015, it remains among the top three most profitable banks in the country.

FBNBank DRC S.A. is a commercial bank with a good spread of corporate, SME, public and retail banking clientele with diverse needs spread across different regions of the country. We offer a range of products and services that meet the financial needs of our many customers. The Bank has grown its network to nearly 70 branches and agencies in the country's major commercial centres, with more than 200,000 customers and 60 ATMs. Our suite of products has been carefully designed to be flexible and serve different segments of society. They range from project financing to working capital, overdrafts, invoice and contract financing, and professional and personal loans to employees.

Our mission is to create banking solutions that provide lasting value for customers, shareholders, staff and the communities in which we operate, and a vision to be the Congolese bank of first choice. The Bank anchors the delivery of its strategy on four major themes: excellence, partnership, innovation and process optimisation. Excellence is about making the banking industry a reference point, while partnership aims at building knowledgeable, collaborative, consultative relationships with stakeholders that translate to improved revenue and earnings. Innovation is about delivering novel banking products and services, and process optimisation relates to maximising returns on investment. Our strategic intent, and the driving philosophy of our business is to assume a leading position in the DRC's financial services landscape. Being a member of the FirstBank Group, we pride ourselves in strong corporate governance practices and unrivalled compliance with industry regulations.

We recognise the need to be selective in business undertakings due to restrictions arising from governance and regulations. In the coming years, the compliance bar for business will be further raised, and transactions with lesser or no transparency will be turned down. The Bank's compliance stance is well known among our peers and we have consistently operated in the country with these values.

Our core values are the foundation of the Bank's new corporate culture, which drives the conduct of business and value creation for the stakeholders. The five pillars of our values are:

Excellence, enables us to demand more of ourselves rather than our customers and go the extra mile;

Team work, enables us to work together with stakeholders to create value for all;

Leadership, aims at being ahead of competition within the banking industry;

Creativity, our products and services that separate us from the crowd; and

Integrity, the trust and honour that guide the basis of our relationships with our stakeholders.

FBN HOLDINGS PLC (FBNHoldings)



COMMERCIAL BANKING

First Bank of Nigeria Ltd

FBNBank (UK) Ltd

FBNBank DRC Ltd

FBNBank Ghana Ltd

FBNBank The Gambia Ltd

FBNBank Guinea Ltd

FBNBank Sierra Leone Ltd

FBNBank Senegal Ltd

First Pension Custodian Nigeria Ltd

FBN Mortgages Ltd



MERCHANT BANKING AND ASSET MANAGEMENT¹

FBN Merchant Bank Ltd

FBN Capital Ltd

FBN Trustees Ltd

FBN Capital Asset Management Ltd

FBN Funds Ltd

FBN Securities Ltd



INSURANCE

FBN Insurance Ltd

FBN General Insurance

FBN Insurance Brokers Ltd



OTHER FINANCIAL SERVICES²

FBN Microfinance Bank Ltd

¹ Following the acquisition of the merchant banking licence in 2015, the Investment Banking and Asset Management business (IBAM) is now the Merchant Banking and Asset Management business (MBAM).

² Other Financial Services will no longer be classified as one of the main operating companies following the sale of Microfinance business, which is classified under this category.

WHAT WE DO

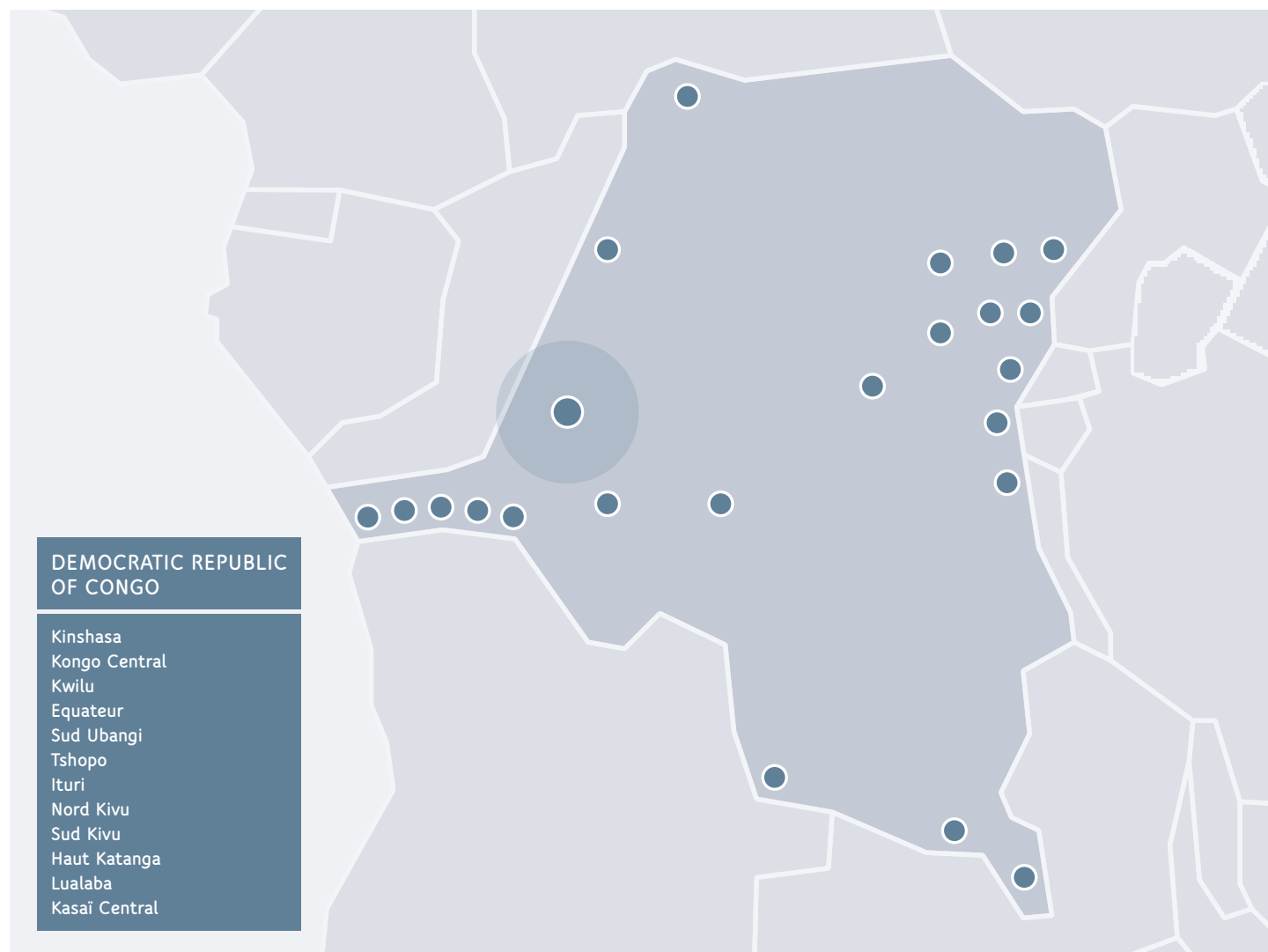
The Bank carries out banking transactions within the country, either for itself or on behalf of third parties. FBNBank DRC S.A. carries out financial or trading operations authorised by Congolese banking law, including but not limited to the following:

- Receipt or collection of funds from the public; credit operations; leasing operations with or without purchase options; payment operations; and payment instruments management operations.
- Operations related to banking transactions, particularly exchange transactions; transactions in gold, precious metals or coins; investment, purchase, management, custody and sale of securities and any financial products; acquisition of interests within the limits set by the Central Bank of Congo; consultancy and support for wealth management, financial management and engineering; and, in general, any services intending to facilitate the creation and development of businesses, and operating leases of movable or immovable property for companies authorised to transact leasing.
- Any financial transactions or activities relating to movable or immovable property, and investment through capital contributions in any business or company.

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Where we operate

The Bank operates in Kinshasa, as well as in regional branches, as shown in the diagram below:



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PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Gross earnings (CDF billion)

+5.5%



Profit before tax (CDF billion)

-3.0%



Total assets (CDF billion)

+8.6%



Customers' deposits (CDF billion)

+5.5%



Loans and advances (CDF billion)

+12.2%



The Bank recorded healthy growth of 8.6% in total assets during the review period, enabling it to close at CDF346.6 billion as at 31 December 2015. Cost being a major consideration in balance sheet expansion, as such growth will only be worthwhile when it is profitable. The growth in total assets was largely driven by deposits, which increased by 5.5% compared with the previous year. The 12.2% growth in loans and advances was driven by the need for additional incremental income for the Bank.

Despite a difficult operating environment in 2015, the Bank's gross earnings closed at CDF57.1 billion (2014: CDF54.7 billion), a rise of 5.5%, largely driven by interest income, which compensated for the reduction in commission and fees. The challenges experienced in trade and foreign exchange services in the course of the year due to uncompetitive trade services affected the commission and fee income, thereby resulting in modest growth in revenue.

Net interest income increased by 10.5% to close at CDF30.5 billion (2014: CDF27.6 billion), largely due to growth in the loan portfolio. Non-interest income declined by 4.8% to CDF22.1 billion (2014: CDF23.2 billion), primarily due to the challenges of correspondent banking services, which in turn created the problems of trade and foreign exchange services that led to the loss of CDF2.8 billion. Pre-tax profit, at CDF9.3 billion, declined by 3.0%.

In order to sustain lending activities and associated income, there was a need to source cost-effective deposits from the customer. As a result, deposits grew by 5.5% to close at CDF277.4 billion (2014: CDF262.9 billion), which was above the 1.3% growth recorded in 2014.

Customer loans and advances closed at CDF189.5 billion, a year-on-year rise of 12.2%. Return on average equity declined marginally to 28% (Dec 2014: 30%), while return on average assets remained flat at 3%.

NON-FINANCIAL HIGHLIGHTS

The change in the Bank's name, from Banque Internationale de Credit S.a.r.l. (B.I.C.) to FBNBank DRC S.A. in 2015, has better positioned us to earn the respect of the regulators and other operators as well as to attract businesses. The impact of this rebranding is still unfolding and will further benefit the Bank in the years to come.

The deployment within the Bank of the Finacle banking application in August 2015 has supported business and improved the provision of services. The full benefits of the software will be gained once the teething problems associated with the deployment are finally resolved. It is anticipated that the customer experience will be transformed as a result of the solutions provided by the application.

The Bank collaborated with three other deposit money banks in the country to launch the DRC's first electronic interswitch settlement platform, called 'Multiplay'. With the completion of the project, interbank electronic settlement is now possible and seamless and other operators have indicated their readiness to join and expand the network. The importance of the project cannot be overemphasised, as it pioneers electronic settlement among banks and will speedily drive the growth of e-business in the country.

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CHAIRMAN'S STATEMENT



Olayinka Akinkugbe, Chairman

“ With profit before tax of CDF9.2 million for the year, the Bank was among the three banks in the DRC banking industry in terms of pre-tax profit and is striving to improve the performance in subsequent years.”

During 2015, the Bank's business was conducted in line with policies and practices at group level, with the aim of providing better services to stakeholders. Efficiency, professionalism and ethics were the watchwords in the attraction of new business and staff, as well as in the retention of existing ones. We also worked to ensure the reinforcement of trust towards local authorities and the community in which the Bank operates.

The Board focused on a number of subjects during the year, including:

- cost containment;
- improved risk management practices and reduction in delinquent assets;
- compliance with regulations;
- growth in non-interest income;
- reduction in the instances of fraud within the Bank; and
- strengthening of the management, with the nomination of executive Board members with significant knowledge of the Bank's operating environment.

The Board set these goals at the start of the year, and it is satisfying to report that tremendous progress has been made with respect to each of them. The cost-containment initiatives put in place assisted greatly in maintaining costs at a reasonable level. The migration to the new banking application, Finacle, in August enabled faster processing of customer transactions. The next phase of the deployment will ensure the provision of products and services associated with the application. The diversity of experience and skills of Board members in finance, audit, risk management and corporate governance was a very good source of support in the attainment of these.

With profit before tax of CDF9,269,374,629 for the year, the Bank was among the three banks in the DRC banking industry in terms of pre-tax profit and is striving to improve the performance in subsequent years. The Bank's total assets, of CDF346,575,521,723, rank it among the top five in terms of total assets.

The goals for the Board in 2016 will be cost containment, improvement of the degree of compliance, the minimisation of non-performing loans and an increase in recovery, growth of non-interest income by focusing on e-business, and improvements in processes and procedures.

In the area of corporate social responsibility, the Bank made numerous charitable donations, declared and paid taxes as they were due, and handled complaints and expressions of dissatisfaction in the most efficient and empathetic manner to ensure all our customers are treated in an honest and fair way.

Christiana Olaoye resigned as Head, ITBG of First Bank of Nigeria Ltd and from the Board of Directors of FBNBank DRC S.A. in May. Eytlope St Matthew Daniel was appointed as her replacement in these posts.

Cheikh Tidiane N'Diaye, the former Managing Director/Chief Executive Officer, resigned in July.

In addition:

- Akeem Oladele provides a rich banking background spanning over 24 years and worked for FBNBank DRC S.A. until 10 February 2015 when he was redeployed to FBNBank Guinea as Chief Executive Officer. He was nominated in July as Board member and Managing Director/Chief Executive Officer of the Bank.
- Frédéric Pululu Mangonda, a senior executive with more than 30 years of banking experience and deep knowledge of the operating environment was nominated in July as a Board member.

I wish to acknowledge the hard work of my fellow Board members, the management and the staff of the Bank, and to take this opportunity to express to each and all my gratitude.

Olayinka Akinkugbe
Chairman, FBNBank DRC S.A.

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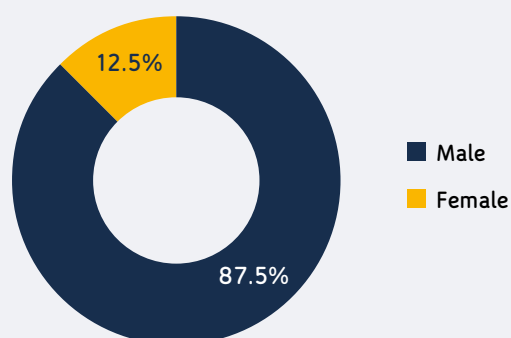
LEADERSHIP AND GOVERNANCE

BOARD OF DIRECTORS

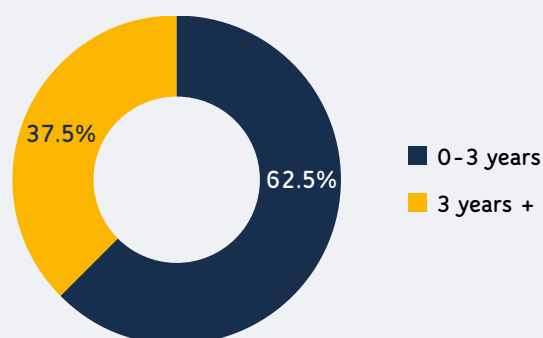
The Board of Directors is responsible for the oversight of the Bank's business and for providing guidance to the management. As part of this exercise, it refers to corporate governance principles, which include, without limitation, transparency, best practices, efficient internal control systems and production of reliable financial information.

As mentioned above, the Board is comprised of persons with deep experience in finance, audit, risks management and corporate governance areas.

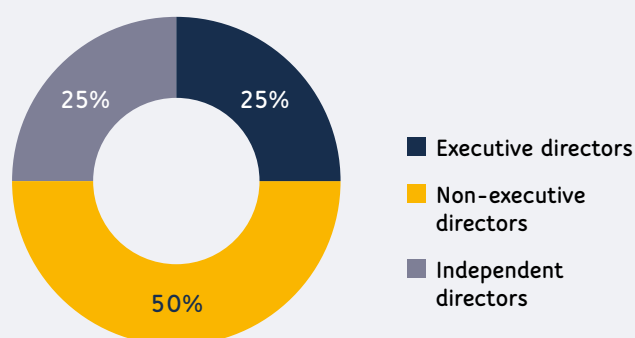
Board diversity



Board tenure



Executive, non-executive and independent directors



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BOARD MEMBER BIOGRAPHIES



Olayinka Akinkugbe
Chairman and
Independent Director

Olayinka Akinkugbe has been a Non-Executive Director of Prudent Merchant Bank for eight years, an Executive Director of Nitro Atlasco Nigeria Ltd for four years and Marketing Manager of Spectrum Books Nigeria Limited for three years. He has been a Non-Executive Director of FBNBank DRC S.A. for five years and Chairman since 2013.

Olayinka studied at the Royal College of Lagos and Clifton College, UK.

He has over 20 years of professional experience.



**Eyitope St
Matthew Daniel**
Non-Executive
Director

Committee
membership:

BARAC	BCC
BFGPC	BGC

Eyitope St Matthew Daniel is Head, ITBG of First Bank of Nigeria Ltd. She has seven years' banking experience gained at First Bank of Nigeria Ltd and Central Bank of Nigeria, in addition to the experience gained in McKinsey & Company and Afrione Ltd.

Eyitope holds a master's degree in Management Science & Engineering from Stanford University, USA.

She is member of all the Board's committees.



Amit Charbit
Non-Executive
Director

Committee
membership:

BARAC	BCC
BFGPC	BGC

Amit Charbit is the country manager at BSGR Nigeria, and was a Senior Executive at FBNBank DRC S.A. for three years before being appointed as Non-Executive Director. He holds an MBA from the Open University of Israel.

Amit has over 15 years of professional experience, and is a member of all the Board's committees.



Gregg Blackstock
Non-Executive
Director

Committee
membership:

BARAC	BGC
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Gregg Blackstock was a Director of Royal Bank of Scotland for three years, Head of Mergers and Acquisitions at Onyx Financial Advisors for six years, and has been a Non-Executive Director of FBNBank DRC S.A. for four years.

He holds an MBA from Wits Business School, University of the Witwatersrand, Johannesburg, South Africa.

Gregg has over 20 years of professional experience.

Membership key:

BARAC	Board Audit and Risk Assessment Committee
BCC	Board Credit Committee
BGC	Board Governance Committee
BFGPC	Board Finance and General Purpose Committee

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Abdullahi Ali Gombe
Independent Director
Committee membership:

BARAC BCC
BFGPC BGC

Abdullahi Ali Gombe is an Executive Director of New Nigeria Development Company Limited. Prior to that he was Officer and Director of Allied Bank of Nigeria for four years, a Graduate Officer of the Bank of the North of Nigeria Plc for three years, and Manager of Landmark Mortgage Finance Limited for three years.

He holds an MBA from Ahmadu Bello University, Zaria, Nigeria.

Abdullahi has over 20 years of professional experience and is a member of all the Board's committees.



Akin Kekere-Ekun
Non-Executive Director
Committee membership:

BCC BFGPC
BGC

Akin Kekere-Ekun has been the Executive Chairperson of KPH Group for over 11 years. Before that, he was the CEO of Habib Nigeria Bank Limited for six years, and the Manager of Capital Trust Brokers Limited for three years.

