

This Programme Memorandum has been prepared in accordance with the Central Bank of Nigeria (“CBN”) Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on September 19, 2019, the CBN letter to all deposit money banks and discount houses dated July 12, 2016 on Mandatory Registration and Listing of Commercial Papers (together the “CBN Guidelines”) and the Commercial Paper Registration and Quotation Rules (the “Rules”) of FMDQ Securities Exchange Limited (“FMDQ Exchange” or the “Exchange”) in force as at the date thereof. The document is important and should be read carefully. If any recipient is in any doubt about its contents or the actions to be taken, such recipient should please consult his/her banker, stockbroker, accountant, solicitor or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the members of the Board of Directors of FBNQuest Merchant Bank Limited, who jointly and individually accept full responsibility for the accuracy of all information given.



RC: 264978

FBNQUEST MERCHANT BANK LIMITED

[INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA]

₦100,000,000,000

COMMERCIAL PAPER ISSUANCE PROGRAMME

FBNQuest Merchant Bank Limited (“FBNQ MB” or “the Issuer” or “the Bank”), a private limited liability company incorporated in Nigeria, has established this ₦100,000,000,000 Commercial Paper Issuance Programme (the “CP Programme”), under which FBNQ MB may from time to time issue Commercial Paper notes (“CPs” or “Notes”), denominated in Nigerian Naira (“Naira” or “₦”) or in such other currency as may be agreed between the Issuer and the Dealers and or the Arrangers (as defined in the section entitled, “Summary of the Programme”, in separate series or tranches subject to the terms and conditions (“Terms and Conditions”) contained in this Programme Memorandum.

Each Series and each Tranche (as defined under the Terms and Conditions) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the Pricing Supplement applicable to such series or tranche (the “Applicable Pricing Supplement”). The maximum aggregate nominal amount of all CP notes from time to time outstanding under the CP Programme shall not exceed ₦100,000,000,000.00 or its equivalent in any other currency over a three year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

This Programme Memorandum is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference, and in relation to any Series or Tranche (as defined herein), together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Programme Memorandum.

The Notes issued under this Programme shall be issued in dematerialised form, registered, quoted and traded over the counter (“OTC”) via the FMDQ Exchange platform in accordance with the rules, guidelines and such other regulation with respect to the issuance, registration and quotation of commercial paper as may be prescribed by the CBN and FMDQ Exchange from time to time, or securities exchange authorised by the CBN. The Notes will settle via the any Central Securities Depository recognised by the Securities and Exchange Commission (“SEC”), acting as Registrars and Clearing Agent for the Notes. This Programme Memorandum and the Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom this Programme Memorandum and the Applicable Pricing Supplement is delivered (the “Recipient”) and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party. In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the information included in this Programme Memorandum, the Issuer will prepare a supplement to this Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of CP Notes.

Arrangers/Dealers



RC 264978

Issuing, Collecting, Placing and Paying Agent



RC 264978

This Programme Memorandum is dated 04 March, 2022

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GLOSSARY OF DEFINED TERMS

Except where expressed otherwise, the following definitions apply throughout this document.

"Agency Agreement"	The issuing, collecting, placing and paying agency agreement dated 04 March, 2022 and entered between the Issuer and the Issuing, Collecting, Placing and Paying Agent
"Arrangers" or "Dealers"	FBNQuest Merchant Bank Limited
"Board" or "Directors"	Board of Directors of FBNQuest Merchant Bank Limited
"Business Day"	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria
"CBN"	Central Bank of Nigeria
"CBN Guidelines"	CBN's Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 th September 2019, and the CBN Circular of 12 th July 2016 on Mandatory Registration and Listing of Commercial Paper, as amended or supplemented from time to time
"Central Securities Depository" or "CSD"	means a specialist financial institution holding commercial papers either in certificated or uncertificated (<i>dematerialised</i>) forms so that ownership can be easily transferred through a book entry rather than the transfer of physical certificates
"CGT"	Capital Gains Tax as provided for under the Capital Gains Tax Act Cap C1, LFN 2004 as amended by the Finance Acts 2019, 2020 and 2021
"CITA"	Companies Income Tax Act Cap C21, LFN 2004 (as amended by the Companies Income Tax Act No 11 of 2007 and the Finance Acts 2019, 2020 and 2021)
"Commercial Paper", "CP" or "Notes"	Unsecured Commercial Paper notes to be issued by the Issuer under the CP Programme in form of short term zero-coupon notes under the CP Programme
"Conditions" or "Terms and Conditions"	Terms and conditions, in accordance with which the Notes will be issued, set out in the section headed "Terms and Conditions of the Notes"
"CP Programme" or "Programme"	The CP Programme described in this Programme Memorandum pursuant to which the Issuer may issue several separate series of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦100,000,000,000 or its equivalent in any other specified currency.
"CSCS" or the "Clearing System"	Central Securities Clearing Systems PLC, which expression shall include its successors or any additional or alternative clearing system approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement
"CSD Rules"	The rules and operating procedures for the time being of the CSD
"Day Count Fraction"	The method of calculating the discount in respect of a Note as specified in the Applicable Pricing Supplement
"Dealing Members"	A member of FMDQ Exchange that is licensed to make market in CPs to eligible investors on any of the FMDQ Exchange-advised trading systems
"Eligible Investor" or "EI"	An investor that is not a QII as defined in FMDQ Exchange Rules, that has executed a declaration attesting to his/her/its eligibility in the manner prescribed in FMDQ Exchange Rules.

GLOSSARY OF DEFINED TERMS

"Event of Default"	Means an event of default by the Issuer as set out in clause 6 of the Terms and Conditions of the Notes
"Face Value"	The par value of the Notes
"FGN"	Federal Government of Nigeria
"FIRS"	Federal Inland Revenue Service
"FBNQ MB" or "Issuer"	FBNQuest Merchant Bank Limited
"Finance Acts"	the Finance Act, 2019, the Finance Act 2020, and the Finance Act 2021
"FMDQ Exchange" or "FMDQ Securities Exchange Limited" or "the Exchange"	means FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licenced by the Securities and Exchange Commission to provide a platform for, amongst others, listing, quotation, registration, and trading of debt securities
"FMDQ Depository Limited" or "FMDQ Depository"	a clearing system approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement
"FMDQ Exchange Rules"	The Commercial Paper Registration and Quotation Rules, April 2021 (as may be amended from time to time) and such other regulations (including but not limited to Market Bulletins) with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
"Force Majeure"	Means any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, legislation, acts of God, floods, plague, civil commotion, shortage of or breakdown in facilities, acts of terrorism, industrial unrest, lockout, lockdown or other restrictive government orders, government interference or control or any other cause or contingency beyond the control of the Issuer, plague, epidemic, pandemic and outbreak of infectious disease or any other public health crisis, including quarantine or other restrictions
"Government"	Any federal, state or local government of the Federal Republic of Nigeria
"Holder" or "Noteholder"	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
"Issue Date"	The date upon which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement
"Issue Price"	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
"Issuing, Collecting, Placing and Paying Agent"	FBNQuest Merchant Bank Limited or any successor issuing, collecting, placing and paying agent in respect of the Notes, appointed by the Issuer
"LFN"	Laws of the Federation of Nigeria
"Maturity Date"	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due

GLOSSARY OF DEFINED TERMS

"Material Adverse Change"	Means a material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
"NIBOR"	The Nigerian Inter-bank Offered Rate
"Naira", "NGN" or "₦"	The Nigerian Naira
"Noteholders"	Mean the several persons for the time being, whose names are shown in the records of the CSD and/or entered in the Register of Noteholders as holders of the Notes and shall include the legal and personal representatives or successors of the Noteholders and those entered as joint Noteholders
"Outstanding"	Means, in relation to the Notes, all the Notes issued, other than: <ul style="list-style-type: none"> (i) those Notes which have been redeemed pursuant to the terms & conditions of the Programme (ii) those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption in accordance with the relevant conditions has occurred and the redemption moneys have been duly paid in accordance with the provisions of the Deed of Covenant (iii) those Notes which have become void under the provisions of the Deed of Covenant
"PITA"	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011, the and the Finance Acts)
"Pricing Supplement" or "Applicable Pricing Supplement"	Pricing Supplement applicable to a particular series or tranche of Notes issued under the CP Programme
"Principal Amount"	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
"Programme"	The ₦100,000,000,000 (One Hundred Billion Naira) commercial paper issuance programme established by the Issuer which allows for the multiple issuances of Notes from time to time with varying maturities and discount rate provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦100,000,000,000
"Programme Memorandum"	This information memorandum dated 04 March, 2022 which details the aggregate size and broad terms and conditions of the CP Programme
"Qualified Institutional Investors" or "QIIs"	include banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms and any other category of investors as may be determined by the Securities and Exchange Commission from time to time.
"Redemption Amount"	The amount specified in the Applicable Pricing Supplement as the amount payable in respect of each Note on the Redemption Date
"Redemption Date"	Means in relation to any Tranche, the date on which redemption monies are due and payable in respect of the Notes as specified in these Conditions and the Applicable Pricing Supplement
"Register"	A register or such registers as shall be maintained by the Registrar in which are recorded details of Noteholders
"Registrar"	The Central Securities Depository or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme

GLOSSARY OF DEFINED TERMS

"Relevant Currency"	The currency in which payments in respect of the Notes of the relevant Tranche or Series are to be made as indicated in the Applicable Pricing Supplement
"Relevant Date"	The payment date of any obligation due on the Notes
"Relevant Last Date"	The date stipulated by the CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
"SEC"	The Securities and Exchange Commission
"Series"	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices
"Specified Office"	The office of the Issuing, Collecting, Placing and Paying Agent as specified under the Agency Agreement and shall include such other office or offices as may be specified from time to time thereunder
"The NGX"	The Nigerian Exchange Limited
"Tranche"	Notes which are identical in all respects
"VAT"	Value Added Tax as provided for in the Value Added Tax Act, CAP V1, LFN 2004 (as amended by the Value Added Tax Act No 12 of 2007 and the Finance Acts)
"WHT"	Withholding Tax as provided for in section 78(2) of CITA and section 70 of PITA
"Zero Coupon Note"	A Note which will be offered and sold at a discount to its Face Value and which will not bear interest, other than in the case of late payment

IMPORTANT NOTICES

This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ₦100,000,000,000 (One Hundred Billion Naira). The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum.