He holds a PMD from Harvard Business School and an MBA from Long Island University, both in the USA.

Akin has over 25 years of professional experience. He is a member of all the Board's committees, with the exception of the Board's Audit and Risk Assessment Committee.



Akeem Oladele
Managing Director/
CEO

Committee membership:

BCC BFGPC

Akeem Oladele is currently seconded to FBNBank DRC S.A. as Chief Executive Officer. Prior to his secondment in 2012, he was Head, Group coordination of business and strategy development at First Bank of Nigeria Ltd. Prior to that, Akeem was Deputy and Assistant Manager in charge of business development at Diamond Bank Ltd and Zenith Bank Ltd.

Akeem holds an MBA in Banking and Finance from the University of Benin and has over 20 years of professional experience in banking.



Frédéric Pululu Mangonda
Executive Director

Committee membership:

BCC BFGPC

Frédéric Pululu Mangonda joined the Bank in February 2005 as Chief Executive Officer, after having spent over 20 years with Banque Congolaise (former Union Congolaise de Banques) as a senior executive.

He is in charge of business development for FBNBank DRC S.A.

Frédéric holds a bachelor's degree in Mathematics from the University of Kinshasa.

Membership key:

BARAC	Board Audit and Risk Assessment Committee
BCC	Board Credit Committee
BGC	Board Governance Committee
BFGPC	Board Finance and General Purpose Committee

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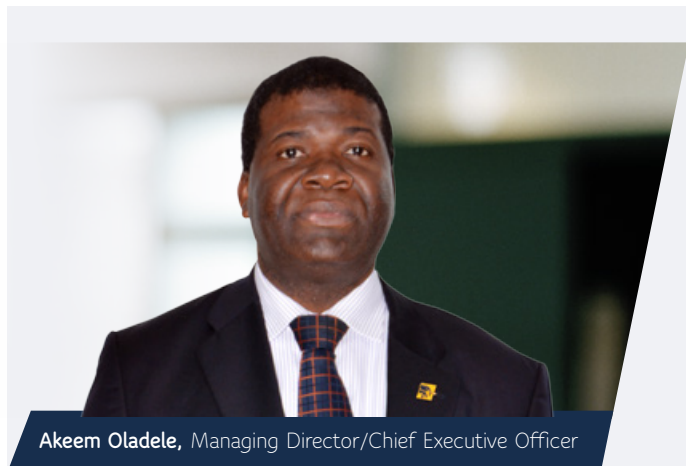
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CHIEF EXECUTIVE OFFICER'S REVIEW



Akeem Oladele, Managing Director/Chief Executive Officer

“ Our excellent results are underpinned by the outstanding effort put in by our employees over the years in building our business to what it is become today.”

The year 2015 experienced a turndown in the world economy, mainly attributable to the reduction in commodities prices, the weakening of the growth of emerging economies, a decline in international tourism due to terrorist attacks and the zika virus outbreak in Latin America, the intensification of geopolitical and security tensions, and the normalisation of monetary policy in the USA. The global economic growth rate stood at 3.1% in 2015, against 3.4% the previous year.

The decrease in commodities prices has had a serious impact on African economies. With the price of oil falling by around two-thirds and a 40% drop in the price of copper, African economies saw a growth rate of 3.8% against 5.0% in 2014. The reduction in the proceeds from export, of tax income and in international reserves significantly affected the exchange rate.

The DRC's economy was also affected by the negative impact of the aforementioned global issues. The final growth rate stood at 7.7%, against 9.5% in 2014. The reduction in growth was particularly felt in the primary industry, especially in excavation activities, which accounted for 3.4% of economic growth against 5.5% in the previous year.

In common with other African countries, the DRC experienced a decrease not only in international reserves, which fell from USD1.6 billion at the end of 2014 to USD1.4 billion at the end of 2015, but also in government income. This created difficulties for the realisation of the budgetary forecasts.

Despite these difficulties, the prices of goods and services and the exchange rate of the local currency remained under control. In 2015, the inflation rate stood at 0.8% against 1.0% in 2014, and the exchange rate stood at CDF927.5/USD1 at the end of 2015 against CDF927.6/USD1 12 months previously.

The maintenance of stable prices for goods and services and the exchange rate was made possible thanks to the implementation of prudent exchange and monetary policies, which kept the global liquidity of the economy within the expected monetary limits. The Central Bank of Congo (BCC) rate remained stable at 2%, the same as for 2014.

OUTLOOK

The country expects a growth rate of 9% in 2016. However, 2016 will be particularly difficult, for many reasons.

At an international level, the economic, commercial and financial environment remains uncertain. Changes in trends, even for those related to commodities prices, are not currently perceptible. Global growth forecasts show a slight improvement, with a growth rate of 3.6%.

This difficult international context will continue to weigh on the DRC's economic prospects, especially on economic activity and government finances, unless there is vigorous action from the Government to not only absorb external shocks but also create the conditions for the development of the domestic market.

To address this issue, the President of the Republic of Congo has adopted 28 measures that target the sensitisation and boosting of the Congolese economy.

THE BANKING INDUSTRY

The banking industry may potentially be weakened by the international economic situation, mainly due to the reduction in demand from China, the decrease in commodities prices, and uncertainties that hang over international financial markets.

The economic turndown will certainly lead to a contraction of banking profits and an increase in credit risk. The political context and its ups and downs will mechanically lead to a wait-and-see atmosphere.

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Characteristics of the banking industry

- 18 registered commercial banks (including four large-size banks with a market share of over 10% and representing 56% of the total market share; four medium-size banks with a market share between 5% and 10% and representing 25% of the total market share; and 10 small-size banks with a market share below 5% and representing 19% of the total market share).
- 6% of Congolese have a bank account.
- 5% increase in the number of bank accounts, leading to 2,203 million bank accounts against 2,097 million at the end of 2014.
- Customers' deposits and loan advances increased to CDF5,519 billion, a rise of 12% from the previous year.
- Operating costs rose by 12% from the previous year.
- Interoperability or interswitch between five banks (FBNBank DRC S.A., Rawbank, BCDC, Procredit). Interswitch means the use of a common switch, located in South Africa, by Congolese Banks to withdraw cash with each bank-issued card but from the ATM of any of the banks involved.
- Acquisition by Equity Bank of shares held by Procredit Germany in the share capital of Procredit Bank DRC. This new shareholder is expected to bring a banking practice based on a banking agency that worked successfully in East Africa.
- Opening of 77 new operating sites, increasing the banking network to 404 sites against 327 at end of 2014.
- Balance sheet size increased by 13.2% to USD5.3 billion, customers' deposits increased by 8.5% to USD3.7 billion, and loans and advances increased by 16.7% to USD2.3 billion.
- Capital adequacy ratio stood at 22%.
- Profit after tax increased by 11.5% to USD36.5 million.

Challenges faced by the banking industry

- Non-tax deductibility of provision on non-performing loans.
- Difficulty recovering loans granted to provinces that were subsequently split into many.
- While in the DRC, any import, export or transfer involving an amount of USD10,000 or above requires the subscription of a banking licence, which is not free, in neighbouring countries (Rwanda, Burundi, etc.), this requirement does not apply.
- Delay in payment by the Government of fees to commercial banks after the latter paid civil servants.
- Non-inclusion of VAT on the above fees; however, VAT is claimed by tax authorities.

Outlook

- Starting from 1 May 2016, banks will ensure their accounts are prepared and comply with International Financial Reporting Standards (IFRS).
- The application of the law on the liberalisation of the insurance area in the DRC will assist to expand the banking network, especially with the banking of civil servants' pay.

REGULATIONS

The Bank continues to closely monitor new regulations and directives. The appropriate implementation of provisions of the amended exchange regulation is one of the requirements to which our Bank will strive to comply.

The regulatory environment in the DRC continues to be extremely robust and the Bank treats its regulatory obligations with the utmost seriousness. During the course of the year, we spent a considerable amount of time and resources improving our anti-money laundering and sanction and control systems to ensure that we are fully compliant and well resourced for the coming year. The Bank has been very receptive to its obligations with regard to conduct risk and has been doing everything possible to ensure that the customer is at the heart of our business.

Liquidity is key to the business, and due consideration is given to ensure the Bank maintains adequate liquidity position to meet its financial obligations and comply with overall regulatory requirements. The Bank continues to benefit from improved liquidity driven by its diversified funding base.

FBNBank DRC S.A. monitors its capital adequacy ratio according to BCC regulation. This is done on a regular basis to ensure that capital held is always adequate to support business transacted. In addition, the level of capital held remains within the regulatory limit throughout the year.

The regulatory environment was shaped by the following decisions in 2015:

- The 2015 BCC rates and conditions: monitoring of foreign exchange transactions of January 2015.
- Regulation no. 001 of 30 April 2015 to credit institutions and other financial organisations on payment operations in the regional system of payment and settlement within the Common Market for Eastern and Southern Africa (COMESA).
- Departmental Order no. 20/CAB/VPM/ETPS/WM/2015 and no. CAB/MIN/FINANCES/2015/0143 of 12 May 2015 instituting the single declaration and payment of taxes and social contributions on the remunerations.
- Administrative regulation relating to the management of the requests on import and export of foreign currencies of 23 July 2015.
- Authorisation received from the BCC on 26 February 2015 to have the main Finacle database server of the Bank located in Lagos but with a further request to the Bank to set up a back-up server in DRC. The Bank met this request by installing a back-up server at its headquarters.

We continue to ensure that our staff are well trained and understand the principles that guide the Bank's operations. This ensures uniformity in our approach to customers and helps us maintain our corporate values as we grow.

Maintaining our competitive position and adhering to regulatory requirements continue to be our mantra moving forward. However, given our success so far as well as the existing structures put in place, there is no doubt that FBNBank DRC S.A., and the industry in general will be better equipped and stronger with these regulations. We continue to improve our compliance capabilities, ensuring we are up to date with all relevant regulatory requirements.

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THE BUSINESS

We followed our customers' trade flows when expanding our footprint in 2015. The year also saw us deepen our expertise in key business areas by restructuring segment units. This mix has provided strong deal flows and better service offerings to customers. We are confident that, given our market experience, excellent staff and product offerings, FBNBank DRC S.A. will continue to be the Bank of first choice – among our peers.

Growth in Sub-Saharan Africa was 4.0% in 2015 against 4.5% in 2014. The percentage of people living below the poverty line continues to decline, with a burgeoning middle class. These factors provide huge potential for the future of Africa. Economic, social and political conditions will also play a big part in the development of the continent.

FBNBank DRC S.A. benefits from a strong understanding of our target market and the environment in which we operate. Our branch network extends to provinces where we had no presence. We also continue to look for synergies with our parent company.

Correspondent banking

The increasing number of customers and the suspension of the relationship with Citibank N.Y. led to the end of our relationship with other correspondent banks, such as FIMBank and Bank of China.

Corporate banking

Corporate banking was strengthened with the recruitment of a new regional business manager of Katanga, Gaetan Munkeni, based in Lubumbashi, who aims to better manage our relationship with corporate customers and mining customers in particular.

Property finance

DRC is known worldwide for its unique landscape and wildlife, hence the long-term outlook for the DRC property market remains positive, especially with the construction of hotels to serve the growing number of tourists visiting the country.

FINANCIAL PERFORMANCE

FBNBank DRC S.A. delivered a healthy profitable performance in 2015, despite the difficult trading environment throughout the year. Our equity position was strengthened through retention of 40% profit for the previous year, while funding and liquidity positions remained strong. Compared to 2014, FBNBank DRC S.A.'s gross earnings grew by 5.5% to CDF57.1 billion and net interest income by 10.5% to CDF30.5 billion, despite a 4.8% decrease of commission and fee income to CDF22.1 million.

Over the 12 months, the balance sheet grew by 8.6% to CDF346.6 billion, mainly derived from increased lending activities, ably supported by increased customer deposits. This growth in deposits primarily comes from the general service sector. Emphasis will always be placed on achieving an appropriate funding mix to achieve an optimal reduction in cost of funds.

We also continued to maintain a healthy capital adequacy ratio of 14%, which is above the required regulatory limit of a minimum of 10%.

CORPORATE VALUES

During the year, the Bank conveyed its corporate values, described fully in the Introduction. These words have been the foundation of all our dealings with staff, stakeholders, customers and the general public.

CORPORATE GOVERNANCE

The FBNBank DRC S.A. Board consists of six non-executive directors and two executive directors. Our two-person Executive Management team has an average of 27 years' banking experience, with a significant portion of that being in markets and Africa.

THE FUTURE

The main focus for FBNBank DRC S.A. in the medium term is growth and good service to customers. Earnings have grown by over 5.5% year on year from 2014. The great strides made in the last few years have seen us grow into a mid-size bank, and our key focus at the moment is ensuring we maintain this position.

The Bank has made significant efforts to achieve its three-year (2015-2017) strategic plan. Added to this the increase in staff numbers, 2016 should be a year of adjusting to our new market position and developing existing resources.

CONCLUSION

Our staff remain our greatest asset. Our excellent results are underpinned by the outstanding effort put in by our employees over the years in building our business to what it is today. Our Bank has grown in the last 10 years to be among the first five banks in the country and I would like to show my appreciation for the cooperation received from all staff in my short time as MD/CEO.

Finally, I would like to thank our customers for choosing FBNBank DRC S.A. as the bank to meet their business needs. Our business has evolved according to the requirements of our customers. In 2016, we will continue to provide excellent service and ensure that our customers are at the heart of our business.



Akeem Oladele

Managing Director/Chief Executive Officer

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OPERATING ENVIRONMENT

GLOBAL ECONOMY

As mentioned above, global economic growth is still weak; its fundamental dynamics are changing and with considerable downside risks.

Recovery from the global downturn is continuing, but at a slow pace. Despite noticeable improvement in growth in advanced economies such as the major Europe countries and the USA, the slower pace of expansion in emerging economies such as Brazil, Russia, South Africa and India constitutes a drag on global expansion.

The year 2015 witnessed a moderate expansion and at an uneven pace. The harsh economic realities left behind by the global financial and sub-prime crises of the past years continue to weigh heavily on growth with new challenges emerging.

Unemployment figures remain very high in most of the advanced economies. Global inflation has remained docile with the spectrum ranging from deflationary risks, especially in the eurozone, to high inflationary pressures in the developing economies. Some of the economic indicators are encouraging and moving in the right direction, which is good for a gradual return to economic growth. However, risks and uncertainties still exist that can scuttle efforts to get the global economy on the path to recovery.

The continued tension and wars in Syria, Iraq and Libya may have long-term implications given the fact that OPEC's oil capacity is expected to originate, among others, from these countries.

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STRATEGY AND PERFORMANCE

OVERVIEW

Our mission is to create banking solutions that provide lasting value for customers, shareholders, staff and the communities in which we operate, and in doing so, become the Congolese Bank of first choice. With our strong base of competitive differentiators, we aim to grow each of our various strategic business units (SBUs) in two directions – vertically, to increase our market share in each unit, and horizontally, building synergies among the various SBUs through active cross-selling.

WHAT DIFFERENTIATES US?

Our competitive differentiators are:

- Member of a solid banking group, while most of the local banks are standalone entities.
- Liquidity – especially at branches located in the eastern part of the country.
- Trust – despite challenges that we experienced, most of our customers chose to show their loyalty to the Bank.

OUR BUSINESS MODEL

FBNBank DRC S.A. is a 75% subsidiary of First Bank of Nigeria Limited, which has around 77 branches and agencies within the Democratic Republic of Congo.

FBNBank DRC S.A. has been registered with the Central Bank of Congo (BCC) since September 1993 and provides a range of domestic and international banking and financial services.

The principal activities are the provision of corporate banking, including public sector entities, business banking and retail banking business to our customers.

FBNBank DRC S.A. focuses on providing quality services to both new and existing customers; hence we target customers with business interests all over the globe, but predominantly in the DRC.

FBNBank DRC S.A.'s target markets are:

- Small and medium-sized to large corporate organisations – financial solutions range from trade financing and working capital financing to project financing for expansion.
- High net worth individuals (HNIs) – providing solutions for their personal banking and investment needs.
- Financial institutions, government agencies and parastatals – providing correspondent banking and cash management solutions.

Each SBU addresses one or more of these markets with adequate support from FBNBank DRC S.A.'s operational structure, management leadership and capital base.

Our business model is couched within a strict risk, regulatory and governance framework, which supports our drive for sustainable growth and better corporate responsibility.

FBNBank DRC S.A. operates a simple banking model. Primarily, it takes deposits from customers and lends them to borrowers through its various SBUs. Deposits are taken from individuals, corporate and financial institutions through several deposit products offered by the Bank, and interest is paid based on the terms of the accounts held.

FBNBank DRC S.A. accumulates funds from customer deposits and equity, and these are lent to corporate businesses and individuals through different existing credit programmes. Both interest and fee incomes accrue to the Bank from the various lending activities.

In addition, FBNBank DRC S.A. provides trade and investment advisory services to corporate and individual customers, from which commissions are earned.

FBNBank DRC S.A. recognises that its key assets are its people – staff, management and the Board. The front-facing staff provide excellent service and are supported by a highly experienced operational team.

FBNBank DRC S.A. has a physical presence in some of its main markets to help build closer relationships with its customers and to ensure it is able to quickly respond to changing markets.

To this extent, the Bank has at least two business staff in each of its branches.

The combination of sharp commercial awareness of the SBUs and strong technical know-how of operational teams, underlined by our robust risk and regulatory framework, helps FBNBank DRC S.A. to structure and execute bespoke financial products and services to meet customers' needs.

Across all SBUs our aim is to consistently support our customers as they aspire to achieve their financial goals. SBUs take a holistic view of customers' businesses, working together to structure products for customers' maximum growth, while building a sustainable balance sheet and returns for FBNBank DRC S.A.'s shareholders.

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STRATEGY AND OBJECTIVES

FBNBank DRC S.A.'s mission continues to be to create banking solutions that provide lasting value for customers, shareholders, staff and the communities in which we operate, which is supported by our market penetration strategy. As our SBUs are now well established in their markets, our focus going forward is growing market share as we expand operations in each of the markets we already operate in.

Strategic progress

FBNBank DRC S.A. implemented a three-year business plan to December 2017, which sets out key financial objectives. Some of the objectives to be recorded in the current plan period are:

- balance sheet footing of over USD432.5 million;
- profit before tax of over USD22.2 million;
- total deposit of over USD332.7 million;
- strong capital adequacy position; and
- a more diversified funding base

KEY RISKS AND MITIGANTS

Within our business model there are a number of factors that can go wrong or could have a severe impact on the business. FBNBank DRC S.A. has a responsibility to identify these risks, understand the risks through analysis and put measures in place to mitigate these risks. This is to ensure that there are processes in place to minimise the impact.