The Issuer shall not require the consent of the Noteholders for the issue of Notes under the Programme.

The Issuer accepts responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained or incorporated in this Programme Memorandum is correct and does not omit anything likely to affect the import of such information.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is reasonably material in the context of the CP Programme and the offering of the Notes, that the information contained in this Programme Memorandum is true and accurate in all material respects and is not misleading and that there are no other facts the omission of which would make this document or any of such information misleading in any material respect.

No person has been authorized by the Issuer to give any information or to make any representation not contained or not consistent with this Programme Memorandum or any information supplied in connection with the CP Programme and if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation or the rendering of investment advice by the Issuer, the Dealers, or the Arrangers that any recipient of this Programme Memorandum should purchase any Notes.

No representation, warranty or undertaking, express or implied is made and no responsibility is accepted by the Arrangers, the Dealers, or other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The Arrangers, the Dealers and other professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

Each person contemplating purchasing any Commercial Paper should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuer. Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes.

The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. Investors should review, among other things, the most recent audited annual financial statements of the Issuer prior to taking any investment decision.

Notes issued under the Programme shall be restricted to Qualified Institutional Investors and Eligible Individual Investors who meet the qualification criteria prescribed by FMDQ Exchange from time to time.

FMDQ SECURITIES EXCHANGE LIMITED TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROGRAMME MEMORANDUM, NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THIS CP PROGRAMME, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROGRAMME MEMORANDUM.

INCORPORATION OF DOCUMENTS BY REFERENCE

This Programme Memorandum should be read and construed in conjunction with:

1. Each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under the Programme;
2. The audited annual financial statements of the Issuer for the financial years prior to each issue of Notes under this Programme; and
3. Any supplements and or amendments to this Programme Memorandum circulated by the Issuer from time to time in accordance with the Programme Memorandum.

which shall be deemed to be incorporated into, and to form part of, this Programme Memorandum and which shall be deemed to modify and supersede the contents of this Programme Memorandum as appropriate.

The Issuer may for so long as any Note remains outstanding, publish an amended and restated Programme Memorandum or a further supplement to the Programme Memorandum on the occasion of any subsequent issue of Notes, where there has been: -

- (a) material change in the condition (financial or otherwise) of the Issuer which is not then reflected in the Programme Memorandum or any supplement to the Programme Memorandum; or
- (b) any modification of the terms of the Programme, which would then make the programme materially inaccurate or misleading.

Any such new Programme Memorandum or Programme Memorandum as supplemented and/or modified shall be deemed to have substituted the previous Programme Memorandum or to have modified the previous Programme Memorandum from the date of its issue.

The audited financial statements and documents incorporated by reference shall be available on the website of the Issuer, www.fbnquestmb.com, unless such documents have been modified or superseded (and which documents may at the Issuer's option be provided electronically). Requests for such documents shall be directed to the Issuer or Arrangers at their specified offices as set out in this Programme Memorandum.

SUMMARY OF THE PROGRAMME

This summary information should be read in conjunction with the full text of this Programme Memorandum from where it is derived. The information below is a brief summary of the key features and summarized terms and conditions of the proposed CP Programme:

Issuer:	FBNQuest Merchant Bank Limited
Arranger & Dealer, Issuing, Collecting, Placing and Paying Agent:	FBNQuest Merchant Bank Limited
Auditors:	PricewaterhouseCoopers Nigeria
Custodian	Central Securities Clearing System PLC and/or FMDQ Depository Limited
Solicitors:	G. Elias & Co. (Solicitors and Advocates)
Programme:	The commercial paper issuance programme established by the Issuer which allows for the multiple issuance of Notes from time to time under a standardized documentation framework
Programme Size:	₦100,000,000,000 (One Hundred Billion Naira)
Issuance in Series:	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
Issue Price:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
Issue Size:	As specified in the Applicable Pricing Supplement, subject to a minimum value of ₦100million
Method of Subscription	Fixed Price Offer
Use of Proceeds:	Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied to support the Issuer's short term funding requirements, as part of its working capital management strategy
Interest Payments:	Notes shall be issued at a discount and in the form of zero-coupon notes. Thus, the Notes will not bear interest, other than in the case of late payment
Source of Repayment:	The repayment of all obligations under the CP issuance will be funded from the operating cash flows of the Bank
Default Rate:	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate + 5% per annum (whichever is higher)
Currency of Issue:	Nigerian Naira
Redemption:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines
Issuer Rating:	The Issuer has been assigned 'A-' (Long term) rating from Global Credit Rating Co. Limited and 'A' rating by Agosto & Co. Limited. <i>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency</i>
Tenor:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 days and a maximum of 270 days, including roll-over from the date of issue. The maturity date of all outstanding CPs shall fall within the validity period of the Issuer/CP Programme rating filed with the Exchange at the commencement of the registration of the CP Programme.
Status of Notes:	Each Note constitutes a senior unsecured obligation of the Issuer and the Notes rank <i>pari passu</i> among themselves, and save for certain debts mandatorily preferred by law, with other present and future senior unsecured obligations of the Issuer outstanding from time to time
Quotation:	The Issuer will quote Series or Tranche of Notes on the FMDQ Exchange Platform or any other recognized trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation of any Series or Tranche of Notes quoted or listed on the relevant trading platform

SUMMARY OF THE PROGRAMME

Secondary Market:	All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation of any Series or Tranche of Notes quoted on the CBN-authorized securities exchange
Taxation:	The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Note holders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.
Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with Nigerian law
Source of Repayment:	From the Issuer's operating cash flows
Settlement Procedures:	Purchases will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment ("NIP"), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS")

1. HISTORY AND BUSINESS

FBNQuest Merchant Bank Limited is the merchant and investment banking business of FBN Holdings PLC, one of the strongest and most dependable financial groups in Africa. It has its head office at 16, Keffi Street, off Awolowo Road, South West Ikoyi, Lagos. In October 2014, FBN Holdings acquired 100% equity in Kakawa Discount House Limited, and subsequently secured approval to commence merchant banking operations as FBN Merchant Bank in November 2015 (now FBNQuest Merchant Bank). The acquisition served as a strategic fit into the FBN Holdings portfolio and created an institution with a stronger balance sheet and access to a wider universe of opportunities.

“FBNQuest” is the unified brand name for the business and includes the following entities: FBNQuest Merchant Bank Limited, FBNQuest Capital Limited, FBNQuest Securities Limited, FBNQuest Asset Management Limited, FBNQuest Trustees Limited and FBNQuest Funds Limited.

In August 2017, FBNQuest Merchant Bank Limited acquired 100% interest in two entities: FBNQuest Securities Limited and FBNQuest Asset Management Limited, to form the FBNQuest Merchant Bank Group. Following this strategic synergy, FBNQuest MB’s principal activities are:

- ✦ Provision of finance and credit facilities to customers
- ✦ Provision of treasury management services
- ✦ Trading & holding FGN bonds and other money market activities
- ✦ Dealing & provision of foreign exchange services
- ✦ Financial consultancy & advisory services
- ✦ Issuing Houses service and portfolio management

The Bank has over 170 professionals in both client facing and support functions, located in Lagos, Abuja, Port Harcourt and London, delivering excellent banking solutions. FBNQ MB’s business model allows the Bank to fully exploit the comprehensive business mandate of the merchant banking license in Nigeria. The Bank’s strategy focuses on providing a broad array of financial services (advisory, financing, investing and trading services) to institutions and individuals. The Bank is independently rated ‘A-’ by Global Credit Rating Co. and ‘A’ by Agosto & Co.

Business Divisions

The Bank provides Investment Banking, Wealth Management, Corporate Banking, Fixed Income, Currency and Trading and Agency services to support the diverse financial needs of their clients. FBNQ MB’s in-depth industry knowledge, regional market expertise, and excellent network of investors and financial institutions means it can offer strategic advice across a range of sectors at the highest levels, arrange tailor-made financing structures, manage risk and ultimately help businesses grow. Their clients include some of the largest Nigerian and multinational corporations, Federal and State governments and other leading operators across Sub-Saharan Africa. FBNQ MB also serves high net worth individuals (“HNI”s), small and medium enterprises (“SME”s) business owners and other financial institutions.