Risk is a natural part of the business landscape and if left unmanaged, can spread uncertainty. If managed effectively, however, losses can be avoided and benefits obtained.

Credit risk

Credit risk is the risk of loss arising from the failure of counterparties to meet their financial or contractual obligations when due. Credit risk comprises counterparty risk, settlement risk and concentration risk.

Over the last year, FBNBank DRC S.A. has focused on operating within an environment and with counterparties with which it is not only familiar, but also comfortable. The focus has been on familiarising the business with its existing customers, while continuing to gradually increase its market share within varying sectors.

This has enabled a greater understanding of the risks involved within the existing portfolios, while making sure an in-depth analysis is undertaken on review of new and existing transactions. Conscious efforts have also been made to increase staff awareness on risk factors within transactions.

Market risk

Market risk is the risk of a change in the market value, earnings or future cash flows of a portfolio of financial instruments, caused by the movements in market variables such as bond, equity or commodity prices, and interest and exchange rates.

Market risk exists for FBNBank DRC S.A. which operated in an environment where prices of principal commodities (copper, cobalt, gold, etc.) went down at the end of 2014. FBNBank DRC S.A. is exposed through daily currency open positions, but this is mitigated by the restrictions placed on the maximum position allowed on each currency and enforced stop-loss positions.

Liquidity risk

Liquidity risk is when FBNBank DRC S.A. is unable to retain or create sufficient cash resources to meet its commitments. This happens when there is a shortfall between the amount available to FBNBank DRC S.A. and the amount to be paid out, which could either be due to a mismatch in deposit tenors or a lack of liquid assets.

FBNBank DRC S.A. has continued to maintain a healthy liquidity position, with constant monitoring to make sure customers are served as and when required.

Legal risk

Legal risk is the risk of loss resulting from a defective transaction due to flawed documentation, failing to take appropriate measures to protect the assets of FBNBank DRC S.A., a claim being made that results in a liability for the Bank or a change in law.

This risk is an important area of the business to which FBNBank DRC S.A. has paid particular attention. It has been mitigated out by subsequently recruiting experienced and competent personnel in the legal department and the retention of efficient external lawyers.

Operational risk

Operational risk is defined as 'the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events'. A defined operational risk management framework effectively applied within FBNBank DRC S.A., coupled with a high awareness of the underlying causes of operational risk at all levels within the Bank, results in a control environment that is able to evolve with changing business needs, thereby ensuring operational losses within the business are kept to a minimum.

FBNBank DRC S.A. has placed particular emphasis on improvement in this area in recent years, and has put in place both the structure and personnel to ensure steady and continual movement towards meeting this objective.

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Regulatory risk

Regulatory risk is the risk to earnings, capital and reputation associated with a failure to comply with an increasing array of regulatory requirements and expectations from banking regulators.

Regulatory risk governance must begin at the Board level and cascade throughout the Bank.

FBNBank DRC S.A. ensures there is governance through its Compliance, Internal Control and Internal Audit functions, which ensure there is discipline and adherence towards maintaining regulatory requirements, while also deploying the effective resources needed to achieve them.

This ensures regulatory risk is minimised and also that the objectives of FBNBank DRC S.A. are taken into consideration and not hindered.

IT/systems risk

IT/systems risk is the risk of a failure or an issue arising within a bank's primary systems that might hinder the functionality of the business with catastrophic consequences and eventually lead to a loss of revenue to the business.

FBNBank DRC S.A. understands the risk, addresses the issues and maintains the most up-to-date systems and anti-virus software to ensure a high level of IT security is sustained.

Financial crime risk

Financial crime risk covers risks relating to money laundering, counter-terrorist financing, fraud, and bribery and corruption. These risks involve activities that dishonestly generate or preserve wealth and those that provide financial support to criminal groups.

FBNBank DRC S.A. has put in place robust procedures to mitigate the risks of financial crime, with strong emphasis on verifying customer identities, assessing levels of financial crime risks, and determining politically exposed persons and sources of wealth and income. Business with countries that are linked to terrorism is generally discouraged.

FBNBank DRC S.A. has no appetite for any form of financial crime.

Return on shareholders' equity was 13.4% (2014: 13.2%) in 2015, while return on assets improved marginally when compared to last year at 1.4% (2014: 1.2%).

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FINANCIAL REVIEW



Ramon Olayiwola, Chief Financial Officer

“ Our capital position was strengthened through high retention of profit, while funding and liquidity positions remained solid.”

FBNBank DRC S.A. posted a strong profit performance with a healthy growth in balance sheet footing in 2015, despite a continued difficult business environment and strict regulatory environment. Our capital position was strengthened through high retention of profit, while funding and liquidity positions remained solid.

INCOME STATEMENT ANALYSIS

Gross earnings increased by 5.4% to CDF57.1 billion. The increase in gross earnings compared to the prior year resulted from the expansion of customer lending activities. Our portfolio of earning assets increased by 12.2% for the year to CDF189.5 billion (2014: CDF168.9 billion) driven by increased lending and a profitable assets mix.

Net interest income grew by 10.5% to CDF30.5 billion (2014: CDF27.6 billion), resulting from a rise in interest income driven by a combination of increased customer lending activities and improved asset yield. Interest costs increased by 18.6% to CDF4.2 billion (2014: CDF3.6 billion) as a result of growth in deposit volume as well as increasing demand for higher rates by customers. Total commissions and fee income generated in 2015 declined by 2.8% to CDF17.3 billion (2014: CDF17.8 billion).

This slight decline resulted from increased activities in other business areas, which compensated for the loss of commission on transfer business caused by the termination of our banking relationship with Citibank. Operating income declined by 0.3% to CDF41.7 billion (2014: CDF41.8 billion).

Appropriate levels of an operational framework and systems were put in place by FBNBank DRC S.A. to support increased business and safeguard assets.

This led to a rise in staff costs, professional fees and premises costs but was compensated for by the drop in tax payments. Though our gross revenue grew, our operating expenses also rose slightly; however, cost to income ratio improved marginally to 84.5% (2014: 86.2%). Specific credit impairment charges increased to CDF1.7 billion from CDF0.4 billion in the last financial year.

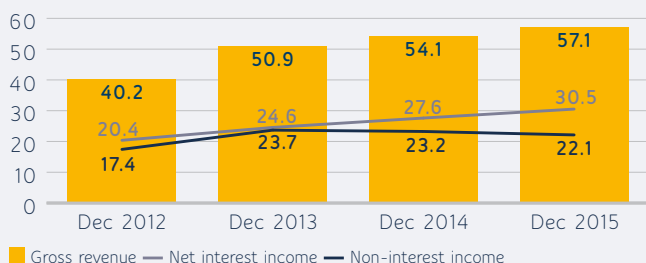
Consequently, FBNBank DRC S.A. posted a profit before tax (PBT) of CDF9.2 billion for the year ended December 2015. The profit amount is below the previous year's PBT of CDF9.6 billion by 2.9%.

Profit before tax (CDF billion)

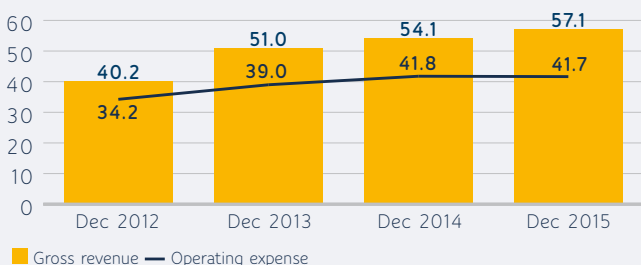


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Income (CDF billion)



Operating income and expense (CDF billion)



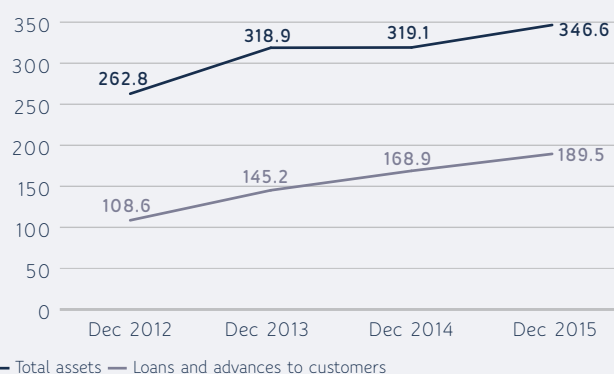
BALANCE SHEET ANALYSIS

The balance sheet expanded by CDF27.4 billion to CDF346.6 billion (2014: CDF319.1 billion), driven by growth in customer deposits generated to support increased lending activities. Earning assets increased by CDF24.8 billion to CDF201.5 billion (2014: CDF176.7 billion) in 2015. Loans to customers increased by CDF20.6 billion (12.2%) to CDF189.5 billion.

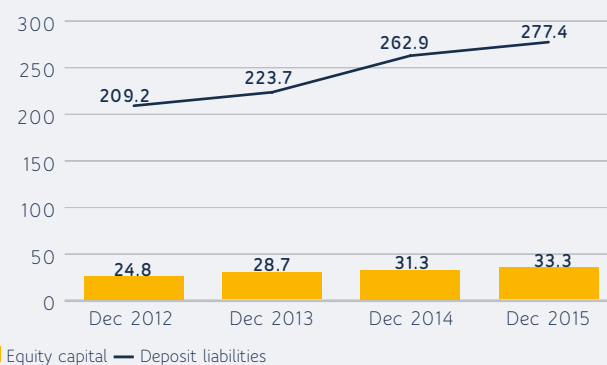
The non-performing assets ratio grew by 23.5% of total earning assets, and was appropriately provisioned net of collateral.

Deposit liabilities grew by 5.5% (CDF14.56 billion) to CDF277.4 billion (2014: CDF262.9 billion) in 2015. The growth in deposits recorded was strategically driven to achieve an optimal funding mix and interest cost reduction. Total shareholders' equity increased by 51.0% to CDF33.3 billion (2014: CDF31.3 billion), as a result of profit retention to strengthen the capital base. Dividend payments to shareholders in 2015 amounted to CDF2.0 billion.

Movement in assets (CDF billion)



Equity capital and deposit liabilities (CDF billion)



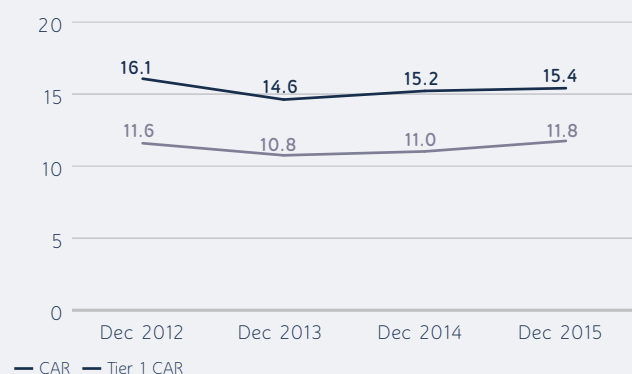
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CAPITAL MANAGEMENT

At 31 December 2015, FBNBank DRC S.A. recorded a capital adequacy ratio of 15.4% (2014: 15.2%) with a core tier 1 capital ratio of 11.8% (2014: 11.0%), reflecting the contribution from a high percentage profit retention and optimal balance sheet management. The capital ratios were in excess of regulatory requirements as at the reporting date and demonstrated the strong capital position of FBNBank DRC S.A.

Risk-weighted assets increased by 9.9% (CDF20.0 billion) to CDF220.7 billion as at 31 December 2015, reflecting increased lending activities, to financial and non-financial institutions. It is expected that with the strength of our current capital ratios, our ability to retain future profit and our optimal mix of risk-weighted assets, FBNBank DRC S.A. will be able to meet its regulatory capital requirements in the future.

Capital adequacy ratio (%)



Liquidity and funding

FBNBank DRC S.A.'s funding strategy is to maintain a well-diversified funding base and to continually seek alternative funding sources in order to manage costs and guard against funding disruption.

Liquidity remained strong during the year as the Bank continued to hold high-quality, unencumbered liquid assets and maintained a reserve account at the Central Bank of Congo, in line with the regulatory buffer asset requirements.

In addition, loans and advances to customers were largely funded by customer deposits and equity. FBNBank DRC S.A. will continue to monitor compliance with existing regulatory buffer asset requirements and other relevant metrics, including the liquidity coverage ratio.

OUTLOOK

It is anticipated that 2016 will be challenging for FBNBank DRC S.A., particularly as commodity prices are likely to remain low, the economic situation is still below full recovery and the regulatory environment continues to operate harder rules.

The political environment is already experiencing some level of uncertainty due to the planned third-term bid by the incumbent president. Nevertheless, we look forward with optimism and confidence to identifying and executing viable business opportunities, which in turn should produce excellent financial performance.

Ramon Olayiwola
Chief Financial Officer

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INTRODUCTION

In compliance with Central Bank of Congo regulation, the Bank has in place a corporate governance system that determines the structure through which the Bank's objectives are set, and the means of attaining those objectives as well as monitoring performance.

Furthermore, the corporate governance structure specifies the distribution of rights and responsibilities among different participants in the Bank, such as shareholders, the Board of Directors, management and other stakeholders (customers, staff and the communities in which we operate). It also spells out the rules and procedures for making decisions on the Bank's affairs.

In 2015, the corporate governance objectives, which were set by the Bank and attained thereafter, included the following:

Efficient decision-making

Within the Bank there is a clear differentiation between actions taken by management and oversight functions exercised by the Board of Directors. Further to its approval by the Board of Directors, a new organisational structure will provide additional clarity in roles and responsibilities at management level, together with appropriate delegation of powers to management and limits of such powers.

Transparency to outsiders

The recruitment process for new employees was revised to include a panel of experienced and senior staff; internal procedures were amended to incorporate best practices from the Group.

Stakeholders' rights

Shareholders were paid dividends; customers and the Central Bank of Congo were informed in a timely way of changes in the Bank's name, logo and software, etc.

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LEADERSHIP

BOARD OF DIRECTORS



Back row: Abdullahi Ali Gombe, Amit Charbit, Akeem Oladele, Frédéric Pululu Mangonda. **Front row:** Gregg Blackstock, Olayinka Akinkugbe, Akin Kekere Ekun, Eytöpe St Matthew Daniel

In compliance with regulation no. 21 of the Central Bank of Congo, the Board comprises executive directors and non-executive directors, of whom two are independent directors, as listed below:

Olayinka Akinkugbe – Chairman and Independent Director

Eytöpe St Matthew Daniel – Non-Executive Director

Akin Kekere Ekun – Non-Executive Director

Abdullahi Ali Gombe – Independent Director

Amit Charbit – Non-Executive Director

Gregg Blackstock – Non-Executive Director

Akeem Oladele – Managing Director/Chief Executive Officer

Frédéric Pululu Mangonda – Executive Director

Biographies of Board members, covering their skills, knowledge and attributes, can be found on pages 9-10.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board's main roles and responsibilities are grouped as follows:

- Oversight/control and supervision (of the Bank's businesses, systems, internal controls, etc.).
- Appointments (of senior executives, independent consultants other than external auditors, etc.).
- Approval or authorisation (of limits, ratios, strategies, policies, etc.).
- Reporting (to shareholders, the regulator, the Group, etc.).

The above responsibilities are included in the following internal documents: local regulations, Articles of Association, Shareholders' Agreement and Approved Board's Charter.

Oversight/control and supervision

The Board's role is to:

- ensure the existence of good corporate governance within the Bank;
- appraise the Management Committee members and other senior executives and ensure that the Management Committee exercises an appropriate oversight of the Bank by complying with the policies approved by the Board;
- control the management and ensure the proper quality of information provided to shareholders and to the market;
- set a clear hierarchy of responsibilities at various levels within the Bank and ensure that this is adhered to;
- ensure independence of Risk Management, Compliance and Internal Audit functions;
- ensure that external auditors comply with codes and standards of applicable professional practices;
- regularly meet according to a predefined timetable and agenda or as might be required by circumstances;
- ensure the prevention of conflicts of interest and of the development of procedures for the management of conflicts of interest;
- ensure the development of mechanisms allowing employees to alert the Board of Directors and the Management Committee on identified anomalies or weaknesses;
- act in all circumstances in the interests of the Bank, within the limits of the Bank's purpose and in all statutory, technical, administrative or operational matters not expressly reserved to shareholders;
- specify the objectives of the Bank and the orientation to be given to its administration;
- close, on time, the accounts for the financial year for the attention of the statutory auditors;
- set up a Management Committee and define the functions of this body as well as the scope of its powers;
- oversee the establishment, implementation and monitoring of a Bank-wide risk management framework to identify, assess and manage risks facing the Bank;
- maintain a sound system of internal control to safeguard shareholders' investment and the Bank's assets;
- establish and maintain appropriate accounting policies for the Bank;
- review significant audit and non-compliance issues and approve action and remediation plans;
- ensure adequacy of statutory reporting to regulatory bodies; and
- ensure adequacy of compliance with anti-money laundering organisations, systems and tools.

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Appointments

The Board's role is to:

- propose to shareholders the appointment of external auditors;
- appoint the Management Committee members, other senior executives and independent consultants other than external auditors;
- co-opt new directors; and
- appoint senior management staff.

Approval/authorisation

The Board's role is to:

- approve strategies, policies and procedures set up by the management and ensure their effective implementation;
- approve the Bank's organisational structure and any subsequent changes thereto;
- approve the remuneration of the senior management staff;
- review and approve proposals for the allocation of capital and other resources within the Bank;
- review and approve the Bank's capital and liquidity positions;
- approve credit requests beyond the approval limits of the Board's Credit Committee;
- review and approve new or revised risk policies recommended by Board Committees; and
- review and approve the recommendations from the Governance Committee in relation to the remuneration of Directors.

Reporting

The Board's role is to:

- prepare and send the annual Directors' Report to the Central Bank; and
- prepare and submit approval of shareholders the allocation of the profit for the year.

THE ROLES OF THE CHAIRPERSON

- To convene and chair meetings of the Board. To chair the general meetings of shareholders and ensure that the Board of Directors takes control of the conduct of the Bank's business entrusted to the Management Committee.
- At any time of the year, conduct checks deemed appropriate and request any documents deemed useful for the fulfilment of this mission.
- On behalf of the Board, be the recipient of all written correspondences from third parties (shareholders, auditors, Central Bank of Congo, Group auditors, Board members regarding, for example, their resignation, etc.) and of requests for information.
- At least once in a quarter, specify the meeting agenda, if the Board has not met for more than two months.

- Ensure that the minutes of the Board are given to Directors in person or sent to them by letter against receipt, by registered mail with request for acknowledgement of receipt, by fax or mail as soon as possible and no later than when convening them for the next Board meeting.
- Be a Non-Executive Director.
- Not act as chairperson nor member of any of the Board Committees.
- Provide leadership to the Board.
- Ensure the efficient organisation and conduct of the Board.
- Monitor Board performance annually.
- Facilitate Board discussions to ensure that core issues that the Bank is facing are identified and addressed appropriately.
- Ensure the effective induction of new directors and ongoing development of all the directors.
- Promote consultative and respectful relationships between Board members as well as between the Board and senior management.
- Ensure effective communication with shareholders.
- Sign directors' appointment letters.

THE ROLES OF THE CHIEF EXECUTIVE OFFICER

- Provide entrepreneurial leadership to the Bank within a framework of prudent and effective controls that enable the development of the Bank and safeguards assessment and coverage of risks.
- Ensure cohesion within the Bank, especially by maintaining a good social climate and a conducive working environment.
- Exercise management responsibility over the Bank to deliver its statutory obligations to the stakeholders.
- Get involved, as a major player, in the implementation of values, standards and strategy of the Bank in all areas.
- Ensure communication of the Bank's objectives to all staff and ensure their attainment.
- Ensure that financial information gives a true and fair image of the Bank, and that the controls over financial systems and risk management systems are robust.
- Keep any information regarding the Bank confidential, even after the end of the employment contract.
- Represent the Bank in any judicial actions, either as defendant or as plaintiff.
- Agree that any intellectual properties in any documents and materials in which they are involved are vested in and belong to the Bank, without any present or future claims of whatsoever related rights.
- Represent the Bank to third parties and maintain productive relationships on behalf of the Bank, especially with local authorities.
- Recommend to the Board of Directors the appraisal, at least annually, of the Bank's senior executives.
- Make important decisions in all areas of management where delegation of authority is granted to the MD/CEO by the Board of Directors.

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THE ROLES OF NON-EXECUTIVE DIRECTORS

- Not form part of the Executive Management team, hence not be an employee of the Bank and does not get involved in the day-to-day management of the Bank.
- Have the same legal duties, responsibilities and potential liabilities as their executive counterparts.
- Make a creative contribution and improvement to the Board by providing dispassionate and objective criticism, by monitoring the executive activity and contribute to the development strategy.
- Bring to the Board independence, impartiality, wide experience, special knowledge and other personal qualities.

THE ROLES OF INDEPENDENT DIRECTORS

- Cannot be an employee of the Bank or of another company member of FBN Holdings Plc.
- Work closely with the Chairperson, act as a sounding board and provide support.
- Act as an intermediary for other directors as and when necessary.
- Be available to shareholders and other non-executives to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication (i.e., through the Chairperson, the Chief Executive or Finance Director).
- Meet at least annually with other non-executives to review the Chairperson's performance and carry out succession planning for the Chairperson's role.
- Not be a customer of or supplier to the Bank.

THE ROLES OF THE COMPANY SECRETARY

- Prepare and keep minutes of all the Board, Management Committee and general meetings of shareholders.
- Be accountable to management, and the Board, through the Chairperson, on all corporate governance matters.
- Provide directors with guidance on their responsibilities, authorities and good governance.
- Be responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.
- Play an active role in a director's induction, training, strategy and administrative planning.
- Prepare Board meetings; and draft and keep minutes of all the Board meetings.
- Prepare Management Committee meetings; and draft and keep minutes of the Management Committee's meetings.
- Take care of regulatory matters (e.g., approval of Board members by the Central Bank of Congo) as well as administrative matters (e.g., payment of annual fees or sitting allowance to Board members or payment of dividend to shareholders).

MAKING BOARD MEETINGS EFFECTIVE

- In compliance with the Bank's Article of Association and the Approved Board's Charter, the Board met at least once in a quarter or as often as required by the interests of the Bank.
- The Chairperson of the Board of Directors convened and chaired meetings of the Board.
- The Board of Directors appointed Flory Mokelo Mayo to assure the Secretariat of the Board meetings.
- The Board of Directors validly deliberated as all its members were duly convened and more than half of its members were present at every meeting.
- The decisions of the Board were taken by majority vote of the members present or represented; each director was entitled to one vote.

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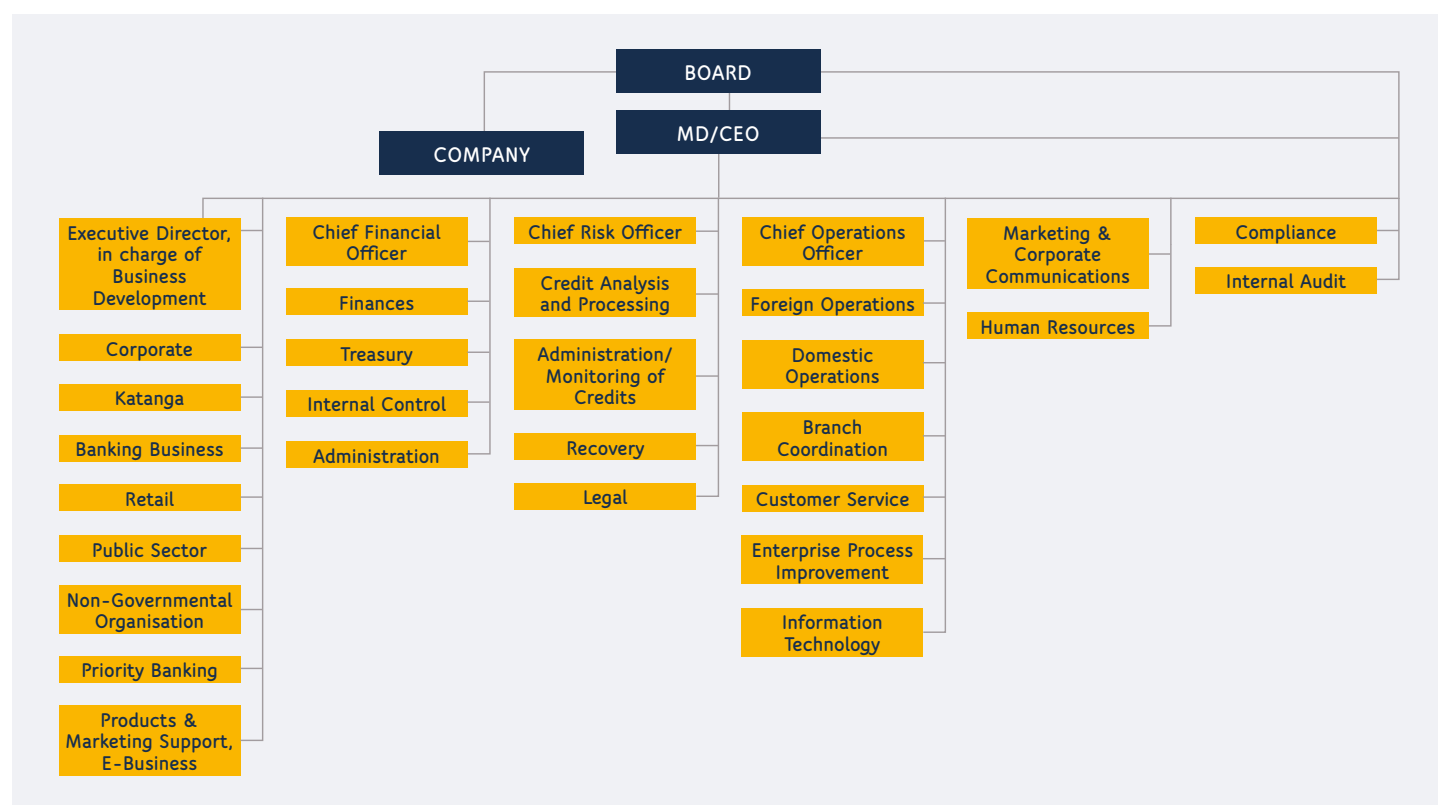
ATTENDANCE OF BOARD AND COMMITTEE MEETINGS

The Bank's Board met 10 times in 2015. The record of attendance is provided below:

Name	11 Feb 2015	24 March 2015	30 March 2015	27 May 2015	10 July 2015	17 July 2015	12 Aug 2015	21 Oct 2015	2 Nov 2015	24 Nov 2015
Olayinka Akinkugbe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Christiana Olaoye	✓	✓	✓	Resigned	N/A	N/A	N/A	N/A	N/A	N/A
Eyitope St Matthew Daniel	Not yet appointed	Not yet appointed	Not yet appointed	Just appointed	✓	✓	✓	✓	✓	✓
Akin Kekere Ekun	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Abdullahi Ali Gombe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Amit Charbit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gregg Blackstock	Excused	Excused	Excused	Excused	Excused	Excused	Excused	Excused	✓	Excused
Tidiane N'Diaye	✓	✓	✓	✓	✓	Resigned	N/A	N/A	N/A	N/A
Akeem Oladele	Not yet appointed	Not yet appointed	Not yet appointed	Not yet appointed	Not yet appointed	✓	Excused	✓	✓	✓
Frédéric Pululu	Not yet appointed	Not yet appointed	Not yet appointed	Not yet appointed	Not yet appointed	✓	✓	✓	✓	✓

ORGANISATIONAL STRUCTURE

The Bank's new structure was approved by the Board on 21 October 2015. The review of the Bank's organisational structure was driven by the need to design a structure that supports the Bank's strategy and ultimately drives growth and profitability. The structure is designed alongside the newly approved organisation structure for the subsidiaries by the parent bank.



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COMMITTEE REPORTS

The Board carried out its oversight function through its four standing committees, each of which has a charter that clearly defines its purpose, composition and structure, frequency of meetings, duties, tenure and reporting line to the Board. The Board monitored these responsibilities to ensure effective coverage of, and control over, the operations of the Bank.

The Board and committees are supplied in a timely manner with information in a form and of a quality appropriate to enable them to discharge their duties.

Instances of non-attendance during the year were considered and determined as being reasonable in each case due to the individual circumstances. Where a Director was unable to attend a meeting, the Chairperson and Committee's Chairperson were informed.

BOARD GOVERNANCE COMMITTEE

Introduction from the Committee Chairperson outlining what the Committee focused on during the year.



Akin Kekere Ekun (Chairperson)

I am very happy to have chaired the Board Governance Committee during the year 2015, when this Committee focused on the following matters:

- Annual fees of Board members.
- Goals and appraisal of Board members.
- Change in the Board of Directors with the nomination of three Board members (Eyitope St Matthew Daniel, Akeem Oladele and Frédéric Pululu Mangonda) and the resignation of other two Board members (Christiana Olaoye and Cheikh Tidiane N'Diaye) and recommendation to the Board of Directors for the approval of such changes.
- Organisational structure and sub-management committees.
- Group and local induction training for Board members.

Membership

- Akin Kekere Ekun, Chairperson
- Eyitope St Matthew Daniel, Member
- Abdullahi Ali Gombe, Member
- Gregg Blackstock, Member
- Amit Charbit, Member

ROLE AND FOCUS

The Board Governance Committee's primary roles are to:

- oversee and advise the Board on its oversight responsibilities;
- determine the composition of the Board and Board Committees;
- design and execute the process of new Board members; and
- recommend to the Board the removal of non-performing Board members.

KEY RESPONSIBILITIES

During the year, the Committee advised the Board on its oversight responsibilities in relation to:

- determining Board composition;
- designing and executing the process for appointment of new Board members;
- developing and maintaining an appropriate corporate governance framework for the Bank; and
- developing appropriate policy on remuneration of non-executive directors for recommendation to the Board and approval by the General Meeting of Shareholders; and ensuring compliance with Central Bank of Congo regulations on corporate governance.

MEETING ATTENDANCE DURING THE YEAR

Name	10 Feb 2015	26 May 2015	12 August 2015	21 Oct 2015
Akin Kekere Ekun	✓	✓	✓	✓
Christiana Olaoye	✓	Resigned	N/A	N/A
Eyitope St Matthew Daniel	Not yet appointed	Just appointed	✓	✓
Abdullahi Ali Gombe	✓	✓	✓	✓
Amit Charbit	✓	✓	✓	✓
Gregg Blackstock	Excused	Excused	Excused	Excused

PRIORITIES FOR 2016

For 2016, the Committee's main focus will be on the improvement of processes and procedures.

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BOARD FINANCE AND GENERAL PURPOSE COMMITTEE

Introduction from the Committee Chairperson outlining what the Committee focused on during the year.



Abdullahi Ali Gombe (Chairperson)

I am very happy to have chaired the Board Finance and General Purpose Committee during 2015, when this Committee focused on the following matters:

- Assets and liabilities management.
- Suspension of relationship with Citibank.
- Compensation of senior management staff.
- Policies (on expenditures, approval limits, staff appraisal, etc.).
- Appraisal and bonus of the staff.
- Migration from Delta to Finacle.
- Transition to International Financial Reporting Standards (IFRS).
- Change in the management, with the appointment of a new Regional Business Manager responsible for the Katanga region.
- Network development.
- Interswitch operability between five banks.
- Bank's website.

Membership

- 👤 Abdullahi Ali Gombe, Chairperson
- 👤 Eyitope St Matthew Daniel, Member
- 👤 Akin Kekere Ekun, Member
- 👤 Akeem Oladele, Member
- 👤 Frédéric Pululu Mangonda, Member
- 👤 Amit Charbit, Member

ROLE AND FOCUS

The Board Finance and General Purpose Committee's primary roles are to:

- review the annual budget of the Bank;
- be responsible for the Bank's financial data and ensure its reliability;
- ensure that the Bank's expenses are incurred appropriately and that the Bank's assets are well safeguarded; and
- approve expenditures and recommend to the Board those which are beyond the Committee approval level.

KEY RESPONSIBILITIES

During the year, the Committee's main responsibilities included:

- considering and approving the Bank's capital expenditure plan and specify capital projects above the approval limit of the Management Committee and make recommendation for the consideration of the Board; and
- advising the Board on its oversight responsibilities in relation to ratification of recruitment, compensation and benefits, promotions and disciplinary matters affecting the senior management staff.

MEETING ATTENDANCE DURING THE YEAR

Name	10 Feb 2015	26 May 2015	11 August 2015	20 Oct 2015	24 Nov 2015
Abdullahi Ali Gombe	✓	✓	✓	✓	✓
Christiana Olaoeye	1	Resigned	N/A	N/A	N/A
Eyitope St Matthew Daniel	Not yet appointed	Just appointed	✓	✓	✓
Akin Kekere Ekun	✓	✓	✓	✓	✓
Amit Charbit	✓	✓	✓	✓	✓
Tidiane N'Diaye	✓	✓	Resigned	N/A	N/A
Akeem Oladele	Not yet appointed	Not yet appointed	Excused	✓	✓
Frédéric Pululu Mangonda	Not yet appointed	Not yet appointed	✓	✓	✓

PRIORITIES FOR 2016

In 2016, the Committee's main focus will be on cost containment and the growth of non-interest income.

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BOARD AUDIT AND RISK ASSESSMENT COMMITTEE

Introduction from the Committee Chairperson outlining what the Committee focused on during the year.



Amit Charbit (Chairperson)

I am very happy to have chaired the Board Audit and Risk Assessment Committee during 2015, when this Committee focused on the following matters:

- Compliance with laws, regulations, and internal policies and procedures.
- Instances of fraud.
- Implementation status of recommendations from various controllers.
- Internal Audit, Internal Control and Compliance annual plans and related budgets.
- Internal Audit, Internal Control, Compliance and Risk Management reports.
- Nomination of external auditors and recommendation of this nomination to the Board of Directors.
- External auditors' report.
- Development in legal and regulatory environments.
- Litigations against the Bank.
- Policies (AML/CTF, Anti-Bribery and Corruption, Whistleblowing, Crisis Management, Market and Liquidity Risk Management, etc.).

Membership

- 👤 Amit Charbit, Chairperson
- 👤 Eyitope St Matthew Daniel, Member
- 👤 Abdullahi Ali Gombe, Member
- 👤 Gregg Blackstock, Member

ROLE AND FOCUS

The overall purpose of the Board Audit and Risk Assessment Committee is to protect the interest of the Bank's shareholders and other stakeholders by overseeing, on behalf of the Board, the following:

- integrity of the financial reporting;
- adequacy of the control environment;
- management of risks;
- internal and external audit functions, and
- compliance function.

KEY RESPONSIBILITIES

The Committee assists the Board in the areas of control and risk assessment, and protects the interest of the Bank's shareholders and other stakeholders by overseeing, on behalf of the Board, the:

- integrity of financial reporting;
- adequacy of the control environment
- management of risk;
- internal and external audit function; and
- compliance function.

MEETING ATTENDANCE DURING THE YEAR

The Committee met five times in 2015. The record of attendance is provided below:

Name	11 Feb 2015	26 May 2015	1 July 2015	11 August 2015	24 Oct 2015
Amit Charbit	✓	✓	✓	✓	✓
Christiana Olaoye	1	Resigned	N/A	N/A	N/A
Eyitope St Matthew Daniel	Not yet appointed	Just appointed	Excused	✓	✓
Gregg Blackstock	Excused	Excused	✓	Excused	✓
Abdullahi Ali Gombe	✓	✓	✓	✓	✓

PRIORITIES FOR 2016

In 2016, the Committee's main focus will be on the improvement of the level of compliance.

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BOARD CREDIT COMMITTEE

Introduction from the Committee Chairperson outlining what the Committee focused on during the year.



Eyitope St Matthew Daniel (Chairperson)

I am very happy to have chaired the Board Credit Committee during 2015, when this Committee focused on the following matters:

- Credit requests.
- Credit recovery.
- Credit write-off.
- Provision of credit.
- Credit portfolio plan.
- Credit products programmes.
- Placement lines with local banks.
- Reports (portfolio, non-performing assets, watchlist, etc.).

KEY RESPONSIBILITIES

This Committee advises the Board on its oversight responsibilities in relation to the Bank's credit exposure and credit risk management practices, and provides strategic guidance for the development and achievement of the Bank's credit risk management objectives. More specifically, the Committee shall have the following responsibilities:

- review and approve credit facilities to be granted by the Bank that are within its approval limit;
- recommend, for Board approval, the credit portfolio plan for the year and the level of exposure to domestic and foreign banks;
- recommend, for Board approval, the credit portfolio strategy in line with the corporate strategy of the Bank;
- exercise a general oversight of the Bank's credit portfolio and related credit risk management processes through a periodic review of reports;
- oversee the administration, effectiveness and compliance with the Bank's credit policies through the review of processes and reports, as it deems appropriate;
- approve new credit products and processes; and
- discuss such other matters relating to the credit operations of the Bank and subsidiary companies as may be specifically delegated to the Credit Committee by the Board.

Membership

- 👤 Eyitope St Matthew Daniel, Chairperson
- 👤 Abdullahi Ali Gombe, Member
- 👤 Akin Kekere Ekun, Member
- 👤 Amit Charbit, Member
- 👤 Akeem Oladele, Member
- 👤 Frédéric Pululu Mangonda, Member

ROLE AND FOCUS

The Board Governance Committee's main roles include:

- maintaining a sound credit portfolio;
- approving good loans and recommend to the Board the approval of good loans that fall within the Board approval limits; and
- managing the Bank's legal files.