Investment Banking

In-depth knowledge, regional market expertise and excellent network of investors enables the Bank offer strategic advice across a range of sectors at the highest level, arrange tailor made financial structures, manage risks and ultimately grow businesses. The Investment Banking Division is comprised of the Capital Markets, Financial Advisory and Debt Solutions departments.

Coverage and Corporate Banking

The corporate banking arm of the bank supports various corporate clients in their different industries by providing services such as Bonds and Guarantees, Project Financing, Asset Backed Facilities, Negotiable Instruments (issuance, discounting and re-discounting), Receivables Financing, Trade Finance Products, Loans (overdraft and term loans), Structured Investment Products, Current Account Management and Lease Financing.

Wealth Management

The Wealth Management division offers and delivers a broad range of financial solutions to meet the unique, wide and varying circumstances and desires of our clients. Some of our Investment options include, Promissory Note Backed Investment (PNBI), Treasury bill Backed Investment (TBBI), Government Bond Secured Investment (GBSI), Kakawa Easy Retirement Account (KERA) and Liquidity Multiplier Service (LMS).

Fixed Income and Currency Trading

Manned by a highly motivated and top-notch team of trading experts, with state of the art trading technology, our securities trading group fuse the wisdom of the ages and tested tools to help our clients make more money in less time. Our Experts do this through bonds trading, T-bills trading, Foreign Exchange trading and being active in the Money Market. The Primary Market/Market Maker and Two way quote system helps make this possible.

2. SHARE CAPITAL AND SHAREHOLDING STRUCTURE

As at December 31, 2021, the share capital and shareholding structure of the Bank was as follows:

	₦
<i>Authorised Share Capital:</i>	
4,500,000,000 @ ₦1.00k	4,500,000,000
<i>Issued Share Capital:</i>	
4,301,577,000 @ ₦1.00k	4,301,577,000

Shareholder

According to the register of members as at December 31, 2021, no shareholder held more than 5% of the issued share capital of the Bank, except for the following:

	Name of shareholder	Percentage of Shareholder	No. of Holdings	Percentage Holdings
500,000,001 - 4,500,000,000	FBN Holdings PLC	100%	4,301,576,999	100%
		100%	4,301,577,000	100%

3. PROFILES OF DIRECTORS AND KEY MANAGEMENT STAFF**3.1 PROFILES OF DIRECTORS**

The profile of the FBNQuest Merchant Bank Limited Directors is summarized below:

Position: Chairman**Name: Bello Maccido**

Bello Maccido is the Chairman of FBNQuest Merchant Bank Limited. He has over 20 years' experience in corporate and investment banking and was, until his appointment, the Executive Director Retail North for First Bank of Nigeria Plc. Bello worked at Ecobank Nigeria Plc, FSB International Bank where he became the Acting Managing Director and Legacy Pension Managers where he was the Managing Director before he joined the FirstBank Group. He has also been called to the Nigeria Bar.

Qualifications: LLB (Ahmadu Bello University), MBA Management Finance (Wayne State University, USA), Executive Management programmes (Harvard Business School, The Wharton School and IMD, Lausanne, Switzerland).

Position: Managing Director/Chief Executive Officer

Name: Kayode Akinkugbe

Kayode Akinkugbe is the Managing Director and Chief Executive of FBNQuest Merchant Bank Limited. He has over 20 years' experience working in top tier global investment banks in the UK and Nigeria, where he focused on arranging finance and providing strategic advice to public and private sector organisations. He joined from Deutsche Bank where he was Head of sub-Saharan Africa (ex-SA) coverage. He served as Deputy Managing Director of FBN Capital Limited before his appointment as MD/CEO in March 2012.

Qualifications: MSc International Accounting & Finance (London School of Economics), MBA (Cranfield University, United Kingdom) first degree in Economics (University of Ibadan).

Position: Deputy Managing Director

Name: Taiwo Okeowo

Taiwo Okeowo is the Deputy Managing Director of FBNQuest Merchant Bank Limited, and is currently responsible for the Investment Banking business of the firm. A seasoned professional with over 26 years' experience in investment banking, Taiwo was principally responsible for the advisory business of FBN Capital covering Debt & Equity Capital Markets, Project & Structured Finance, and the Financial Advisory practice. He also covered the Agency and Trust Services Group.

He was seconded to FBN Capital in 2006 from First Bank of Nigeria Plc where he was Head of the Corporate Finance Group. A pioneer senior executive of Investment Banking & Trust Company Ltd (now Stanbic IBTC), Taiwo has acquired considerable experience in project finance, mergers, acquisitions, restructuring, and securities underwriting. Under his stewardship, the investment banking teams of FBN Capital raised transactions in excess of \$8 billion and achieved number one position in Nigeria transaction league tables in Equity Capital Market (2007 and 2008) and Debt Capital Market (2009 – 2011). He is a member of the board of MainOne Cable Company Ltd and former Chairman of the Fixed Income Subcommittee of the Capital Market Committee.

Qualifications: Sloan Fellow – MSc Management (London Business School), CFA Charterholder, Fellow of the Institute of Chartered Accountants of Nigeria.

Position: Non-Executive Director

Name: Babatunde Odunayo

Babatunde Odunayo is a Non-Executive of FBNQuest Merchant Bank. He has over 40 years of experience working in Agriculture, Accounting, Consultancy and Finance. He was the Finance Director of Hagemeyer Nigeria Plc where he led the company to the Capital Market to raise Debenture Stock and Redeemable Cumulative Preference Shared for its capital needs. He was appointed GMD of the Honeywell Group and later the MD/CEO of Honeywell Flour Mills where he led the company to the Capital Market for an IPO. He retired in 2014.

Qualifications: BA Agriculture (University of Ife), Fellow – Institute of Chartered Accountants of Nigeria.

Position: Non-Executive Director

Name: Akinlolu Osinbajo, SAN

Akin Osinbajo, SAN is a Non-Executive Director of FBNQuest Merchant Bank. He is a highly experienced litigator and commercial Law Practitioner, Chartered Arbitrator and Notary Public of Nigeria, who has represented several multinational and local clients in contentious commercial litigations in several courts in Nigeria. He is Joint Managing Partner in Abdulai, Taiwo & Co., Solicitors, a firm internationally acknowledged for its expertise on transactional matters relating to Nigeria.

He previously served as a member of the Nigerian Bar Association Special Task Force on Multidisciplinary Practices and Incursions into the Legal Profession, He was also a member of the Civil Service and Judicial Matters Work Group of the Transition Committee of the Governor-elect of Ogun State, 2003. He was appointed Honourable Attorney-General and Commissioner for Justice Ogun State 2003 – 2007 and reappointed in July 2007 to May 2011, thereby making him the longest serving Attorney General in Ogun State. During his eight

years as the Chief Law Officer of Ogun State and Official Leader of the Bar, he positively impacted and extensively reformed the Administration of Justice in the State.

Qualifications: BA Hons Law (University College, London); MA Law (University College, London); Certificated of the Council of Legal Education, Barrister at Law (Nigeria); Associate (Chartered Institute of Arbitrators ACI Arb (UK)); Member (Chartered Institute of Arbitrators ACI Arb (UK)); Fellow (Chartered Institute of Arbitrators ACI Arb (UK))

Position: Non-Executive/Independent Director

Name: Oyinkansade Adewale

Oyinkansade Adewale is a Non-Executive/Independent Director of FBNQuest Merchant Bank. She began her banking career with Citibank, where she rose to the position of Executive Director and CFO for West Africa. She went on to co-found SIAO, a leading indigenous accounting firm, and later became the pioneer Managing Director/Chief Operating Officer for Renaissance Capital in Nigeria.

She also held other senior management roles including Central Bank of Nigeria appointed Executive Director/CFO at Oceanic Bank and Group Head of MIS at Ecobank Transnational Incorporated. She joined Union Bank Plc in 2012 where she was an Executive Director/Chief Finance Director, retiring in September, 2018.

Qualifications: B.A French (University of Ibadan), Fellow, Institute of Chartered Accountants of Nigeria, Fellow, Association of Chartered Accountants.

Position: Non-Executive Director /Independent Director

Name: Oluyele Delano SAN, MCI

Oluyele Delano, SAN, MCI Arb is an Independent Director of FBNQuest Merchant Bank. He is the Managing Partner at Akindelano Legal Practitioners (ALP). A respected professional with a penchant for precision and research, he commenced his practice with Chief Rotimi Williams' Chambers in 1988 having been called to the Nigerian Bar in the same year, and rose to become one of the leading counsels in Chambers with a focus on Litigation and Arbitration. In 1998 he proceeded to assume his current position in the Lagos office of ALP, and in 2006 was elevated to the Inner Bar, becoming one of the youngest Senior Advocates of Nigeria to be honoured with the Silk. He has been involved in notable multimillion dollar transactions where he has advised key government and private sector interests, and currently serves as the Chairman, Board of Trustees, Lazarus Trustee Foundation as well as being a member of the Board of Directors of Crossworld Securities Limited.