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MEETING ATTENDANCE DURING THE YEAR

Name	10 Feb 2015	4 May 2015	26 May 2015	9 June 2015	25 June 2015	10 August 2015	4 Sept 2015	20 Oct 2015	24 Nov 2015
Christiana Olaoye	✓	✓	Resigned	N/A	N/A	N/A	N/A	N/A	N/A
Eyitope St Matthew Daniel	Not yet appointed	Not yet appointed	Just appointed	Excused	Excused	✓	✓	✓	✓
Abdullahi Ali Gombe	✓	✓	✓	✓	✓	✓	✓	✓	✓
Akin Kekere Ekun	✓	✓	✓	Excused	✓	✓	✓	✓	✓
Amit Charbit	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tidiane N'Diaye	✓	✓	✓	✓	Excused	Resigned	N/A	N/A	N/A
Akeem Oladele	Not yet appointed	Not yet appointed	Not yet appointed	Not yet appointed	Not yet appointed	Excused	✓	✓	✓
Frédéric Pululu Mangonda	Not yet appointed	Not yet appointed	Not yet appointed	Not yet appointed	Not yet appointed	✓	✓	✓	✓

STATUTORY AUDIT COMMITTEE REPORTS

Independence of the Statutory Audit Committee

In compliance with Central Bank of Congo (BCC) regulation, the Statutory Audit Committee is independent from the management. To ensure such independence, it is only composed of non-executive directors, of whom one is an independent director. Committee members have strong experience in audit and financial matters, as required by the regulation.

Integrity of financial reporting

The Committee ensured the integrity of financial report by engaging external auditors to check the Bank's financials at least twice in the year.

Internal Audit

In compliance with BCC regulation, the Bank has an Internal Audit function that reports directly to the Board Audit and Risk Assessment Committee, so as to assure its independence from the management.

Internal Control and Risk Management

In compliance with BCC regulation, the Bank has a Risk Management function. The Bank also has an Internal Control function.

At each of its meetings, the Audit and Risk Assessment Committee reviews reports submitted by the Internal Audit, Internal Control and Risk Management functions.

External Audit

BCC regulation stipulates that, to audit the Bank, the auditor (either a company or two individuals) should be registered with the BCC.

As at 31 March 2015, when the Annual General Meeting decided on the external auditors that the Bank was to work with, only PricewaterhouseCoopers (PwC) was registered with the BCC.

Therefore, the Bank, which cannot have its accounts audited by individuals, appointed PwC as external auditors for 2015.

The report drawn up by PwC was reviewed by the Board of Directors, which closed the accounts of 2015, and by shareholders, who approved the audited accounts, by recommendation of the Board of Directors.

The Bank engaged the services of PwC, for which it paid the agreed fee of USD120,000, before tax.

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EFFECTIVENESS

ENSURING BOARD EFFECTIVENESS

During the year under review, the Board was highly effective: it not only held more meetings than those scheduled, but also took sensitive decisions (for example, instruction on efficient management of fraud cases by the management, etc.) that resulted in an improvement in the Bank's position.

Composition

The above performance is the result of deep knowledge and experience of Board members in the areas of finance, banking and corporate governance.

Appointment philosophy and induction process

As mentioned above, three new Board members were appointed during the year under review. The process of their recruitment was very rigorous, as it went from the panel organised at Group level to the approval by the Board of Directors by recommendation of the Board Governance Committee. This process will continue with the formal approval of same Board members by shareholders, at their general meeting, and will end after acceptance by the regulator.

The Board was also enriched with the nomination of a new Board member, Francis Olugbenga Shobo, currently Deputy to the Group Managing Director.

The nomination of this new Board member shows how FBNBank DRC S.A. is important to the Banking Group.

All the directors attended Group induction training in Lagos in November 2015, followed by local induction training in Kinshasa in January 2016, to assist them to become more familiar with their role as Board members.

EXECUTIVE REMUNERATION

REGULATORY REQUIREMENT

The compensation of Board members is discussed in the Bank's Articles of Association.

Article 24 provides the following:

- The General Meeting may grant the directors, as remuneration for their activities and as an allowance, a fixed annual sum to be decided by the General Meeting and expensed in the Bank's books.
- The Directors cannot receive, in respect of their duties, any other compensations, permanent or not, other than those referred to above.
- Any other provision contrary to the above is deemed not written and any decision contrary to the above is deemed void.
- The Board is free to decide the allocation of this amount among its members.
- The Board of Directors sets the terms and the amount of remuneration of its Chairperson, the General Manager and the Deputy General Manager(s), if one is appointed.
- The Board of Directors may also grant its members exceptional remunerations for missions and mandates entrusted to them, or authorise the repayment of travel/transportation expenses and expenses incurred in the interest of the Bank, save as might be otherwise stated by the provisions related to the regulated agreements. It sets the salaries, emoluments and allowances related to the delegations and missions it assigns. These compensations and fees give rise to a special report of the statutory auditor during the general meeting.

CALCULATION METHOD

In practice, the remuneration of executive directors is agreed with the Bank and set in their employment contract.

For non-executive directors, the total fixed annual sum referred to above is estimated as follow:

Annual remuneration	Chairperson USD	Other non- executive directors USD	Total USD
Amount	A	B	
Number of persons	1	6	
Total	$C = A \times 1$	$D = B \times 6$	$E = C + D$

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PERFORMANCE MONITORING

During the year, the Board monitored the performance of the Bank by reviewing the implementation of strategic imperatives, by reviewing a comparison between actual and budget at every Board meeting, by discussing the follow-up statement presented at every Board meeting by the management, and by approving some limits within which the management operated.

BOARD APPRAISAL

The appraisal of the Board in 2015 was performed by the independent consultant KPMG. The appraisal report is presented in the sections below.

TENURE OF DIRECTORS

According to Article 17 of the Bank's Articles of Association, directors are appointed for a term of three years, renewable once by shareholders during the Annual General Meeting of Shareholders, except in cases of merger, where the appointment may be made by the Extraordinary General Meeting deciding on the merger operation.

TRAINING

During the year 2015, two Board members attended training sessions, as shown below:

Director	Course	Provider	Location	Period
Eyitope St Matthew Daniel	Corporate Governance Standard Delegate	Euromoney Learning Solution	London	26-29 Oct 2015
Abdullahi Ali Gombe	Creating and Executing Breakthrough Strategy	Columbia Business School	New York	8-13 Nov 2015

ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

During 2015, the directors sought and obtained advice from the following independent consultants:

- PwC on the audit of the 2015 accounts of the Bank.
- PwC on the payment of interim dividends.
- PwC on the audit of the escrow account.
- Deloitte DRC on the tax consultancy.
- KPMG on the appraisal of the Board and the Board's Committees.

SECURITY TRADING POLICY

The year 2015 was quiet, apart from demonstrations that took place in January for about one week, when some schools and businesses did not open.

The trading restrictions stated in the exchange regulation did not change from previous years. These restrictions require the repatriation of the proceeds from export within a certain period from the export, and the submission by customers of documents related to import, export and transfers.

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ACCOUNTABILITY

GOVERNANCE FRAMEWORK

Until it was audited in 2015 by the Group Internal Audit, the Bank used Central Bank regulation no. 21 and the Board Governance Committee charter as its main corporate governance framework. For 2016, the Bank has developed a new corporate governance framework approved by the Board.

From this audit, management received from the Group the corporate governance framework that it is adapting to the Bank's environment.

WHISTLEBLOWING PROCEDURE

The Board approved the Whistleblowing Policy for the Bank. This procedure has helped to reduce the number of fraudulent cases over the year under review.

INTERNAL CONTROL

Internal Control at FBNBANK DRC S.A. refers to the overall operating framework of the practices, systems, organisational structures, management philosophy, code of conduct, policies, procedures and actions that exist in the Bank, and which are designed to ensure the following:

- That essential business objectives are met, including the effectiveness and efficiency of operations and the safeguarding of assets against losses.
- The reliability of financial reporting and compliance with general accounting principles.
- Compliance with applicable laws and regulations, including internal policies.
- Systematic and orderly recording of transactions.
- Provision of reasonable assurance that undesired events will be prevented or detected and corrected.

Internal Control framework

The Group's Internal Control framework is predicated on Committee of Sponsoring Organisation of the Treadway Commission (COSO) standards, which provide policies aimed at achieving internal control objectives of:

- reliability of financial statements;
- effectiveness and efficiency of operations; and
- compliance with applicable laws and regulations.

It also aligns defence and controls the responsibilities of the Board of Directors, CEO and management. The Group has adopted the updated 2013 COSO integrated internal control framework for its own internal control practices. The Bank's Internal Control framework was created to address challenges by identifying critical activities in the Bank, assessing the risk exposures, determining appropriate preventive and detective control measures, and monitoring such measures to ensure compliance.

Internal Control Policy and guidelines

The framework is supported by an Internal Control Policy and guidelines. The policy outlines best practice control standards, roles and responsibilities of directors, management, subsidiaries and staff of the Group; the guidelines outline procedures for identification, management and documentation of relevant processes and sub-processes, including the mapping of specific risks and the measures to control and mitigate them. The mission statement of our guidelines includes:

- proactively identifying key risks and responding with appropriate internal controls;
- ensuring the quality of internal and external financial reporting;
- ensuring compliance;
- identifying and exploring opportunities for improving efficiency of processes and controls; and
- effectively managing our business operations and achieving our strategic objectives.

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Internal Control – improvements achieved in 2015

We concluded the year with strategic priorities for improving the efficiency of Internal Control within the Bank. Our achievements include:

- successfully strengthening awareness of Internal Control and the responsibility of front-line staff in risk management;
- monitoring branch activities to ensure policies and procedures are adhered to. In this regard, cross-functional monitoring teams were constituted and periodic surprise visits were made to branches to evaluate compliance; and
- commenced process review of Head Office key control points. Head Office processes were reviewed to determine possible synergies between our Head Office control point and branch controls.

Internal Control – priorities for 2016

- Continuous process improvement and implementation of the adopted 2013 COSO integrated internal control framework.
- Expanding the scope of control monitoring and review to ensure compliance to policies and procedures.
- Institution of internal governance committees, consisting of internal control and operations staff, to enhance interdepartmental collaboration, with a view to improving service delivery within a control-conscious environment.
- Implementation of measurable processes to enhance and maintain high-quality documentation and reduce turnaround time of the external audit function in the performance of their duties.
- Begin the review process of Head Office key control points. We will continue with our culture of internal control improvements in this regard, which will hopefully minimise redundancies and improve efficiency.
- Creation of knowledge hubs to guide staff on control activities and to ensure control policies and procedures are made easily accessible to all.

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ENGAGEMENT

Engagement approach

As a bank that prides itself on delivering good returns on investments and keeping shareholders happy, FBNBank DRC S.A. invested in structures and processes that enabled it to carry shareholders along so that they are always abreast of developments.

Represented proportionally by the members of the Board, the two shareholders (First Bank of Nigeria Limited and BSG Capital Markets Limited) are constantly updated on the performance and activities of the Bank. This is especially the case during Board meetings, which are held several times throughout the year.

Shareholder profile

As at 31 December 2015, the shareholders of the Bank can be broken down as follows, by type:

Shareholder	Type
First Bank of Nigeria Limited	Company
BSG Capital Markets Limited	Company
UK Eke	Individual
Bisi Onasanya	Individual
Abiodun Odubola	Individual
Tijjani Borodo	Individual
Bello Maccido	Individual

Six of the seven shareholders are based in Nigeria and one is based in Guernsey; and two of the shareholders are companies while the others are individuals.

Rights of shareholders

Shareholders were entitled to dividends, under conditions provided in the local law.

Shareholders' responsibilities

Shareholders have the widest power within the Bank and the right to make all decisions. Their responsibilities include:

- deciding on the summary financial statements for the financial year;
- deciding on the allocation of profits;
- appointing members of the Board of Directors and the auditors;
- approving or refusing to approve agreements between the Company managers and the Company;
- issuing bonds;
- approving the auditors' report on the evaluation of important assets or of a certain value sold by a shareholder to the Company within two years after its incorporation and deciding on the evaluation of such property under penalty of nullity of sale;
- amending the Articles of Association in all their provisions;
- authorising mergers, demergers, transformations and partial contributions of assets; and
- deciding on the early dissolution of the Bank or extending its duration.

Investor relations

The Bank took very seriously the strategic management of its responsibility of integrating finance, communication, marketing and securities law compliance. This is to enable the most effective two-way communication between the Bank, the financial community and other constituencies. The Bank always provides its two shareholders/investors with an accurate account of its affairs.

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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF FBNBANK DRC S.A.:

The Annual General Meeting of Shareholders of FBNBank DRC S.A. ('the Bank') will be held on 29 March 2016 at 2:00 pm local time, by conference call, in order to discuss the following matters:

1. Presentation of the 2015 audit report by external auditors.
2. Approval of the 2015 audit report.
3. Allocation of the Bank's profit for the year 2015.
4. Discharge given to external auditors and Board members for 2015.
5. Appointment of external auditors and approval of the audit fees.
6. Approval of the remuneration of Non-Executive Directors.
7. Appointment of Akeem Oladele and Frédéric Pululu Mangonda as Board members.
8. Acceptance of the resignation of Christiana Olaoye as a Board member.

I kindly invite those who will not be available for this meeting to execute and return the proxy.



Olayinka Akinkugbe
Chairman, FBNBank DRC SA

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DIRECTORS' REPORT

a. Principal activities

The principal activity of the Bank is the provision of banking and other financial services to corporate, small and medium-size enterprises (SMEs), non-governmental organisations, governmental institutions and companies, as well as individual customers. Such services include: granting of loans and advances, finance and money market activities.

The Bank does not have subsidiaries, so it does not prepare consolidated financial statements.

b. Operating results

Gross earnings of the Bank increased by 5.4%, while profit before tax decreased by 2.9% from the previous year.

The Directors recommend the approval of a final dividend of CDF2,682,673.24 '000 (Dec 2014: CDF1,968,216.57 '000).

Highlights of the Bank's operating results for the year under review are shown below:

Description	31 Dec 2015	31 Dec 2014
Metric (CDF '000)		
Gross earnings	57,129,777.68	54,182,318.69
Profit before tax	9,269,374.63	9,551,454.39
Taxation	5,436,984.28	5,615,021.25
Profit after tax from continuing operations	3,832,390.35	3,936,433.14
Profit/loss after tax from discontinuing operations	3,832,390.35	3,936,433.14
Non-controlling interest	-	-
Appropriation	-	-
Transfer to legal reserves	383,239.04	393,643.31
Transfer to dividend	2,682,673.24	1,968,216.57
Transfer to retained earnings reserve	766,478.07	1,574,573.26

c. Directors' interest (direct and indirect)

As at year end

No Director had direct nor indirect interest in contracts or proposed contracts with the Bank as at the year end.

Prior year

No Director had direct nor indirect interest in contracts or proposed contracts with the Bank during the prior year.

At the date the accounts were closed by the Board of Directors

No Director had direct nor indirect interest in contracts or proposed contracts with the Bank at the date the accounts were closed by the Board of Directors.

d. Details of directors and shareholders with substantial interest of 5% and above of the Bank's shares

Directors

No Director had substantial interest of 5% or above of the Bank's shares.

Shareholders

- First Bank of Nigeria Limited: 75%
- BSG Capital Markets Limited: 25%

e. Share capital history

The Bank opened with a share capital of 1,300,000 DSR (Drawing Special Rights) on 6 April 1994. After many years of growth, mainly by incorporation of revaluation reserve and profits, the share capital amounted to CDF885,407,925 at 31 December 2006.

From this date, the share capital increased as shown below:

31 December 2006	CDF885,407,925
Incorporation of a part of the 2006 profit as decided by the AGM of 29 March 2007	CDF2,024,345,995
Incorporation of a part of the 2007 profit as decided by the AGM of 28 March 2008	CDF1,767,251,768
Incorporation of a part of the 2008 profit as decided by the AGM of 27 March 2009	CDF2,783,910,767
Incorporation of a part of the 2009 profit as decided by the AGM of 18 March 2010	CDF350,354,478
Contribution of the bank's building by Thorens as decided by the EGM of 8 September 2011	CDF5,535,000,000
31 December 2015	CDF13,346,270,933

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f. Share capital analysis

CATEGORY	HOLDINGS		HOLDINGS %
	Number of shares	Amount (CDF)	
First Bank of Nigeria Limited	74,994	10,008,902,423.50000	74.994
BSG Capital Markets Limited	25,000	3,336,567,733.25000	25.000
Subtotal private companies	99,994	13,345,470,156.75000	99.994
Bisi Onasanya	1	133,462.70933	0.001
UK Eke	2	266,925.41866	0.002
Tijjani Borodo	1	133,462.70933	0.001
Abiodun Odubola	1	133,462.70933	0.001
Bello Maccido	1	133,462.70933	0.001
Subtotal individuals	6	800,776.25000	0.006
TOTAL	100,000	13,346,270,933.00000	100.000

g. Donations and charitable gifts

During 2015, the Bank gave donations to individuals for a total amount of CDF1,928,750, as shown in the table below.

DESCRIPTION	AMOUNT (CDF)
Annual contribution for disabled persons	680,000
Contribution for International Women's Day, 8 March 2015	693,750
Payment of wreath for the death of a SONAS CEO	185,000
Procession costs for International Workers' Day, 1 May 2015	370,000
Total	1,928,750

h. List of shareholders who in concert with others control the Bank

The Bank is controlled by the shareholder First Bank of Nigeria Limited, which alone holds 75% of the share capital.

i. Details and reasons for shares buyback if any

No shares were bought back in 2015.

j. Regulatory sanctions and penalties

Regulatory sanctions and penalties faced by the Bank in 2015 were the result of non-compliance with the exchange regulation and other legal requirements, especially lack of submission by customers to the Bank of the documents required for the execution of foreign operations of customers.

k. Any service contracts and contracted relationships with related parties

Except for the loan agreements that the Bank signed with some senior executives and a family member thereof, on arm's length terms and conditions, the Bank did not enter into agreement with another related party in 2015.

l. Inclusion of frauds and forgeries that took place within the period

Frauds and forgeries that took place within the Bank in 2015 mainly related to infidelity of staff and robberies.

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REPORT OF THE EXTERNAL CONSULTANT ON THE APPRAISAL OF THE BOARD OF DIRECTORS

To:
Board of Directors
FBNBank DRC S.A.
191, Avenue de l'Equateur, Gombe, Kinshasa
Democratic Republic of Congo

Attention: OLAYINKA E AKINKUGBE, Chairman

Dear Sir,

Re: Review and assessment of the performance of the Board of Directors for the year ended 31 December 2015

At your request and in compliance with the Board of Directors ('the Board') and Board Governance Committee charters of FBNBank DRC S.A. ('the Bank'), the Bank engaged KPMG DRC to carry out an appraisal of the Board and Board committees for the year ended 31 December 2015.

These charters foresee an annual appraisal of the Board and Board committees with specific focus on the Board's structure, composition, responsibilities, processes and relationships in the Board's performance. The assessment shall be made in relation to the Board's contribution as a whole.

Corporate governance is the system by which the Bank is directed and controlled to enhance performance and shareholder value. It is a system of checks and balances among the Board, management and investors to produce a sustainable corporation geared towards delivering long-term value.

Our approach to the appraisal of the Board involved a review of the Bank's key corporate governance structures, policies and practices. This included the review of the corporate governance framework and representations obtained through comments provided to our questionnaires by Board members.

We also reviewed minutes of Board committee meetings prepared by the Board, and assessed the level of compliance of the Board with the above charters' provisions.

On the basis of our review, except as noted below, the Bank's corporate governance practices are largely in compliance with the key provisions of the Board and Board Governance Committee charters. Specific recommendations for further improving the Bank's governance practices have been articulated and included in the detailed part of this report. These include recommendations in the following areas: strategies and governance, corporate culture, training, assurance process.

Samba Diagola
Partner, KPMG DRV
25 March 2016

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RISK MANAGEMENT
FRAMEWORK →

INTRODUCTION

FBNBank DRC S.A. defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

FBNBank DRC's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Bank's financial performance.

Risk management is carried out by the Bank's Risk Management Control Directorate ('the Directorate') under policies approved by the Board of Directors. The Directorate provides central oversight of risk management across the Bank to ensure that the full spectrum of risks facing the Bank and the Group are properly identified, measured, monitored and controlled to minimise adverse outcomes. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk and credit risk.

In addition, Internal Control is responsible for the independent review of risk management and the control environment, while Internal Audit has the responsibility of auditing the Risk Management function to ensure that all units charged with risk management perform their roles effectively on a continuous basis. Internal Audit also tests the adequacy of the internal controls and makes appropriate recommendations where weaknesses are identified with the view to strengthening the Group's risk management framework.

The risks arising from financial instruments to which the Bank is exposed are financial risks, which include credit risk, liquidity risk and market risk (discussed in subsequent sections).

The key elements of risk management philosophy are outlined below:

- The Bank considers sound risk management to be the foundation of a long-lasting financial institution.
- The Bank continues to adopt a holistic and integrated approach to risk management and, therefore, brings all risks together under one or a limited number of oversight functions.
- Risk officers are employed to perform their duties professionally and independently without undue interference.
- Risk management is governed by well-defined policies that are clearly communicated across the Bank.
- Risk management is a shared responsibility. Therefore, the Bank aims to build a shared perspective on risks that is grounded in consensus.
- The Bank's risk management governance structure is clearly defined.
- There is a clear segregation of duties between market-facing business units and risk management functions.
- Risk-related issues are taken into consideration in all business decisions. The Bank shall continue to strive to maintain a conservative balance between risk and revenue considerations.
- Risk officers work as allies and thought partners to other stakeholders within and outside the Bank and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties.
- Risks are reported openly and fully to the appropriate levels once they are identified.

RISK MANAGEMENT FRAMEWORK

The primary responsibility of the Risk Management function in the Bank is to minimise the divergence between expectations and outcomes, thus ensuring the realisation of more predictable results.

This can only be achieved through a robust framework and clearly defined and transparent processes for the identification of all factors that may lead to the said divergences ('Risk Identification'); estimation of the likelihood of their occurrence and of the extent or severity of their impact in the event of occurrence ('Risk Assessment/Measurement'); design of effective controls to minimise both the likelihood and the severity of risk events ('Risk Control'); establishment of procedures to ensure that these controls are effective and are being complied with ('Risk Monitoring'); regular reporting of risk events and controls ('Risk Reporting'); and provision of sufficient capital to absorb the adverse impact of expected and unexpected losses.

In line with the above, the framework for the development and institutionalisation of processes will enable the Bank to:

- identify and understand the full spectrum of risks facing it;
- define its appetite for risk, based on its strategic objectives;
- assess, measure and quantify the risks;
- develop risk mitigation and control techniques;
- enhance the overall performance of the Bank; and
- comply with all regulatory requirements with respect to risk management practices, including Basel II guidelines, relevant provisions of the Sarbanes-Oxley Act and domestic regulatory guidelines on risk-based supervision.

RISK MANAGEMENT STAKEHOLDERS

The following are the stakeholders in the Bank's risk management process:

- a) Board of Directors
- b) Board Committees
- c) Executive Management Committees
- d) Risk Management Directorate
- e) Internal Audit
- f) Line management
- g) Employees
- h) Regulators.

RISK MANAGEMENT PHILOSOPHY

The key elements of the Bank's risk management philosophy are as follows:

- The Bank considers sound risk management as the foundation of a long-lasting financial institution.
- The Bank shall continue to adopt a holistic and integrated approach to risk management and bring all risks together under one or a limited number of oversight functions.
- Risk officers shall be empowered to perform their duties professionally and independently without undue interference.
- Risk management shall be governed by well-defined policies, which are clearly communicated across the Bank.
- Risk management is a shared responsibility. Therefore, the Bank shall aim to build a shared perspective on risks that is grounded on consensus.
- The Bank's risk management governance structure shall be clearly defined.
- There shall be a clear segregation of duties between market-facing business units and risk management/control functions.
- Risk-related issues are taken into consideration in all business decisions. The Bank shall strive to maintain a conservative balance between risk and revenue considerations.
- Risks are reported openly and fully to the appropriate levels once they are identified.
- Risk officers shall work as allies and thought partners to other stakeholders within and outside the Bank, and be guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties.

OUR RISK CULTURE

- The Board and senior management shall consciously promote a responsible approach to risk and ensure that the long-term survival and reputation of the Bank are not jeopardised while expanding the Bank's market share.
- The responsibility for risk management in the Bank is fully vested in the Board, which in turn shall delegate such to senior management.
- The Bank shall pay adequate attention to both quantifiable and unquantifiable risks.
- The Bank's management shall promote awareness of risk and risk management across the Bank.
- The Bank shall avoid products, markets and businesses where it cannot objectively assess and manage the associated risks.

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Risk appetite

The Bank's risk appetite shall always be set at a level that minimises erosion of earnings or capital due to avoidable losses in the banking and trading books or from frauds and operational inefficiencies.

The Bank's appetite for risk shall be governed by the following:

1. High-quality risk assets measured by the following three key performance indicators (KPIs):
 - a) ratio of non-performing loans to total loans;
 - b) ratio of loan loss expenses to total revenue; and
 - c) ratio of loan loss provision to gross non-performing loans.

The broad objective is to be among the best three banks with respect to (a) and (b) above, and to maintain a ratio of not less than 100% on (c).

2. Losses due to fraud and operational lapses should be a maximum of a specified percentage of gross earnings and in any case be lower than the industry average.
3. Financial and prudential ratios should be at a level more conservative than regulatory requirements and better than the average of benchmark banks.
4. The Bank shall aim to minimise the following independent indicators of excessive appetite for risk:
 - a) exception reporting by auditors, regulators and external rating agencies;
 - b) adverse publicity in local and international press;
 - c) frequent litigations;
 - d) payment of fines and other regulatory penalties; and
 - e) above-average level of staff and customer attrition.
5. The Bank shall not compromise its reputation through unethical, illegal or unprofessional conduct. The Bank shall also maintain zero appetite for association with disreputable elements.

Risk oversight

The Bank's Risk Management Control Directorate ('the Directorate') provides a central oversight of risk management across the Bank to ensure that the full spectrum of risks facing the Bank are properly identified, measured, monitored and controlled to minimise adverse outcomes.

The Directorate shall, however, be complemented by other departments in the management of certain important risks as illustrated below:

Risk Management and Control	Corporate Planning	Compliance Group
· Credit risk	· Strategic risk	· Regulatory compliance risk
· Operational risk	· Reputational risk	
· Market and liquidity risk		
· Legal risk		

The Directorate also coordinates the monitoring and reporting of all risks across the Bank.

Internal Audit has the responsibility of auditing the Risk Management and Control function to ensure that all units charged with risk management perform their roles effectively on a continuous basis. Internal Audit shall also test the adequacy of internal controls and make appropriate recommendations where weaknesses are identified.

Scope of risks

The scope of risks to be directly managed by the Bank is as follows:

- Credit risk
- Operational risk
- Market and liquidity risk
- Legal and regulatory compliance risk
- Strategic risk
- Reputational risk.

Responsibilities and functions

The responsibilities of the Risk Management Control Directorate and other units responsible for risk management are highlighted below.

Risk Management Control Directorate

- a) Determines the risk boundary conditions for the Bank and for each business.
- b) Develops risk policies, principles and process standards that define the Bank's risk strategy and appetite in line with the Bank's overall business aims.
- c) Ensures that controls, skills and systems are in place to enable compliance with the Bank's policies and standards.
- d) Identifies, measures, assesses, monitors and controls the level of risk in the Bank; approves material risk exposures, limits and transactions; and reports these and other material risk issues to senior management, the Board and regulators.
- e) Collects, processes, verifies, monitors and distributes risk information across the Bank.
- f) Monitors compliance with Bank-wide risk policies and limits.

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Corporate Planning and Group Coordination Division

- a) Prepares and monitors the implementation of the Bank's strategic plan.
- b) Conducts strategic and operational review of the Bank's activities.
- c) Conducts regular scanning of the Bank's operating environment.
- d) Coordinates and monitors the Bank's rating exercises by external rating agencies.
- e) Prepares business intelligence reports for the Bank's management.
- f) Prepares periodic management reports on subsidiaries and associates.
- g) Performs competitive analysis in comparison with industry peers.
- h) Conducts business audit of branches.
- i) Oversees and coordinates the Bank's business combination transactions.
- j) Undertakes the transformation of underperforming branches.
- k) Recommends to and coordinates new business initiatives on behalf of the Bank.
- l) Promotes the Bank's image and perception in the public mind.
- m) Maximises the value of the Bank brand and optimally aligns the Bank's corporate direction.
- n) Redesigns branches and offices for exceptional customer attraction, service flow and convenience.
- o) Proposes and coordinates social responsibility initiatives/sponsorships.
- p) Coordinates and monitors press and public relations.

The Compliance Division

- a) Designs a robust compliance structure, process and advisory service to enable line management compliance with current laws, regulations and supervisory requirements.
- b) Reports non-compliance with laws, regulations and supervisory requirements to the Managing Director and the Board of Directors in a timely manner.
- c) Provides the Board with regular information on the level of compliance by the Bank with laws, regulations and supervisory requirements.
- d) Establishes a compliance culture in FBNBank DRC that contributes to the overall objective of prudent risk management.
- e) Establishes a line of communication to line management in order to continuously monitor compliance with laws, regulations and supervisory requirements.
- f) Ensures that regulatory requirements are incorporated into operational procedure manuals as appropriate.
- g) Makes recommendations to ensure that laws, regulations and supervisory requirements are complied with, including consequence management.

- h) Establishes prompt mechanisms for reporting and resolving non-compliance with laws, regulations or supervisory requirements.
- i) Documents findings, including any remedial action, as part of the compliance monitoring programme.
- j) Compiles and maintains a comprehensive compliance manual for the Bank.

The Legal Services Division

- a) Establishes written guidance to staff on the appropriate implementation of the laws, rules and standards through policies and procedures and other documents such as compliance manuals, internal codes of conduct and practice guidelines.
- b) Advises management on applicable laws, rules and standards, including any amendments/updates thereto.
- c) Monitors, manages and supervises litigations involving the Bank.
- d) Selects solicitors and advocates that are competent and experienced to represent the Bank and protect its interests.
- e) Reviews and approves all contracts, agreements and other legal documentations to safeguard and protect the Bank's interests, including documentation with respect to security for loans.

CREDIT RISK

Credit risk is the risk of suffering financial loss, should any of the Bank's customers or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises mainly from commercial and consumer loans and advances, as well as loan commitments resulting from such lending activities, but can also arise from the provision of credit enhancement, such as financial guarantees, letters of credit, endorsements and acceptances.

Credit risk is the single largest risk for the Bank's business; management must therefore carefully control the Bank's exposure to this type of risk. A Credit Risk Management team is responsible for controlling credit risk, and reports regularly to the Chief Risk Officer.

Credit risk management

In measuring the credit risk of loans and advances to customers and to banks at a counterparty level, the Bank reflects on the following components:

- The character and capacity to pay off the client or counterparty on its contractual obligations.
- Current exposure to the counterparty and its likely future development.
- Credit history of the counterparty.
- The likely recovery ratio in case of default obligations – values of collateral and other ways out. The Bank's rating scale, which is shown on page 47, reflects the range of default changes. The rating tools are reviewed and upgraded when necessary. The Bank regularly validates the performance of rating and their predictive power with regard to default events.

a Obligor Risk Rating (ORR system)

The Obligor Risk Rating (ORR) grid has a minimum of nine risk 'buckets' to provide a pre-set, objective basis for making credit decisions, with one additional bucket specifically included to categorise obligors in default. The ORR is mapped to the probability of the customer defaulting, and the rating adopted depends on the type of customer and the nature of business to reflect the inherent risks associated with each customer.

Accounts showing objective evidence of impairment are specifically noted in the default rating bucket of the ORR grid, with impairment allowance calculated for losses that have been incurred. Each risk bucket may be denoted alphabetically and by range of scores as follows:

Description	Rating bucket		Range of scores	Probability of default			Grade
				Large corporate	Mid corporate	SME	
Extremely low risk	AAA	1	94.44-100%	0.01			Investment
Very low risk	AA	2	83.33-94.43%	0.01	0.01		
Low risk	A	3	72.22-83.332%	0.02	0.02	0.02	
Low risk	BBB	4	66.67-72.21%	0.02	0.02	0.02	
Acceptable - moderately high risk	BB	5	55.56-66.66%	0.04	0.04	0.04	Non-investment
High risk	B	6	44.44-55.55%	0.06	0.06	0.06	
Very high risk	CCC	7	33.33-44.43%	0.09	0.09	0.09	
Extremely high risk	CC	8	16.67-33.32%	0.13	0.13	0.13	
High likelihood of default	C	9	5.56-16.66%	0.15	0.15	0.15	Default
Default risk	D	10	0.00-5.55%	1.00	1.00	1.00	

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b Collateral Risk Rating (CRR)/Facility Risk Rating (FRR)

The Bank does not lend to non-investment-grade obligors on an unsecured basis. The Facility Risk Rating (FRR) is different from the ORR to the extent of the perceived value of collateral/enhancement provided.

The FRR approximates a 'loss nom' for each facility, and is the product of two components:

- the default probability of the obligor, i.e., the ORR; and
- the Loss Given Default, i.e., a measure of the expected economic loss if the obligor defaults, and includes write-offs, recoveries, interest income and legal costs.

The Collateral Risk Rating Grid indicates the acceptable collateral types, and rates them 1 to 8 from best to worst in order of liquidity, controllability and realisable value.

Collateral Risk Rating	Collateral type
1	Cash
2	Treasury bills/government securities
3	Guarantee/receivables of investment grade banks
4	Legal and equitable mortgage
4	Debenture trust deed/fixed debenture and mortgage debenture
4	Legal mortgage on residential business real estate in prime locations
4	Legal mortgage or debenture on business premises, factory assets or commercial real estates in locations
5	Domiciliation of receivables from acceptable corporates
5	Enforceable lien on fast moving inventory in bonded warehouses
6	Equitable mortgages on real estates in any location
6	Negative pledge/clean lending
6	Domiciliation of other receivables
7	Letters of comfort or awareness, guarantee of non-investment grade banks and corporates
8	Letter of hypothecation, personal guarantee

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Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries.

Such risks are monitored on a regular basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, industry sector and counterparty are set by the Board of Directors on the recommendation of the Executive Management/Chief Risk Officer.

a Portfolio limits

In line with the Bank's credit policy, a detailed portfolio plan is prepared annually and provides a framework for the creation of credit risk appetite development. In drawing up the plan, the Bank reviews macroeconomic, regulatory and political factors, and identifies sectors/industries with opportunity as well as the Bank's business targets in order to determine appropriate portfolio and sub-portfolio limits.

The Bank's portfolio limit is defined by the following criteria:

- Maintain aggregate large exposure of not more than 400% of the Bank's shareholders' funds.
- Maintain minimum weighted average Obligor Risk Rating (obligor – WARR) of 'BB'.
- Maintain minimum weighted average Facility Risk Rating (facility – WARR) of 'BB'.
- The Bank adopts industry/economic sector limits on its loan portfolio.

b Geographical limits

Presently, the Bank's exposure outside the DRC is through FirstBank's subsidiaries in other African countries and some correspondent banks abroad that operate within country limits defined by their Board of Directors. In subsidiaries/countries where the risk rating system is fully developed, limits will be graduated on country risk rating.

c Single obligor limits

The Bank as a matter of policy does not lend above the regulatory lending limit. Internal guidance limits are also set to create a prudent buffer. The Bank also sets internal credit approval limits for various levels in the credit process and these are shown in the table below.

Approval limits are reviewed from time to time as the circumstances of the Bank demand. Exposure to credit risk is also managed through regular analysis of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

The Bank also controls and mitigates risk through collateral.

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security on loans and advances, which is a common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation.

The principal collateral types for loans and advances are:

- Cash/government securities.
- Mortgages over residential properties.
- Charges over business assets such as premises, inventory and accounts receivable.
- Charges over financial instruments such as debt securities and equities.

Lending decisions are usually based on an obligor's ability to repay from normal business operations rather than on proceeds from the sale of any security provided. Collateral values are assessed by a professional at the time of loan origination and are thereafter monitored in accordance with the provisions of the credit policy.

The types of collateral acceptable and the frequency with which they are required at origination are dependent on the size and structure of the borrower. For exposures to corporate and large institutions, the Bank will often require the collateral to include a first charge over land and buildings owned and occupied by the business, and a mortgage debenture over the company's undertaking on one or more of its assets.

The decision as to whether or not collateral is required is based upon the nature of the transaction, the credit worthiness of the customer and the Obligor Risk Rating (ORR). Other than for project finance, object finance and income producing real estate where charges over the subject assets are a basic requirement, the provision of collateral will not determine the outcome of a credit application. The fundamental business proposition must evidence the ability of the business to generate funds from normal business sources to repay the debt.