Qualifications: BA Hons Law (University of Southampton in England); Member of the Body of Senior Advocates of Nigeria, the Chartered Institute of Arbitrators United Kingdom, the Nigerian Bar Association, the International Bar Association and the Energy Institute, London and Lagos.

3.2 PROFILES OF KEY MANAGEMENT STAFF

Position: Managing Director/Chief Executive Officer

Name: Kayode Akinkugbe

Kayode Akinkugbe is the Managing Director and Chief Executive of FBNQuest Merchant Bank Limited. He has over 20 years' experience working in top tier global investment banks in the UK and Nigeria, where he focused on arranging finance and providing strategic advice to public and private sector organisations. He joined from Deutsche Bank where he was Head of sub-Saharan Africa (ex-SA) coverage. He served as Deputy Managing Director of FBN Capital Limited before his appointment as MD/CEO in March 2012.

Qualifications: MSc International Accounting & Finance (London School of Economics), MBA (Cranfield University, United Kingdom) first degree in Economics (University of Ibadan).

Position: Deputy Managing Director

Name: Taiwo Okeowo

Taiwo Okeowo is the Deputy Managing Director of FBNQuest Merchant Bank Limited, and is currently responsible for the Investment Banking business of the firm. A seasoned professional with over 26 years' experience in investment banking, Taiwo was principally responsible for the advisory business of FBN Capital covering Debt & Equity Capital Markets, Project & Structured Finance, and the Financial Advisory practice. He also covered the Agency and Trust Services Group.

He was seconded to FBN Capital in 2006 from First Bank of Nigeria Plc where he was Head of the Corporate Finance Group. A pioneer senior executive of Investment Banking & Trust Company Ltd (now Stanbic IBTC), Taiwo has acquired considerable experience in project finance, mergers, acquisitions, restructuring, and securities underwriting. Under his stewardship, the investment banking teams of FBN Capital raised transactions in excess of \$8 billion and achieved number one position in Nigeria transaction league tables in Equity Capital Market (2007 and 2008) and Debt Capital Market (2009 – 2011). He is a member of the board of MainOne Cable Company Ltd and former Chairman of the Fixed Income Subcommittee of the Capital Market Committee.

Qualifications: Sloan Fellow – MSc Management (London Business School), CFA Charterholder, Fellow of the Institute of Chartered Accountants of Nigeria.

Name: Patrick Mgbenwelu

Position: Head, Investment Banking and Operations

Patrick Mgbenwelu is the Head, Investment Banking. Prior to his appointment in 2016, he served in the same role at FBN Capital Limited since 2011, and had worked with Stanbic IBTC Bank Plc where he was a Director and Head, Debt Solution within the Standard Bank Group Investment Banking Division leading the deal team originating, structuring and closing project financings in Nigeria.

Patrick has over 25 years' banking experience, with a primary focus on financial advisory, structuring, debt arranging/lending and closing of PPP/project finance transactions in the United Kingdom, Portugal, Saudi Arabia, Qatar, Oman, Kuwait, U.A.E, other GCC countries, and most recently in Nigeria.

Qualifications: Associate of the Chartered Institute of Bankers (London), MSc Finance & Investment (London), MBA (London). Patrick is the Chairman of the International Project Finance Association (Nigeria Branch) and on the Advisory Board of Lagos Business School's Centre for Infrastructure Policy Regulation & Advancement.

Name: Awele Ajibola

Position: Chief Risk Officer

Awele Ajibola is the Chief Risk Officer at FBNQuest Merchant Bank Limited. She is an experienced chartered accountant with a successful career in the financial services industry spanning over 20 years with expertise in Internal Control, Corporate Audit, Credit Risk Management, Operational services and Financial Control. Until her appointment with FBNQuest in September 2019, she worked with Access Bank Nigeria as Group Head, Large Exposures Monitoring, Credit Risk Management, leading the team in Monitoring of the Bank's large exposures to minimize delinquency and maintain target NPL ratio.

Qualifications: B.Sc Maths & Statistics from the University of Lagos, Nigeria. MBA from the Pan African University (Lagos Business School). Associate of the Institute of Chartered Accountants of Nigeria (ICAN), Associate of the Chartered Institute of Taxation of Nigeria (CITN) and an honorary member of Chartered Institute of Bankers of Nigeria (CIBN).

Name: Afolabi Olorode

Position: Head, Coverage & Corporate Banking

Afolabi Olorode heads the Coverage & Corporate Banking Group at FBNQuest Merchant Bank Limited, a subsidiary of FBN Holdings Plc. In this role, he is responsible for leading the client relationship management, credit portfolio, trade services and transaction banking businesses of the Bank. He is a member of the Executive Leadership Committee of the Bank and also serves on various sub-committees including the Management Credit & Underwriting Committee, Human Capital Committee, Asset & Liabilities Management Committee and Risk Management Committee.

Over the past 20 years, Afolabi has advised on several landmark deals involving leading Nigerian and international clients in restructuring, M&A advisory and capital raising. Key sector experience includes public sector, financial services, power, telecoms, oil & gas and FMCG. He has previously worked with Emerging Capital Partners, Renaissance Capital, KPMG, Frontier Capital and Agosto & Co. in various roles covering Sub-Saharan Africa. He is registered with Securities and Exchange Commission (SEC) of Nigeria as a Sponsored Individual and is the immediate past Director of Administration, Association of Issuing Houses of Nigeria (AIHN).

Qualifications: a graduate of the University of Lagos, with a post-graduate degree in Corporate & International Banking from Durham Business School, United Kingdom. He is a Fellow of the Institute of Chartered Accountants of Nigeria and has attended numerous leadership and executive education courses with recent notable ones including INSEAD, Harvard Business School, Wharton Executive Education and Lagos Business School

Name: Adetoun Dosunmu

Position: Head, Fixed Income, Currencies & Treasury

Adetoun is the Head of Fixed Income, Currencies & Treasury. She has over 19 years' work experience with a focus on various treasury functions including Fixed Income Securities, Assets & Liability Management, Foreign Currency Trading and Derivatives. Adetoun joined FBN Capital in 2013 as Head, Fixed Income / Treasury and successfully set up the fixed income trading desk as a major income generating unit of the Markets Division with over \$737.5m profitably executed trades within the first eight months of operations.

Prior to FBN Capital Group, she worked at UBA as Head of Fixed Income Treasury where she was responsible for ensuring the bank meets its Primary Dealer Market Maker (PDMM) and Money market Dealer (MMD) roles in both the bonds and treasury bills trading respectively. She has attended many courses including Euromoney, ICAP, Securities Trading Simulation and Wharton Business School.

Qualifications: B.Sc. Economics (University of Ibadan), Post Graduate Diploma in Business Administration (University of Warwick) in the United Kingdom.

Name: Olamide Adeosun

Position: Chief Financial Officer

Olamide Adeosun is the Chief Financial Officer (CFO) of FBNQuest Merchant Bank. She is a commercially astute and result-oriented finance professional with 23 years of experience. Over the years, she has had major responsibilities in the following areas: financial reporting, accounting, financial analysis, spend control, audits, budgeting and forecasting, cash management, tax planning as well as managing strategic relationships with internal and external stakeholders. Furthermore, she has successfully managed change initiatives such as culture transformation, automation and streamlining of status quo processes and reports.

Olamide's immediate past role was at Union Bank Nigeria Plc where she functioned as Head, Finance Business Management and Corporate Planning & Investor Relations.

Qualifications: First degree (Second Class Upper Division) in Accounting from the University of Liverpool and an Executive MBA from Cranfield School of Management. She is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), Associate of the Institute of Chartered Accountants of Nigeria (ICAN) and member of the Association of Project Managers Practitioners (APMP).

Name: Romeo Savage (Ph.D.)

Position: Chief Audit Executive

Romeo Savage is the Chief Audit Executive of FBNQuest Merchant Bank and superintends the Internal Audit Department. Romeo is a Global Auditor with experience in Audit of Africa and UK-regulated Financial Services. He has over 20 years' experience in providing assurance services and auditing Treasury & Market Risk, Risk Management, Financial Reporting and Corporate Functions.

Before joining FBNQuest, Romeo was Head, Business Assurance with Union Bank of Nigeria. He started his career at Standard Trust Bank Plc, and then worked for Diamond Bank and Ecobank Nigeria.

Qualifications: MBA, MSc, and Ph.D. in Accounting. He is a professional member of many Institutes and holds CIA, CISA, ACA, ACIB, ACCA – IFR certifications. He is a member of Board Finance and General-Purpose Committee of the Chartered Institute of Bankers of Nigeria, as well as Board of Directors of Institute of Internal Auditors (IIA Global, Nigeria Chapter).

Name: Tolulope Adetugbo

Position: Head, Legal and Company Secretary

Tolulope Adetugbo is a seasoned legal adviser and corporate governance professional with over 18 years of experience. She currently serves as the Company Secretary and Head of Legal at FBNQuest Merchant Bank. Prior to assuming the role as Company Secretary, she functioned as a Senior Legal Adviser within the FBNQuest Capital Group with the primary responsibility for overseeing the legal aspects of the investment banking and alternative investments businesses. Specifically, she specialized in project & structured financing, debt & equity capital markets, corporate & commercial laws, securities laws, M&As and governance. She also served as the Company Secretary.

In the course of her career, Tolulope served as Legal Counsel, as well as Company Secretary & Legal Adviser at Asset & Resource Management Holding Company Limited and Fountainhead Media Group Limited, respectively. In these roles, she gained extensive knowledge of infrastructure financing, real estate development, media & entertainment as well as managing start up entities.

Qualifications: First degree in Law from the University of Lagos, and a postgraduate degree in International Economic Law from the University of Warwick (with Distinction). She is a student member of the Institute of Chartered Secretaries and Administrators, United Kingdom and has attended several legal and management training courses and seminars both locally and internationally.

Name: Lolade Sasore

Position: Head, People and Knowledge Engagement

Lolade Sasore's career spans over 18 years of extensive experience in marketing, communications, branding, human resources, and strategy. She serves as the Head of People and Knowledge Engagement for FBNQuest, overseeing Human Resources, Marketing & Corporate Communications, Strategic Advocacy, and Corporate Social Responsibility for the group.

Her career in the FBN Holdings operating companies started at First Bank Limited, and she transitioned to FBN Capital (now known as FBNQuest Capital) in 2014 before joining FBNQuest Merchant Bank. In 2019, Lolade was seconded on a national assignment to support the Presidential Enabling Business Environment Council (PEBEC – Office of the Vice President of Nigeria) on Ease of Doing Business reforms.

She started her post-graduation career in Human Resource Consulting, Marketing and Business Development, after which she joined British Airways Plc as Digital Marketing Coordinator for South, East, & West Africa, and subsequently became Marketing Executive, Asia Pacific, and Africa.

Qualifications: First degree in Mass Communication from Babcock University, and an MSc in International Marketing from the University of Strathclyde Business School, United Kingdom where she graduated with Distinction. She also holds Certificates in Design Thinking & Innovation from MIT Sloan School of Management,

and Operations Management from the University of Cape Town. She is a Member of the Chartered Institute of Marketing UK, the Society for Human Resource Management (SHRM) and the Institute of Directors of Nigeria (IoD).

Name: Funke Shobanjo**Position: Head, Strategy and Transformation**

Funke Shobanjo leads Strategy and Transformation for FBNQuest Merchant Bank. In this role, she is responsible for Strategy articulation and driving and facilitating Strategy execution, with a portfolio that includes Enterprise and Digital Transformation.

Funke has over 20 years of experience within Financial Services. She started her career as a Graduate trainee in Goldman Sachs, London, and left the firm almost ten years later having risen to the position of Executive Director responsible for Product Development within the Goldman Sachs Execution and Clearing business. She moved to Traiana, ICAP, where she led the STP programme for FX trade flows for the Buy and Sell-side and later worked at Bloomberg, LP London as the Africa Exchange Business Manager.

Qualifications: BSoc. Sci. Economics from the University of Birmingham, an MSc in Finance, Economics and Econometrics (On Invitation and Scholarship) from CASS Business School, London. She has a Strategic Capabilities for Emerging Business Leaders Certificate from Kellogg School of Management. and Certificates in Design Thinking. She also holds the Investment Administration Qualification (Merit Award) from the UK Chartered Institute for Securities & Investment.

Funke serves on the Executive Leadership Committee of the Bank as well as on various sub-committees, including the Innovation Committee, IT Steering Committee, Human Capital Committee, and Partnership Committee.

4. PREMISES

The Bank currently operates from its main office at 16 Keffi Street, Off Awolowo Road, S.W. Ikoyi, Lagos, Nigeria (Telephone number: +234 1 2702290-4, +234 1 2798300; Email addresses: info@fbnquestmb.com, ccu@fbnquestmb.com) with liaison offices in Abuja and Port-Harcourt as detailed below:

Office	Address	State
Lagos (Head Office)	16 Keffi Street, Off Awolowo Road, South-West Ikoyi, Lagos	Lagos
Abuja (Liaison Office)	18, Mediterranean Street, Imani Estate, Maitama, Abuja	Federal Capital Territory
Port Harcourt (Liaison Office)	2 nd Floor, First Bank Building, 22/24, Aba Road, Port Harcourt.	Rivers

USE OF PROCEEDS

Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of CPs will be used to support the Issuer's short term funding needs.

The applicable Pricing Supplement for each Series under the Programme will specify details of the use of proceeds of the particular Series.

The following are the Terms and Conditions of the Notes to be issued by the Issuer under the Programme. The provisions of the Applicable Pricing Supplement to be issued in respect of any Series are incorporated by reference herein and will supplement these Terms and Conditions for the purposes of those Notes. The Applicable Pricing Supplement in relation to any Series may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions contained herein, replace or modify the following Terms and Conditions for the purpose of such Series.

1. ISSUANCE OF NOTES

The Issuer may from time to time, subject to these Terms and Conditions, issue Notes in one or more Series on a continuous basis under the Programme in an aggregate principal amount not exceeding ₦100,000,000,000 (One Hundred Billion Naira). Any Series of Notes issued under the Programme shall be constituted by, be subject to, and benefit from the Deed of Covenant.

2. FORM, DENOMINATION AND TITLE

2.1 Form and Denomination

2.1.1 Unless otherwise specified in any Applicable Pricing Supplement, the Notes shall be registered electronically and serially numbered.

2.1.2 The Notes issued under this Programme shall be denominated in Nigerian Naira in a minimum amount of ₦1,000.

2.1.3 The Notes will be issued at a discount. The rate of discount will be calculated on the basis of such Day Count Fraction specified in the Applicable Pricing Supplement.

2.1.4 Notes will be issued through book-entry deposit by crediting the CSD account of applicants and Registers of Noteholders shall be maintained by the CSD and the Issuing, Calculation and Paying Agent.

2.2 Title

Title to the Notes will pass upon credit to the CSD account of the Noteholder. Transfer of title to Notes shall be effected in accordance with the rules governing transfer of title in securities held by CSD. The Issuer shall deem and treat the registered Noteholder as reflected in the records of CSD and the Register as the absolute owner thereof for all purposes, including but not limited to the payment of outstanding obligation in respect of the Notes.

3. STATUS OF THE NOTES

The Notes constitute senior unsecured obligations of the Issuer and the Notes rank *pari passu* among themselves and, save for certain debts preferred by law, *pari passu* with all other present and future senior unsecured obligations of the Issuer outstanding from time to time.

4. REDEMPTION

The Notes are only redeemable at maturity at the face value specified in the Applicable Pricing Supplement.

5. PAYMENTS

The face value of the Notes will be paid to the Noteholders shown on the Register at the close of business on the Relevant Day. The registered Noteholders shall be the only persons entitled to receive payments in respect of the Notes and the Issuer will be discharged by payment to, or to the order of, the registered Noteholders in respect of any amount so paid.

5.1 Method of Payments

- 5.1.1 Payment of the outstanding obligation in respect of the Notes will be made by electronic funds transfer, in the currency of the Notes specified in the Applicable Pricing Supplement.
- 5.1.2 All monies payable in respect of the Notes shall be paid to the Noteholders by the Issuing, Collecting, Placing and Paying Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Issuing, Collecting, Placing and Paying Agent.
- 5.1.3 In the case of joint Noteholders, payment by electronic transfers will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.
- 5.1.4 In the case of Notes held by nominees, the nominee shall be paid as the registered Noteholder, which payee shall in turn transfer such funds to the holders of the beneficial interests. The Issuer shall not be under an obligation to enquire as to whether such funds are actually transferred to the holders of the beneficial interests.
- 5.1.5 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each Note. Neither the Issuer nor its agents shall be under an obligation to enquire as to whether such funds are actually transferred to the holders of the beneficial interests.
- 5.1.6 If the Issuing, Collecting, Placing and Paying Agent is prevented or restricted directly or indirectly from making any payment by electronic funds transfer (whether by reason of strike, lockout, fire explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuing, Collecting, Placing and Paying Agent shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice). Such payments by cheque shall be sent by post to the address of the Noteholder as set forth in the Register.
- 5.1.7 Cheques may be posted by registered mail, provided that the Issuing, Collecting, Placing and Paying Agent shall be responsible for any loss in transmission. The relevant postal authority shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this condition.

5.2 Payment Day

Any payment in respect of the Notes shall be made on a Business Day. If the due date for payment of any amount in respect of the Notes is not a Business Day, then the Noteholder thereof shall not be entitled to payment of the amount due until the next Business Day and the Noteholder shall not be entitled to any further interest or other payment in respect of such delay.