Approval limits		Limit (USD)
1	Board of Directors (BOD)	Above 50% of SOL
2	Board Credit Committee (BGC)	750.001 to 50% of SOL
3	Group, Chief Risk Officer (CRO)	MCC and above
4	Management Credit Committee (MCC)	400.001 to 750.000
5	Head SBU + CRO + MD	200.001 to 400.000
6	Head SBU + CRO	50.001 to 200.000
7	Head CAP SBU + Head SBU	25.001 to 50.000
8	Senior Analyst + Head SBU + Head, CAP	1 to 25.000

Collateral held as security for loans and advances to customers

The extent to which collateral values are actively managed will depend on the credit quality and other circumstances of the obligor. Although lending decisions are predominantly based on expected cash flows, any collateral provided may impact other terms of a loan or facility granted.

This will have a financial impact on the amount of net interest income recognised and on internal loss given default (LGD) estimates that contribute to the determination of asset quality. The Bank credit risk disclosures for unimpaired lending report assets gross of collateral and therefore disclose the maximum loss exposure.

The Bank believes this approach is appropriate, as collateral values at origination and during a period of good performance may not be representative of value of collateral if the obligor enters a distressed state. For impaired lending, the value of collateral is re-evaluated and its legal soundness re-assessed if there is observable evidence of distress of the borrower; this evaluation is used to determine potential loss allowances and management's strategy to try to either repair the business or recover the debt.

Unimpaired lending, including any associated collateral, is managed on a customer-by-customer basis rather than a portfolio basis. No aggregated collateral information for the unimpaired secured lending portfolio is provided to key management personnel.

The Bank takes physical possession of properties or other assets held as collateral and uses external agents to realise the value as soon as practicable to settle indebtedness. Any surplus funds realised from such disposal are returned to the borrower or are otherwise dealt with in accordance with appropriate regulations. The assets in such cases are not carried on the Bank's balance sheet.

Collateral held as security for financial assets other than loans and advances depends on the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and instruments, which are secured by portfolios of financial instruments.

Exposure management

To minimise the risk and occurrence of loss as a result of decline in quality and non-performance of risk assets, clear requirements and guidelines for ongoing management of the risk asset portfolio and individual risk exposures are defined. Ongoing exposure management entails collateral management, facility performance monitoring, exposure quality reviews, prompt and timely identification of decline in quality, and risk portfolio reporting.

Delinquency management/loan workout

The Bank's delinquency management process involves effective and timely management of accounts showing signs of delinquency to reduce the crystallisation of impairment loss. In line with the Bank's delinquency management process, all activities are geared towards resuscitating delinquent loans and includes restructuring and loan workout arrangements.

Credit recovery

In the event of continued delinquency and failure of remediation, full credit recovery action is initiated to recover on such exposure and minimise the overall credit loss to the Bank. Recovery action may include appointment of a receiver manager, external recovery agent and/or sale of pledged assets.

Management of concentration risk

The Bank manages limits and controls concentration of credit risk to individual counterparties, groups, industries and countries. The Bank defines levels of concentration risk it is willing to take by placing limits on credit exposure to a single borrower and geographic and industry segments. Such concentration risk limits are approved by the Board of Directors, on the recommendation of the Executive Management, and monitored on a regular basis. The concentration risk limits may be reviewed from time to time to reflect changing macroeconomic and regulatory conditions as well as the Bank's business thrust.

Impairment and provisioning policies

Impairment allowances are recognised for financial reporting purposes only for losses that have been incurred at the reporting date based on objective evidence of impairment.

OPERATIONAL RISK

The specific objectives of operational risk management in the Bank are as follows:

- **Reduction of losses arising from operational risk** – a key role of operational risk management in the Bank shall be to reduce losses from operational failure and in particular to avoid potentially large or catastrophic risk losses.
- **Improvement in performance measurement** – the Bank's improved understanding of its operational risk profile shall enable appropriate allocation of risk and economic capital to individual lines of business, which would allow improved performance measurement and evaluation of activities.
- **Better control of operations** – the Bank expects that an increased understanding of risk activities within various business units, the Board and senior management will lead to improvements in the control of operations and the emergence of a more proactive operational risk management culture.
- **Timely warnings** – provision of early warning signals of deterioration in the Bank's internal control system.

The Bank has in place an integrated internal control and operational risk methodology. This methodology identifies risks in organisational areas, generates analyses that prioritise risks according to the estimated residual risk (after incorporating control effects), links risks to processes, and establishes an objective risk level for each risk type to identify and manage gaps by comparing it with the residual risk level.

The Bank has developed a corporate application to provide the required support for this methodology: STORM (Support Tool for Operational Risk Management), which includes modules of indicators and scenarios.

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MARKET RISK

Market risk is used to cover the trading, non-trading, investment and liquidity risks in market making, proprietary trading, underwriting and investing, and in the traditional banking business of deposit taking and lending activities. The Bank provides guidelines for all stakeholders on its overall approach to managing market risk. These have been drawn up in accordance with the philosophy of the Bank's Board-approved Market Risk Management and Asset and Liability Framework.

The main purpose is to communicate this approach and ensure that all stakeholders are appropriately guided in the day-to-day management of market risk. The objectives of the framework are, therefore, to:

- provide guidelines for the identification, measuring, controlling and reporting of market risk;
- provide oversight for exceptions, waivers, deviations and excesses; and
- serve as a reference document for employees.

LIQUIDITY RISK

Liquidity is vital for our financial institution, especially as we are operating in an economy that is primarily cash-based. The management of liquidity risk is effectively one of the key aspect of the Treasury functions. We need to be able to mobilise sufficient funds to meet payment obligations in a timely manner, including stress situations.

Thus, the Bank adopted an efficient liquidity management system to ensure that liquidity is available and sufficient across the Bank to meet funding needs both in normal times and during stress periods. Policy and procedures have also been developed for this purpose under Asset and Liability Management, which is monitored by the Assets and Liability Committee (ALCO). ALCO meetings are held once every two weeks with emphasis on the following:

- balance sheet items trend;
- non-earning asset level;
- funding mix;
- ratios analysis;
- cost of funds;
- interest rates monitoring;
- liquidity gap analysis;
- reserves and liquidity; and
- liquidity stress test analysis.

In addition, a contingency funding plan is put in place to combat liquidity crisis situations in a timely manner and at a reasonable cost.

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STATUTORY AUDITOR'S REPORT ON ANNUAL ACCOUNTS AS AT 31 DECEMBER 2015



To the shareholders of
FBNBank DRC SA
Kinshasa/Gombe

This is a free translation into English of the Statutory Auditor's report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, Congolese law and professional auditing standards applicable in the Democratic Republic of Congo.

In execution of the assignment given to us by your general assembly, we present you as follow our report related to accounts closing as at 31 December 2015:

- The audit of FBNBank DRC S.A.'s annual accounts as joined to this report;
- The specific verifications required by the law.

The annual accounts have been closed by the Board of Directors. It belongs to us, based on our audit, to express an opinion on those annual accounts.

OPINION ON ANNUAL ACCOUNTS

We have audited the accompanying annual accounts of FBNBank DRC S.A., which comprise the balance sheet as at 31 December 2015, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

1. Management responsibility for annual accounts

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Principles Generally Accepted in the Democratic Republic of Congo and with the requirements of the Central Bank of Congo.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

2. Auditor responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Basis for the audit opinion

In our opinion, the annual accounts present fairly, in all material respects, the financial position of FBNBank DRC S.A. as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with Accounting Principles Generally Accepted in the Democratic Republic of Congo and with the requirements of the Central Bank of Congo.

VERIFICATIONS AND SPECIFIC INFORMATION

We have also carried out the verifications provided by the Article 713 of the OHADA Uniform Act relating to Commercial Companies and Economic Interest Groups.

We found no exception on the consistency between the annual accounts and the information provided in the management report submitted to the Board of Directors, and in the financial documents submitted to the shareholders.

Statutory Auditor

PricewaterhouseCoopers RDC SAS,
Immeuble Midema, 13, Avenue Mongala, Gombe, B.P. 10195
Kinshasa I, République Démocratique du Congo

29 March 2016

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DIRECTORS AND ADVISERS

DIRECTORS

Olayinka Akinkugbe (Chairman)
 Akeem Oladele (Managing Director/Chief Executive Officer)
 Frédéric Pululu Mangonda
 Eyitope St Matthew Daniel
 Amit Charbit
 Gregg Blackstock
 Abdullahi Ali Gombe
 Akin Kekere Ekun
 Gbenga Shobo (Appointed a director January 2016)

COMPANY SECRETARY: Flory Mokelo

REGISTERED OFFICE: 191 Avenue de L'Equatuer
 Gombe
 Kinshasa

AUDITOR: PricewaterhouseCoopers RDC
 Immeuble Midema,
 13, Avenue Mongala, Gombe
 B.P. 10195 Kinshasa I.

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INCOME STATEMENT

	Note	31 December 2015 CDF	31 December 2014 CDF
Income from treasury and interbank operations	15	423,982,467	426,877,992
Charges from treasury and interbank operations		(3,616,667)	-
Income from operations with clients	16	34,322,013,080	30,749,023,920
Expenses on operations with clients	17	(4,223,017,055)	(3,564,650,129)
Income from sundry bank operations	18	21,064,440,224	21,629,650,275
Expenses on sundry bank operations		(877,849,857)	(219,458,069)
Net banking income		50,705,952,192	49,021,443,989
Sundry income	19	1,319,341,915	1,350,420,709
General and administrative expenses	20	(20,697,039,067)	(20,387,759,387)
Staff expenses	21	(17,586,641,165)	(17,465,790,357)
Taxes		(259,952,063)	(956,552,681)
Operating profit		13,481,661,813	11,561,762,273
Depreciation		(3,104,933,822)	(2,502,547,867)
Profit before tax and exceptional items		10,376,727,991	9,059,214,406
Profit on disposal of assets		-	26,345,772
Provisions and provisions write-back	22	(1,728,617,746)	465,894,212
Exceptional items		621,264,384	-
Profit before tax		9,269,374,629	9,551,454,390
Income tax		(5,282,065,929)	(5,615,021,248)
PROFIT FOR THE YEAR		3,987,308,700	3,936,433,142

Notes 1 to 25 are an integral part of these financial statements.

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STATEMENT OF FINANCIAL POSITION

	Note	31 December 2015 CDF	31 December 2014 CDF
ASSETS			
TREASURY AND INTERBANK OPERATIONS			
Cash, balances with Central Bank of Congo and banks	3	107,987,320,683	78,603,258,521
Treasury bills		-	25,565,000,000
Total treasury and interbank operations		107,987,320,683	104,168,258,521
OPERATIONS WITH CLIENTS			
Loans and advances	4	189,453,456,807	168,854,337,178
Total operations with clients		189,453,456,807	168,854,337,178
THIRD PARTY ACCOUNTS AND REGULARISATION			
Other assets	5	6,823,581,254	7,647,834,410
Prepaid expenses and other expenses	6	12,125,246,784	11,084,491,660
Total third party accounts and regularisation		18,948,828,038	18,732,326,070
NON-CURRENT ASSETS			
Fixed assets	7	28,406,091,603	24,762,315,982
Construction in progress		1,510,755,882	2,396,217,429
Advance payments on fixed asset orders		269,068,709	269,068,709
Total non-current assets		30,185,916,194	27,427,602,120
Total assets		346,575,521,722	319,182,523,889
OFF BALANCE SHEET			
Commitments given	23	9,905,349,046	12,053,702,550
Internal commitments	24	19,346,062,043	16,736,584,370
TOTAL OFF BALANCE SHEET		29,251,411,089	28,790,286,920
LIABILITIES			
TREASURY AND INTERBANK OPERATIONS			
Balances with corresponding banks		-	-
Total treasury and interbank operations		-	-
OPERATIONS WITH CLIENTS			
Deposits and current accounts	8	213,712,769,660	198,670,011,854
Term deposits		63,718,918,100	64,203,109,269
Total operations with clients		277,431,687,760	262,873,121,123
THIRD PARTY ACCOUNTS AND REGULARISATION			
Sundry creditors	9	16,451,473,276	8,993,145,203
Accruals	10	18,278,997,131	12,444,431,960
Total third party accounts and regularisation		34,730,470,407	21,437,577,163

Notes 1 to 25 are an integral part of these financial statements.

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STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	31 December 2015 CDF	31 December 2014 CDF
INVESTED CAPITAL			
Capital	11	13,346,270,933	13,346,270,933
Reserves and provisions	12	2,700,092,855	2,304,267,406
Revaluation surplus		5,273,914,865	5,273,914,865
Provision for capital reconstitution	13	615,599,066	613,939,770
Retained earnings		7,421,251,330	5,846,678,076
Profit for the year		3,987,308,700	3,936,433,142
Total invested capital		33,344,437,749	31,321,504,192
General provision	14	1,068,925,806	3,550,321,411
Total non-current liabilities		34,413,363,555	34,871,825,603
Total liabilities		346,575,521,722	319,182,523,889

Notes 1 to 25 are an integral part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders						Total equity CDF
	Share capital CDF	Reserves and provisions CDF	Revaluation surplus CDF	Provision for capital reconstruction CDF	Retained earnings CDF	Profit for the year CDF	
Balance at 1 January 2015	13,346,270,933	2,304,267,406	5,273,914,865	613,939,770	5,846,678,076	3,936,433,142	31,321,504,192
Profit for the year						3,987,308,700	3,987,308,700
Dividends	-	-				- (1,964,375,142)	(1,964,375,142)
Transfer between reserves	-	395,825,449		1,659,296	1,574,573,254	(1,972,058,000)	-
At 31 December 2015	13,346,270,933	2,700,092,855	5,273,914,865	615,599,066	7,421,251,330	3,987,308,700	33,344,437,749

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STATEMENT OF CASH FLOWS

	31 December 2015 CDF	31 December 2014 CDF
Cash flows from operating activities		
Operating income	55,810,435,772	52,805,552,187
Operating expenses	(5,104,483,579)	(3,784,108,198)
Deposits/withdrawal by banks and financial institutions	-	-
Loans and advances/repayment of loans and advances extended to clients	(24,831,206,905)	(22,803,260,920)
Deposits/withdrawal by clients	14,558,566,638	4,180,998,335
Amount paid to staff and sundry creditors	(38,283,680,232)	(37,853,549,744)
Other net cash flow from operating activities	14,799,101,851	(8,180,950,819)
Income tax	(5,282,065,929)	(5,615,021,248)
Net cash flow from operating activities	11,666,667,615	(21,250,340,407)
Investing activities		
Interest and dividends on investment portfolio		
Disposal of investment	-	-
Additions/disposals of fixed assets	(5,879,388,882)	(5,941,510,300)
Net cash flow from investing activities	(5,879,388,882)	(5,941,510,300)
Financing activities		
Increase/decrease of special resources	-	-
Dividends paid	(1,968,216,571)	(1,275,378,087)
Net cash flow from financing activities	(1,968,216,571)	(1,275,378,087)
Increase in cash flow and cash equivalents	3,819,062,162	(28,467,228,794)
Cash and cash equivalents at the beginning of the year	104,168,258,521	132,635,487,315
Cash and cash equivalents at end of the year	107,987,320,683	104,168,258,521

Notes 1 to 25 are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 ACTIVITIES

FBNBANK DRC S.A. is a public limited liability company incorporated under the law of the Democratic Republic of Congo (DRC). It was authorised by the Presidential Decree no. 94/35 of 6 April 1994. The Bank operates in accordance with the provisions of Congolese Banking Law 72/004 of 14 January 1972 as amended by Law 003/2002 of 2 February 2002 and by means of its entry in the Trade and Personal Property Credit Register on 12 September 2014.

Since June 2012, the Bank has been owned by First Bank of Nigeria Ltd. The company owns 75% of FBNBank DRC SA shares. The non-controlling interests are owned by BSG Capital.

The Company's main activities consist of the provision of commercial banking services from its headquarter in Kinshasa and branches operating in the main cities of the DRC.

2 ACCOUNTING PRINCIPLES

2.1 Basis of preparation of financial statements

The financial statements have been prepared according to the Central Bank of Congo's accounting principles. These principles are based on the historical cost method as modified by the legal revaluation of fixed assets carried out on a yearly basis.

2.2 Foreign currency translation

During the year, transactions denominated in foreign currencies are translated into local currency at the current official exchange rates.

Monetary assets and liabilities are translated into Congolese francs at the average exchange rate of the Central Bank of Congo. The resulting exchange differences of the period are recorded in the profit and loss account.

2.3 Fixed assets

Fixed assets are stated at their acquisition cost under historical cost principle, adjusted by the provisions of the Decree-Law no. 89/017 issued on 18 February 1989 regarding the legal revaluation. This revaluation is calculated on the basis of legal coefficients published by the Ministry of Finances on a yearly basis.

Depreciation is calculated on a straight line basis in order to write down the carrying value of assets over their expected useful lives.

The Bank has considered the following useful lives for its main fixed assets:

Fixed asset:	
Building	40 years
Computer equipment	5 years
Office furniture and equipment	10 years
Vehicles	5 years
Installations and layout	10 years

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2.4 Provision for share capital reconstitution

According to Article 3 of the Decree 04/049 of 20 May 2004 amending the Ordinance Law 77-332 of 20 November 1977, which provides the application rules of the Congolese General Accepted Accounting Principles, banks are authorised to set up a provision called 'Provision for capital reconstitution'. The purpose of this provision is to ensure the maintenance of the share capital in terms of a hard currency.

The provision to set up during the year is based on the exchange difference in the measurement, between the opening date and year end, of the share capital with reference to a hard currency after taking into account the existing revaluation surplus.

This provision is tax exempt and can be considered for increasing the capital, provided the Bank complies with the following conditions:

- the provision should be certified by an audit; or
- the provision must be declared in the same conditions as that of revenues.

2.5 Year-end exchange rates

Translation rates as at 31 December 2015 and 2014 were as follows:

	31 December 2015 CDF	31 December 2014 CDF
1 USD =	927.5000	925.0000
1 Euro =	1013.7946	1124.3375

3 CASH AND BALANCES WITH CENTRAL BANK OF CONGO AND BANKS

	31 December 2015 CDF	31 December 2014 CDF
Cash	44,610,873,615	45,070,354,996
Central Bank of Congo	20,121,504,600	9,307,262,695
Banks	43,254,942,467	24,225,640,830
	107,987,320,683	78,603,258,521

4 LOANS AND ADVANCES

	31 December 2015 CDF	31 December 2014 CDF
Performing loans	145,079,445,014	168,244,407,963
Loans in watch list	25,022,967,379	0
Pre-doubtful loans	14,896,694,031	0
Non-performing loans	16,516,702,139	8,440,193,694
Total	201,515,808,563	176,684,601,657
Provisions on non-performing loans	(12,062,351,756)	(7,830,264,481)
	189,453,456,807	168,854,337,178

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5 OTHER ASSETS

	31 December 2015 CDF	31 December 2014 CDF
Cheques in compensation	221,656,708	1,092,871,541
Prepaid taxes	4,492,016,998	4,608,402,639
Inter-branch accounts	1,513,499,075	1,357,885,728
Financial messaging services	0	0
Deposits and collaterals	530,810,120	497,641,493
Salaries prepaid	65,598,353	91,033,009
	6,823,581,254	7,647,834,410

6 PREPAID EXPENSES AND OTHER EXPENSES

	31 December 2015 CDF	31 December 2014 CDF
Prepaid expenses	281,230,474	468,976,118
Accrued income	1,245,355,741	926,192,459
Suspense account	9,051,433,121	8,460,075,779
Stocks	1,547,227,448	1,229,247,304
	12,125,246,784	11,084,491,660

(a) Accrued income relates essentially to the accrued income on civil servant payment for the year 2015 and insurance receivable for losses that the Bank has incurred and for which the Bank expects compensation from the insurance company.