6. EVENTS OF DEFAULT

6.1 Events of Default

An Event of Default in relation to the Notes shall arise if any one or more of the following events shall have occurred and be continuing:

- 6.1.1 subject to conditions 5.1.6 and 5.2 above, if the Issuer fails to make payment by the due date of any amount due on the Notes;
- 6.1.2 other than in relation to condition 6.1.1, if the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for a period of five (5) Business Days following the service on the Issuer of a written notice requiring that breach to be remedied;
- 6.1.3 if an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer initiates insolvency proceedings or becomes insolvent, or is provisionally or finally sequestrated, or is provisionally or finally wound up, or is unable to pay its debts as they become due, or is placed under provisional or final judicial management, or enters into a scheme of arrangement or compromise with its creditors;
- 6.1.4 should the shareholders or directors of the Issuer pass a resolution for the winding up of the Issuer;
- 6.1.5 if the Issuer acts in any way which may have a material adverse effect on the Issuer's business, financial condition or assets, or its ability to perform its obligations under the CP Programme;
- 6.1.6 if an attachment, execution or other legal process is levied, enforced upon, issued or sued against a material or substantial part of any assets of the Issuer and is not discharged or stayed within sixty (60) days of service by the relevant officer of the court of such attachment, execution or other legal process; or
- 6.1.7 if a writ of execution is issued by any competent court attaching any material or substantial part of assets belonging to the Issuer and such remains unsatisfied for more than seven (7) days after the date on which it is issued.

6.2 Action upon Event of Default

Upon the occurrence of an Event of Default and such Event of Default is continuing, any Noteholder may by written notice to the Issuer at its registered office, effective upon the date of receipt thereof by the Issuer, declare the Notes held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction.

In addition, the Noteholders shall have the right to exercise all other remedies available to them under the laws of Nigeria.

7. REGISTER

- 7.1 The Register shall be maintained by the CSD and the Issuing, Collecting, Placing and Paying Agent. The Register shall reflect the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate amount of the Notes issued to each Noteholder and the date of issue.
- 7.2 Statements issued by the CSD and the Issuing, Collecting, Placing and Paying Agent as to the aggregate number of Notes standing to the CSD account of any Noteholder shall be conclusive and binding for all purposes save in the case of manifest error, and such person shall be treated by the Issuer as the legal and beneficial owner of such aggregate number of Notes for all purposes.

TERMS AND CONDITIONS OF THE NOTES

7.3 The Register shall be open for inspection during the normal business hours of the Issuing, Collecting, Placing and Paying Agent to any Noteholder or any person authorised by the Noteholder.

7.4 The CSD and Issuing, Collecting, Placing and Paying Agent shall alter the Register in respect of any change of name, address or bank account number of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

8. NOTICES

8.1 Notices to Noteholders shall be sent by the Issuing, Collecting, Placing and Paying Agent registered mail or delivered by hand to the address appearing in the Register.

8.2 Any notice shall be deemed to have been given on the seventh (7th) day after the day on which it is mailed by pre-paid registered mail and on the day of delivery, if delivered by hand.

8.3 Notices to Noteholders shall also be published in a daily newspaper with nationwide circulation in Nigeria, and any such notices shall be deemed to have been given and received on the date of first publication. A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice with the Issuer at its registered office.

9. MODIFICATION

9.1 The Dealers and Arrangers and the Issuer may agree without the consent of the Noteholders, to any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of Nigeria and which is not prejudicial to the interest of the Noteholders.

9.2 Save as provided in condition 9.1 above, no amendment of the Terms and Conditions may be effected unless;

9.2.1 such amendment is in writing and signed by or on behalf of the Issuer and

9.2.2 such amendment:

9.2.2.1 if it affects the rights, under the Terms and Conditions, of all the Noteholders, is approved in writing by or on behalf of Noteholders, holding not less than seventy-five *per cent* (75%) of the outstanding Principal Amount of all the Notes; or

9.2.2.2 if it affects only the rights, under the Terms and Conditions, of a particular group (or groups) of Noteholders, is approved in writing by or on behalf of the Noteholders in that group (or groups) holding not less than seventy-five *per cent* (75%) of the outstanding Principal Amount of all the Notes held by that group.

9.3 Any such modification shall be binding on the affected Noteholders and shall be notified to the Noteholders in accordance with Condition 8 (*Notices*) within seven (7) Business Days.

10. MEETING OF NOTEHOLDERS

10.1 The Issuer may at any time convene a meeting of all Noteholders upon at least twenty-one (21) days prior written notice to such Noteholders. The notice is required to be given in accordance with Condition 8 (*Notices*). Such notice shall specify the date, place and time of the meeting to be held, which place shall be in Nigeria.

TERMS AND CONDITIONS OF THE NOTES

- 10.2 Every Director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 10.3 Noteholders holding not less than ten *per cent* (10%) of the aggregate amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to, for no just cause, requisition such a meeting within ten (10) days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.
- 10.4 Notices of meeting convened by the Noteholders in condition 10.3 above shall be sent to the Issuer at the same time it is dispatched to other Noteholders.
- 10.5 A Noteholder may by an instrument in writing (a “form of proxy”) signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (“a proxy”) to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 10.6 Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a “representative”) in connection with any meeting or proposed meeting of the Noteholders.
- 10.7 Any proxy or representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.
- 10.8 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this condition 10. Should the Noteholders requisition a meeting, and the Issuer fail to call such a meeting within five (5) days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by a majority of Noteholders present in person or proxy.
- 10.9 At any such meeting one or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Principal Amount of Notes shall form a quorum. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 10.10 If within thirty (30) minutes after the time appointed for any such meeting a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than three (3) days nor more than ten (10) days thereafter and at the same time and place. At such adjourned meeting one or more Noteholders present or represented by proxy shall form a quorum and shall have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.

11. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to issue further Notes under the Programme.

12. GOVERNING LAW

TERMS AND CONDITIONS OF THE NOTES

The provisions of the Programme Memorandum and the Notes are governed by, and shall be construed in accordance with the laws of the Federal Republic of Nigeria

TAX CONSIDERATIONS

Prior to the suspension by the Central Bank of Nigeria in July 2009, of the use of commercial papers and bankers acceptance as off-balance sheet instruments by banks and discount houses, zero-coupon commercial papers were exempt from withholding tax. This position has been maintained with commercial papers now being issued on the basis that a zero-coupon commercial paper is a “discount” instrument. As a “discount” instrument, no “interest” (properly so-called) is paid by the Issuer to the purchaser of the commercial paper.

Accordingly, the discount on the commercial paper is not caught by the provisions of the law requiring payment of withholding tax on interest. However, there is taxable income made by a company or individual when it purchases such commercial paper at a discount (i.e. the difference between the discounted value and the face value of the commercial paper), which income would have been taxable under the Companies Income Tax Act or the Personal Income Tax Act, as the case may be, but for the provisions of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 and Personal Income Tax (Amendment) Act, 2011. The effect of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 and the Personal Income Tax (Amendment) Act, 2011 is to exempt otherwise taxable income earned by holders of short-term debt securities issued by corporate bodies from the imposition of companies income tax and personal income tax respectively.

The exemption granted under the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 is for a period of 10 years commencing from January 2, 2012, whilst the exemption under the Personal Income Tax (Amendment) Act, 2011 is for an unstated duration. . With the expiration of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Orders in January 2, 2022, companies’ income tax may now be chargeable on the difference between the discounted value and the face value of the commercial papers

Further, the proceeds from the disposal of the Notes were exempt from tax chargeable under the Value-Added Tax Act (Cap V1 LFN 2004) (as amended by the Value-Added Tax (Amendment) Act No. 12 of 2007) by virtue of the Value-Added Tax (Exemption of the Proceeds of the Disposal of Government and Corporate Securities) Order 2011, commencing from January 2, 2012 (“VAT Exemption Order”). This exemption is for a period of ten (10) years from the date of the Order, and this lapsed on 01 January 2022. However, the Finance Act, 2020 now excludes securities from the payment of value added tax. As such, the Bonds will not be liable to value added tax even after the expiration of the VAT Exemption Order.

In addition, the Value-Added Tax (Exemption of Commissions on Stock Exchange Transactions) Order, 2014 exempts the imposition of value added tax on (a) commissions earned on traded value of the shares, (b) commissions payable to the Securities and Exchange Commission, (c) commissions payable to the NSE; and (d) commissions payable to the CSD. Accordingly, any commission payable to the CSD in connection with Notes will be exempt from the imposition of value added tax. This exemption is for a period of five (5) years from the date of commencement of the order.

Also, capital gains tax is not payable on sale of the Notes as gains are not made on the sale of the Notes.

The foregoing general summary is not intended to be, and should not be construed to be tax advice to any particular subscriber. In particular, it does not constitute a representation by the Issuer, its tax advisers or the Dealers and Arrangers on the tax consequences attaching to a subscription or purchase of Notes issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Notes may vary. Any prospective investor who is in any doubt as to his/her tax position or who is subject to taxation in any jurisdiction other than Nigeria should consult his/her own professional advisers without delay as to the consequences of an investment in the Notes in view of his/her own personal circumstances. Neither the Issuer, its tax advisers nor the Dealers and Arrangers shall be liable to any subscriber in any manner for

RISK FACTORS

The following section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Notes. The risks in the following section are provided as general information only. Prospective investors should refer to and carefully consider the risks described below and the information contained elsewhere in this Programme Memorandum, which may describe additional risks associated with the Notes. Investors should also seek professional advice before making investment decisions in respect of the Notes.