(b) The suspense accounts include mainly the electronic purse held with TIGO and partial payment to suppliers based on pro-forma invoices.

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7 FIXED ASSETS

	Building CDF	Vehicle CDF	Office equipment CDF	Computer equipment CDF	Office furniture CDF	Fixture and fittings CDF	Intangible assets CDF	Total CDF
Cost								
At 1 January 2015	14,267,686,073	3,817,602,562	6,087,463,217	9,213,040,229	1,834,643,336	6,247,891,439	618,949,746	42,087,276,603
Additions	889,648,365	266,096,281	453,356,136	648,728,610	143,835,723	1,238,562,601	3,124,622,715	6,764,850,429
Disposal	-	-	-	-	-	-	-	-
Write-off	-	-	(10,197,841)	-	-	(6,396,618)	-	(16,594,459)
Regularisations	-	-	-	1,891,847	(0)	(1,438,375)	-	453,472
At 31 December 2015	15,157,334,438	4,083,698,843	6,530,621,512	9,863,660,686	1,978,479,058	7,478,619,047	3,743,572,461	48,835,986,045
Accumulated depreciation								
At 1 January 2015	1,204,576,138	2,344,568,668	3,550,541,287	6,739,890,232	1,314,805,698	2,140,973,795	29,604,802	17,324,960,620
Depreciations	373,133,215	466,281,396	443,858,830	777,926,371	101,085,326	662,855,980	279,792,704	3,104,933,822
Reversal	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-
At 31 December 2015	1,577,709,354	2,810,850,064	3,994,400,117	7,517,816,602	1,415,891,023	2,803,829,776	309,397,506	20,429,894,442
Net book value								
At 31 December 2015	13,579,625,084	1,272,848,779	2,536,221,395	2,345,844,084	562,588,035	4,674,789,272	3,434,174,954	28,406,091,603
At 31 December 2014	13,063,109,935	1,473,033,894	2,536,921,930	2,473,149,997	519,837,638	4,106,917,644	589,344,944	24,762,315,982

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8 DEPOSITS AND CURRENT ACCOUNTS

	31 December 2015 CDF	31 December 2014 CDF
Current accounts in local and foreign currencies	178,704,731,683	160,336,844,920
Saving accounts	32,933,624,821	35,862,567,683
Provisions for letters of credit and transfers	2,074,413,156	2,470,599,251
	213,712,769,660	198,670,011,854

9 SUNDRY CREDITORS

	31 December 2015 CDF	31 December 2014 CDF
Taxes collected	1,012,159,753	778,384,333
Operations in transit	833,819,704	567,069,660
Deferred interest	6,386,599,603	2,702,842,478
Other	8,218,894,216	4,944,848,732
	16,451,473,276	8,993,145,203

- (a) Taxes collected include funds collected on behalf of tax authorities and not yet redistributed to them.
- (b) Deferred interest relates to interest on non-performing loans and late payment penalties, which will be recognised in the profit and loss account only upon payment.
- (c) Other includes mainly guarantee deposits collected from the card holders for their card transactions and OCC/BIVAC provision.

10 ACCRUALS

	31 December 2015 CDF	31 December 2014 CDF
Accruals	11,249,167,945	9,940,936,939
Other	7,029,829,186	2,503,495,021
	18,278,997,131	12,444,431,960

- (a) Accruals include mainly provision for income tax of CDF5.28 billion for the year 2015, with fees to be paid to the Central Bank of Congo.
- (b) Other includes mainly funds for civil servants' salary and clients' certified cheques.

11 CAPITAL

The share capital is represented by 100,000 shares fully paid up.

12 RESERVES AND PROVISION

	31 December 2015 CDF	31 December 2014 CDF
Legal reserve	2,700,092,855	2,304,267,406
Provision for increase of capital	-	-
	2,700,092,855	2,304,267,406

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13 PROVISION FOR CAPITAL RECONSTITUTION

With reference to the letter of Central Bank of Congo (Gouv./no. 000576) dated 6 July 2009, the Bank has converted the provision for reconstitution of capital into US dollars (USD).

The variation of CDF1.66 million in the provision is due to the revaluation of the provision with the closing exchange rate of CDF927.5/USD1.

14 GENERAL PROVISION

General provision represents provisions on performing loans made in accordance with Central Bank of Congo regulation no. 16.

15 INCOME FROM TREASURY AND INTERBANK OPERATIONS

	31 December 2015 CDF	31 December 2014 CDF
Interest income	423,982,467	426,877,992

16 INCOME FROM OPERATIONS WITH CLIENTS

	31 December 2015 CDF	31 December 2014 CDF
Interest on loans and overdrafts	29,499,704,847	25,557,099,347
Commission received	4,822,308,233	4,016,975,069
Other income	0	1,174,949,504
	34,322,013,080	30,749,023,920

17 EXPENSES FROM OPERATIONS WITH CLIENTS

	31 December 2015 CDF	31 December 2014 CDF
Interest paid to clients on current accounts	1,518,251,272	1,049,888,445
Interest paid to clients on deposit accounts	2,704,765,784	2,514,761,684
	4,223,017,055	3,564,650,129

18 INCOME FROM SUNDRY BANK OPERATIONS

	31 December 2015 CDF	31 December 2014 CDF
Commission and profit from foreign exchange transactions	6,334,187,967	5,568,324,025
Loss on exchange transactions	(2,699,090,913)	(1,838,129,469)
Foreign exchange gain	3,635,097,054	3,730,194,556
Commission received from financial services	17,153,029,731	17,564,083,341
Other commissions	276,313,439	335,372,378
	21,064,440,224	21,629,650,275

Commissions received from financial services include mainly commissions on international and local transfers of CDF4.68 billion and the service fee of CDF3.14 billion.

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19 SUNDRY INCOME

	31 December 2015 CDF	31 December 2014 CDF
Income from money transfers	389,521,648	519,285,305
Rental income	19,440,578	1,770,975
Other revenues	910,379,689	829,364,429
	1,319,341,915	1,350,420,709

The other revenues line relates to recovery of loans written off for CDF0.262 billion.

20 GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2015 CDF	31 December 2014 CDF
Consumables	2,243,881,437	2,069,787,897
Travel expenses	528,901,085	1,194,651,530
Other services	7,271,176,429	7,264,749,162
Technical assistance and inspection	3,202,329,380	2,597,206,985
Miscellaneous expenses	2,465,445,049	2,144,406,538
Other expenses	4,985,305,687	5,116,957,275
	20,697,039,047	20,387,759,387

Other expenses include unpaid credit written off and some write-off of sundry operation losses.

21 STAFF EXPENSES

	31 December 2015 CDF	31 December 2014 CDF
Salaries	8,903,871,157	8,743,232,884
Social expenses	969,245,818	916,901,207
Sundry allowances	3,470,076,301	3,360,410,496
Other	4,243,447,889	4,445,245,770
	17,586,641,165	17,465,790,357

22 PROVISIONS AND REVERSAL OF PROVISIONS

	31 December 2015 CDF	31 December 2014 CDF
Provisions on performing loans	96,900,352	389,602,799
Provisions on non-performing loans	5,691,658,791	4,328,647,867
Reversal of provisions on non-performing loans	(4,059,941,397)	(5,184,144,879)
	1,728,617,746	(465,894,212)

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23 COMMITMENTS GIVEN

	31 December 2015 CDF	31 December 2014 CDF
Letters of credit	6,589,218,472	5,799,610,286
Guarantees issued	3,316,130,574	6,254,092,264
	9,905,349,046	12,053,702,550

24 INTERNAL COMMITMENTS

	31 December 2015 CDF	31 December 2014 CDF
Charges receivable	3,047,721,318	2,711,627,697
Stationeries	0	185,200
Title deed	0	254,141
Representative branches	963,988,530	963,988,530
Bad debt off the books	15,334,352,195	13,060,528,802
	19,346,062,043	16,736,584,370

- (a) Charges receivable represent debtor interests on loans due by clients, of which the accounts were not credited with significant transactions over three months.
- (b) Representative branches include cash deposits on behalf of the Central Bank of Congo in Moanda and Mbanza-Ngungu where FBNBank DRC is a representative branch of the Central Bank of Congo.
- (c) Bad debt off the books represents irrecoverable loans written off.

25 CONTINGENT LIABILITIES

The income tax provision accounted for the year 2015 of CDF5.28 billion has been calculated following the deduction of expenses that are considered tax non-deductible. The management is confident that this amount takes into account all provisions of fiscal law. Nevertheless, in some cases, the interpretations of these provisions by the tax authorities could vary but the possible tax assessment should not be significant.

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GLOSSARY OF RATIOS

RATIO		BASIS OF COMPUTATION
Average cost of deposits	=	$\frac{\text{Interest expense (on deposits)}}{\text{Average deposit (i.e. opening + closing balance)/2}}$
Basic earnings per share	=	$\frac{\text{Profit attributable to ordinary shareholders (after deduction of debenture interest and tax)}}{\text{Weighted average number of shares in issue}}$
Book value per share (BVPS)	=	$\frac{\text{Total equity}}{\text{Number of outstanding shares (35, 895, 292, 792 units)}}$
Cost of borrowed funds	=	$\frac{\text{Expense on borrowed funds}}{\text{Average borrowed funds (opening + closing)/2}}$
Cost of funds	=	$\frac{\text{Interest expense}}{\text{Average interest-bearing liabilities (opening + closing)/2}}$
Cost of interbank takings	=	$\frac{\text{Interest expense on interbank takings}}{\text{Average interbank takings (opening + closing)/2}}$
Cost of managed funds	=	$\frac{\text{Expense on managed funds}}{\text{Liabilities on investment contracts}}$
Cost of risk	=	$\frac{\text{Loan loss expense}}{\text{Average loans}}$
Cost to income ratio	=	$\frac{\text{Operating expenses (operating cost before loan loss expense)}}{\text{Operating income}}$
Debt to capital	=	$\frac{\text{Long-term debt}}{\text{Long-term debt + equity}}$
Dividend per share	=	$\frac{\text{Dividend}}{\text{Number of shares in issue}}$
Debt to EBITDA	=	$\frac{\text{Long-term debt}}{\text{Operating income}}$
Gearing ratio	=	$\frac{\text{Long-term debt}}{\text{Total shareholders' funds}}$
Interest earning assets	=	Due from other banks + treasury bills + Securities (bonds) + loans and advances
Leverage	=	$\frac{\text{Total assets}}{\text{Total shareholders' funds}}$
Liquidity ratio	=	$\frac{\text{Liquid assets}}{\text{Deposit liabilities (as prescribed by the CBN)}}$
Loan to deposit ratio	=	$\frac{\text{Total loans}}{\text{Total deposit}}$
Marginal cost of fund	=	$\frac{\text{Increase in interest expense during the month}}{\text{Increase in average deposits during the same month (annualised)}}$
Net interest margin (1)	=	$\frac{\text{Net interest income}}{\text{Average interest-earning assets (i.e. opening + closing)}}$
Net interest margin (2)	=	$\frac{\text{Net interest income}}{\text{Total interest income}}$
Net loans	=	Gross loans - loan loss provision
Net revenue	=	Net interest income + net fee and commission income + other income
Net revenue from funds	=	Interest income - (interest expense + loan expense)
NPL coverage	=	$\frac{\text{Loan loss provision (including interest in suspense) + Statutory credit reserve}}{\text{Gross NPLs}}$
NPL ratio	=	$\frac{\text{Non-performing loans}}{\text{Gross loans}}$
Operating profit margin	=	$\frac{\text{Operating profit}}{\text{Gross earnings}}$
Pre-provision operating profit	=	$\frac{\text{Operating profit + impairment charge on credit losses}}{\text{Provision on non-performing loans}}$

Glossary of ratios

RATIO		BASIS OF COMPUTATION	
Provisioning level (nonperforming loans coverage)	=	$\frac{\text{Total provision}}{\text{Total NPL}}$	
Price to book	=	$\frac{\text{Share price}}{\text{Total assets - intangible assets and liabilities}}$	
Price earnings	=	$\frac{\text{Market value per share}}{\text{Earnings per share}}$	
Return on average assets	=	$\frac{\text{PAT}}{\text{Average total assets}} \times 100$	
Return on average equity	=	$\frac{\text{PAT}}{8 \text{ Average total equity}} \times 100$	
Risk asset ratio	=	$\frac{\text{Total loans}}{\text{Total assets}}$	
Risk-weighted assets*	=	Assets x weight of risks	
Tier 1 ratio	=	$\frac{\text{Total tier 1 capital}}{\text{Risk-weighted assets}}$	
Tier 2 ratio	=	$\frac{\text{Total tier 2 capital}}{\text{Risk-weighted assets}}$	
Total capital adequacy ratio	=	$\frac{\text{Total qualifying capital}}{\text{Risk-weighted assets}}$	
Yield on interest earning assets	=	$\frac{\text{Interest income}}{\text{Average interest earning assets}}$	

*Risk asset is computed using risk weights supplied by CBN/Basel.

ABBREVIATIONS

AGM	Annual General Meeting	ESGMS	Environmental, Social and Governance Management System
ALCO	Assets & Liabilities Management Committee	ETFs	Exchange traded funds
AMCON	Asset Management Corporation of Nigeria	FCA	Fellow, Institute of Chartered Accountants of Nigeria
AOM	Area Operations Manager	FCCA	Fellow of the Association of Chartered Certified Accountants
ATM	Automated teller machine	FCIB	Fellow of the Chartered Institute of Bankers of Nigeria
AuM	Assets under management	FCT	Federal Capital Territory
AURR	Additional Unexpired Risk Reserve	FGN	Federal Government of Nigeria
BARAC	Board Audit & Risk Assessment Committee	FMCG	Fast-moving consumer goods
BCL	Basic Chain Ladder Method	FPCNL	First Pension Custodian Nigeria Limited
BFIC	Board Finance & Investment Committee	FRR	Facility risk rating
BGNC	Board Governance & Nomination Committee	FSA	Financial Services Authority
BIC	Banque Internationale de Crédit SARL	FTNL	First Trustees Nigeria Ltd
BU	Business Units	FX	Foreign exchange
CAAP	Control Administrative and Accounting Procedure	GDP	Gross Domestic Product
CAMA	Companies and Allied Matters Act	GDR	Global depositary receipt
CAR	Capital adequacy ratio	GEC	Group Executive Committee
CASA	Current and savings accounts	GMD	Group Managing Director
CBN	Central Bank of Nigeria	GPI	Gross premium income
CCO	Chief Compliance Officer	HCMD	Human Capital Management and Development
CEO	Chief Executive Officer	HNI	High net worth individual
CFP	Contingency funding plan	HR	Human Resources
CFR	Commander of the Order of the Federal Republic	IBAM	Investment Banking and Asset Management
CGU	Cash generating unit	IBNR	Incurred but not reported
COSO	Committee of Sponsoring Organisation	ICAFAS	Internal Control & Anti-Fraud Automated Solution
COT	Commission on turnover	ICAN	Institute of Chartered Accountants of Nigeria
CPC	Centralised Processing Centre	IFC	International Finance Corporation
CPI	Consumer Price Index	IFRS	International Financial Reporting Standards
CPFA	Closed Pension Fund Administrator	IMF	International Monetary Fund
CRM	Credit Risk Management	IRS	Internal Revenue Service
CRO	Chief Risk Officer	ISO	International Organisation for Standardisation
CRR	Collateral risk rating	IT	Information technology
CSCS	Central Securities Clearing System	KPI	Key Performance Indicator
CSR	Corporate social responsibility	KRI	Key risk indicator
DMD	Deputy Managing Director	KYB	Know Your Customer's Business
DPM	Deposit money banks	KYC	Know Your Customer
DPS	Dividend Per Share	LGD	Loss given default
DRC	Democratic Republic of Congo	M&A	Mergers & Acquisitions
EAR	Earnings at risk	MANCO	Management Committee
ECA	Export Credit Agencies	MBAM	Merchant Banking and Asset Management
ECM	Equity capital markets	mb/d	Million barrels a day
EPS	Earnings per share	MDAs	Ministries, departments and agencies
ERM	Enterprise Risk Management	MDSA	My Daily Savings Account

Abbreviations

MFBs	Microfinance Banks	ROE	Return on Equity
MIS	Management Information System	ROM	Regional Operations Manager
MoU	Memorandum of Understanding	SAC	Statutory Audit Committee
MPC	Monetary Policy Committee	SAS	Statistical analysis software
MPR	Monetary policy rate	SBU	Strategic Business Unit
MRPC	Market Risk Policy Committee	SEC	Securities and Exchange Commission
₦	Naira	SLA	Service level agreement
NAICOM	National Insurance Commission	SME	Small and Medium Enterprise
NASB	Nigerian Accounting Standards Board	SMS	Short Message Service
NBA	Nigerian Bar Association	SRF	Strategic Resource Function
NBS	National Bureau of Statistics	SSA	Sub-Saharan Africa
NDIC	Nigeria Deposit Insurance Corporation	TAT	Turnaround time
NGN	Nigerian naira	UAT	User acceptance testing
NGO	Non-governmental organisation	UPR	Unexpired Premium Reserve
NIM	Net interest margins	VaR	Value at risk
NPL	Non-performing loan	WACC	Weighted average cost of capital
NSE	Nigerian Stock Exchange		
OCI	Other comprehensive income		
OECD	Organisation for Economic Co-operation and Development		
OFR	Officer of the Order of the Federal Republic		
OPEX	Operating expenditure		
OPL	Open position limit		
ORM	Operational Risk Management		
ORR	Obligor risk rating		
OTC	Over the counter		
P&L	Profit and Loss Account		
PAT	Profit after tax		
P/B	Price to Book		
PBOC	People's Bank of China		
PBT	Profit before tax		
PCI DSS	Payment Card Industry Data Security Standard		
PD	Probability of Default		
P/E	Price Earnings		
PE	Private equity		
PFA	Pension fund administrator		
PFR	Pay for Role		
P/L	Profit and loss		
POS	Point of sale		
PSQA	Process and service quality assurance		
RCSA	Risk and control self-assessment		
RM	Relationship Manager		
RMD	Risk Management Directorate		



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