Risk Relating to Nigeria – The Bank operates in Nigeria and so faces general macroeconomic risks even as the performance of the banking sector is highly correlated with the performance of the Nigerian economic climate

Political risks

These are risks associated with the political climate. Nigeria's diverse political, religious and ethnic landscape has led to struggles for power between rival groups, which has consistently hindered the smooth governance of the country. The continued criminal activity, unrest and political and religious conflicts in the country may lead to lower oil production, deter investments in the country and lead to increased political instability that could have a material adverse effect on Nigeria's economy and consequently the operations of FBNQuest Merchant Bank Limited. Also, changes in government policies as affects the banking landscape could impact on the Bank's business.

Overreliance on Oil

The Nigerian economy is significantly affected by the global slide in oil prices evidenced by the weakening of the currency, substantial drop in foreign currency reserves, withdrawal of foreign portfolio capital and a corresponding decline in stock market performance and government revenues. While the federal government advances in its efforts to diversify the economy from its dependence on oil revenue, a further decline in global oil prices may have an adverse effect on the Nigerian economy which in turn might impact the Bank's operations and profitability.

Insecurity

The country is plagued by insurgency and bandit attacks in its northern states while battling kidnapping and oil theft down South in addition to secession threats in the South East. The combined effect of these security challenges is the increased political instability and reduced confidence of foreign investors in the local economy. This could also impact the Bank's operations, liquidity, prospects and financial condition.

Business Risks – These are the risks that FBNQuest Merchant Bank Limited faces in its operations and include the following:

Foreign Exchange Risk

These are risks that arise from the change in price of one currency against another. The bank undertakes transactions denominated in foreign currencies. Unfavourable movement in exchange rates may affect the banks foreign currency transactions, affect the value of the Bank's foreign currency-denominated assets and liabilities and have a negative impact on its financial condition. The bank currently mitigates against such risks by ensuring that its foreign currency exposures are hedged.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Bank. A default by a counterparty poses the risk of the Company incurring higher costs in debt recovery. Where the debts are recovered or obligations enforced late, there are financial losses as a result of the time value of money for the period the debt was unrecovered. In the event that the debt cannot be recovered, financial loss is incurred. FBN Merchant Bank mitigates the risk of financial loss from defaults by dealing with creditworthy counterparties identified through rigorous credit analysis, stringent credit limits and approval reviews. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

RISK FACTORS

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. FBNQ MB's liquidity risk is considered minimal, based on the bank's highly liquid balance sheet - cash, interbank balances, and highly liquid investment securities. The bank's large pool of government securities and its ability to refinance will continue to uphold liquidity.

Brand and Intellectual Property Protection

The Company's products, systems and brand could be susceptible to counterfeiting and/or unauthorised access. Over the years, the bank has invested in effective Information Technology tools and best practices to mitigate against such risks.

Regulatory and Compliance Risk

The banking industry in which the Bank operates is highly regulated. The Banks and Other Financial Institutions Act, 2020, as well as various CBN Guidelines (including the CBN Prudential Guidelines), circulars, and directives contain provisions which the Bank is required to adhere to; these include the requirement to meet certain capital adequacy and cash reserve requirements, at risk of sanction by the CBN. Non-compliance by the Bank with CBN directives may result in the revocation of the Bank's banking licence. Should the Bank lose its banking licence, it would be unable to meet its obligations under the Programme.

Risks relating to the Notes

Key risk to the Notes is the lack of an active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications will be made for Notes issued under the Program to be admitted and traded on the FMDQ Exchange platform, there is no assurance as to the development or liquidity of any trading market for any particular issue of the Notes.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

Words used in this section shall bear the same meanings as used in the section headed "Definitions and Interpretations", except to the extent that they are separately defined in this section or the meaning if applied, would be clearly inappropriate for the context.

CSD

The Notes will be issued in dematerialised form and will not be represented by any certificate or written instrument. As stipulated by the CBN Guidelines, each Series or Tranche of Notes will be held in custody by the CSD, either in the name of the beneficial owner or a Nominee.

All transactions in the Notes shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSD. Subject as aforesaid, each Tranche of Notes will be issued, cleared and transferred in accordance with the Terms and Conditions and will be settled through Authorised Participants who will follow the electronic settlement procedures prescribed by the CSD.

Authorised Participants

The CSD will maintain a central securities account for Dealing Members (the "Authorised Participants") and each beneficial owner of the Notes is required to have a sub-account under the Authorised Participants. Noteholders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorised Participants.

For purposes of Notes issued under this Programme, the Authorised Participants are FBNQuest Merchant Bank Limited, the Issuing and Placing Agents and any other Authorised Participant as duly appointed by the Issuer.

Registration

- i. The Authorised Participant shall register with the CSD where CP custody and depository services are required. The Authorised Participant shall complete the required registration form or other applicable document(s) and shall be required to submit proof of appropriate FMDQ Exchange membership along with the completed form.
- ii. Noteholders are required to route their account opening applications and transactions through any of the above-mentioned Authorised Participants, who will officially notify the CSD to create sub-accounts for the Noteholders and attach Noteholders' mandates to this effect.
- iii. The CSD will assign a unique identification number (the "Trade Member Code") to the Authorised Participant and also provide an account number (and sub-account numbers for Noteholders) after creation as requested by the Authorised Participant to enable them to trade the CPs.
- iv. FMDQ Exchange shall request for the CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorised Participant with the CP Symbol and ISIN Codes for the registered CP, subject to receipt of CP registration fees from the Authorised Participant.
- v. The CSD will re-open the existing ISIN code for all tranches with same maturity dates, however new ISIN codes will be issued for tranches with different maturity dates.

Custody and Dematerialisation

- i. An Authorised Participant with physical CP notes may decide to dematerialise CP(s) with the CSD by completing the relevant form.
- ii. All holders of CP notes shall route the notes through the Authorised Participant who will then submit on the CSD authorised platform in dematerialized form.
- iii. Authorised Participants may also decide to keep the CPs in physical form with the CSD (subject to service agreement with CSD), acting as the Custodian for the issue.
- iv. Authorised Participants can also lodge the CP(s) electronically by using the CSD e-lodgement format.
- v. The Authorised Participants (or Arranger) will advise the CSD, after dematerialisation or e-lodgement to transfer CPs to Noteholders' (or their custodians') accounts at the CSD before trading commences.
- vi. Cut-off time for e-lodgement of CPs is 10.00 a.m. on the day before the value date, and the CSD shall process the same within 24 hours of receipt.

Redemption

- i. No transactions or trades may be effected for any CPs two (2) Business days prior to its maturity date as the register closes two (2) Business Days before the Maturity Date.
- ii. The Issuing, Collecting and Paying Agent will submit a letter to the CSD confirming the intention of the Issuer to repay the Noteholders on the Maturity Date by 12.00 noon on the date which is two (2) Business Days before the Maturity Date.
- iii. The CSD shall expunge (knock-off) matured CPs on the Maturity Date or Redemption Date of the CP.
- iv. The Maturity Date shall be on a Business Day, however if the Maturity Date falls on a public holiday, payment will be made on the following Business Day.

Roll-Over

- i. Every roll-over of a CP shall be treated or classified as a fresh/separate CP.
- ii. Upon granting approval for rollover, FMDQ Exchange shall request for the rollover CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorised Participants with the new CP Symbol and ISIN Codes, subject to receipt of CP rollover fees from the Authorised Participants.
- iii. The CSD shall expunge the existing CP Symbol and ISIN Codes from the system and replace with the new codes.

Default

- i. Where the Issuer is unable to repay the Noteholders and the CP will be in default status, the Issuing, Collecting and Paying Agent shall notify the CSD, FMDQ Exchange, as well as the Noteholders, latest two (2) Business Days before the Maturity Date, latest by 3.00pm.
- ii. The CSD shall make public the default status to the market latest by the date which is one (1) Business Day before the Maturity Date.
- iii. In case of (i) above, the CP holdings must remain with the CSD until the Collecting and Paying Agent pays off the Noteholders and notifies the CSD and the FMDQ Exchange with evidence.
- iv. Thereafter, the CSD will notify the public and expunge the CP from the CSD depository accordingly.

Secondary Market Trading (OTC) Guidelines

- i. Standard settlement cycle is T+2.
- ii. FMDQ Exchange shall submit the confirmed CP trade details on trade day in the specified format via the CSD authorised platform, based on the following settlement timelines:
 - Same Day Settlement: 12.30 p.m.
 - T+1 or T+2 Settlements: 3.00 p.m.
- iii. The CSD shall deliver securities and send confirmation of transfers via the CSD authorised platform by 2.00 p.m. on the settlement date to FMDQ Exchange and the Nigeria Inter-Bank Settlement System ("NIBSS") simultaneously. Authorised Participants shall state the particular account number where the CP(s) will be settled.
- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the FMDQ Exchange and CSD simultaneously.
- v. Transactions for standard settlement (T+2) shall stop five (5) Business Days before the Maturity Date. Therefore, the last applicable settlement shall be before close of business on the date which is three (3) Business Days before the Maturity Date.

Reporting

- i. The CSD shall effect the transfer of CPs on the settlement date as advised by Authorised Participants or the FMDQ Exchange and keep records of consideration for each transaction.
- ii. The CSD will advise Authorised Participants or the FMDQ Exchange for onward communication to the Authorised Participant, as applicable, of successful and failed transactions on each settlement day.
- iv. Authorised Participants can visit the CSD website to ascertain its CP balances after each day's trade. This is available only to the institutions that subscribe to the CSD online service.

Transfer of Notes

Title to beneficial interest in the Notes will pass on transfer thereof by electronic book entry in the securities accounts maintained by the CSD and may be transferred only in accordance with rules and operating procedures of the CSD.

Cash Settlement

Transaction parties will be responsible for effecting the payment transfers via Real Time Gross Settlement, National Electronic Funds Transfer or any other transfer mode agreed by the transaction parties and recognised by the CBN.



RC: 264978

FBNQUEST MERCHANT BANK LIMITED

**Issue of Up to ₦[•] (Series 1) Commercial Paper Notes
Under its ₦100,000,000,000
Commercial Paper Issuance Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, originally dated 04 March, 2022, prepared by FBNQuest Merchant Bank Limited on behalf of FBNQuest Merchant Bank Limited in connection with its ₦100,000,000,000 (One Hundred Billion Naira) Commercial Paper Issuance Programme (“the Programme Memorandum”), as amended and/or supplemented from time to time.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Programme Memorandum.

This document constitutes the Applicable Pricing Supplement relating to the issue of Commercial Paper Notes (“CP Notes” or “the Notes”) described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

This document has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper, issued on 11th September 2019 and the FMDQ Exchange Rules. The document is not required to be registered with the Nigerian Exchange or the Securities and Exchange Commission (“SEC”). The document is important and should be read carefully, if any recipient is in any doubt about its contents or the actions to be taken, such recipient should consult his/her Banker, Stockbroker, Accountant, Solicitor any other professional adviser for guidance immediately.

Arrangers/ Dealers



RC 264978

Issuing, Collecting, Placing and Paying Agent



RC 264978

This Pricing Supplement is Dated [•]

Issuer	FBNQuest Merchant Bank Limited
Arrangers and Dealers	FBNQuest Merchant Bank Limited
Solicitor	G. Elias & Co.
Issuing, Collecting, Placing and Paying Agent	FBNQuest Merchant Bank Limited
Auditors	PricewaterhouseCoopers Nigeria
Sponsor to the Quotation on FMDQ Exchange	[●]
Custodian	Central Securities Clearing System PLC/ FMDQ Depository Limited
Series Number	1
Programme Size	₦100,000,000,000
Aggregate Nominal Amount	₦[●]
a. Series	[●]
b. Tranche	[●]
Face Value	₦[●]
Discounted Value	₦[●]
Nominal Amount Per Note	₦[●]
Issue Price	[●]
Issue Date	[●]
Tenor	[●]
Maturity Date	[●]
Final Redemption Amount	[●]
Minimum Subscription	₦5,000,000 and multiples of ₦1,000 thereafter
Specified Currency	Nigerian Naira (₦)
Status Of Notes	Each Note constitutes a senior unsecured obligation of the Issuer and rank <i>pari passu</i> among themselves, and save for certain debts mandatorily preferred by law, with other present and future senior unsecured obligations of the Issuer outstanding from time to time
Form Of Notes	Uncertificated
Quotation	Notes may be quoted on the FMDQ Securities Exchange or any other recognized Exchange
Taxation	Please refer to the 'Tax Considerations' section in the Programme Memorandum
Method Of Offer	Fixed Price Offer
Book Closed Period	The Register will be closed from [●] to [●] until the Maturity Date
Implied Yield	[●]%
Discount Rate	[●]%
Any Other Formula or basis For Determining Amount(S) Payable	[●]
Day Count Fraction	Actual/Actual (actual number of days in a month and actual number of days in a year)
Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria
Redemption/Payment Basis	Redemption at par

Issuer's Early Redemption	Not Applicable								
Issuer's Optional Redemption	Not Applicable								
Issuer's Optional Redemption	Not Applicable								
Other Terms Applicable On Redemption	[•]								
Offer Opens	[•]								
Offer Closes	[•]								
Allotment Date	[•]								
Notification Of Allotment	All applicants will be notified through an email and/or telephone of their allotment by no later than [•]								
Payment Date	[•]								
Details Of Bank Account(s) To Which Payments Are To Be Made In Respect Of The Notes	<table> <tr> <td>Bank:</td> <td>First Bank of Nigeria Limited</td> </tr> <tr> <td>Account Name:</td> <td>[•]</td> </tr> <tr> <td>Account Number:</td> <td>[•]</td> </tr> <tr> <td>Sort Code:</td> <td>[•]</td> </tr> </table>	Bank:	First Bank of Nigeria Limited	Account Name:	[•]	Account Number:	[•]	Sort Code:	[•]
Bank:	First Bank of Nigeria Limited								
Account Name:	[•]								
Account Number:	[•]								
Sort Code:	[•]								
Settlement Procedures And Settlement Instructions	Purchases will be settled via direct debit, electronic funds transfer (NIBBS, NEFT, RTGS, etc.)								
Issuer Rating	[•]								
Delivery Date	[•]								

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this document, there has been no material adverse change in the financial position or prospects of the Issuer since the 2016 audited accounts.

RESPONSIBILITY

The Issuer and its Board of Directors accepts responsibility for the information contained in this Applicable Pricing Supplement which, when read together with the Programme Memorandum and supplemental Programme Memorandum, if any, contains all information that is material in the context of the issue of the Notes.

Signed at _____ on this _____ day of _____ 2022

For and on behalf of
FBNQuest Merchant Bank Limited

Name
Capacity: Director
Who warrants his/her authority hereto

Name
Capacity: Director
Who warrants his/her authority hereto

AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

This section contains the auditor's report on the summary financial statements of FBNQuest Merchant Bank Limited ("the Bank") for the years ended 31 December 2018, 31 December 2019 and 31 December 2020. Also included in this section are the Bank's summary statements of financial position; summary statements of comprehensive income and the summary statements of cash flows for the above-referenced years.

In this Section,

Auditor's Report on the Summary Financial Statements

37-39

The summary financial statements do not contain sufficient information to allow as full an understanding of the results of FBNQuest Merchant Bank Limited and state of affairs of the Bank and their policies as would be provided by the Bank's Annual Reports and Financial Statements.



Report of the independent auditor on the summary consolidated and separate financial statements

To the members of FBNQuest Merchant Bank Limited

Report on the summary consolidated and separate financial statements

Opinion

The summary consolidated and separate financial statements (the "summary financial statements"), which comprise the summary consolidated and separate statements of financial position as at 31 December 2018, 31 December 2019 and 31 December 2020 and the summary consolidated and separate statements of comprehensive income for the year then ended were derived from the audited consolidated and separate financial statements (the "audited financial statements") of FBNQuest Merchant Bank Limited ("the Bank") and its subsidiary companies (together the "Group") for the year ended 31 December 2020 which includes the 31 December 2019 comparatives. The 31 December 2018 numbers were derived from the audited financial statements of FBNQuest Merchant Bank Limited ("the Bank") and its subsidiary companies (together the "Group") as at 31 December 2019 which includes the 31 December 2018 comparatives.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements, in accordance with the requirements of the Companies and Allied Matters Act and the requirements of FMDQ Commercial paper quotation rules.

Summary financial statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, the Banks and Other Financial Institution Act and other relevant Central Bank of Nigeria circulars applied in the preparation of the audited financial statements of the Group and Bank. Therefore, reading the summary financial statements and the auditor's report thereon, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements for the respective periods above in our reports dated 28 March 2019, 13 March 2020 and 1 April 2021 respectively. The reports include the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the Companies and Allied Matters Act and the requirements of FMDQ Commercial paper quotation rules.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria



Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

A handwritten signature in blue ink, appearing to read 'Sam Abu', is written over a light blue grid background.

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Sam Abu
FRC/2013/ICAN/0000001495



21 February 2022

PREAMBLE

"The summary financial statements disclosed were derived from the full financial statements of FBNQuest Merchant Bank Limited ("the Bank") for the years ended 31 December 2020 and 31 December 2019 and cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the Bank. The Bank's auditor issued an unqualified opinion on the full financial statements for the years ended 31 December 2019 and 31 December 2020 from which these summary financial statements were derived. The Bank's auditor made a report under section 359 of the Companies and Allied Matters Act.

The summary financial statements and specific disclosures are published in compliance with the requirements of section 27 of the Banks and Other Financial Institutions Act"

Electronic copies of the full financial statements from which these summary financial statements were derived can be obtained at www.fbnquest.com.

SUMMARY FINANCIAL STATEMENTS

FBNQUEST MERCHANT BANK LIMITED CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

In thousands of Nigerian Naira

		Group	Group	Bank	Bank
	Note	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Interest income on financial assets at amortised cost	7	8,081,873	7,357,754	7,970,677	7,085,348
Interest income on financial assets at FVOCI	7	3,515,516	7,174,463	3,458,315	7,147,204
Interest expense	8	(6,685,044)	(10,815,384)	(6,704,013)	(10,859,589)
Net interest income		4,912,345	3,716,833	4,724,979	3,372,963
Impairment charges	9	(339,026)	(49,909)	(339,026)	(118,353)
Net interest income after impairment charge for credit losses		4,573,319	3,666,924	4,385,953	3,254,610
Fee and commission income	10	8,284,732	8,098,011	3,863,028	4,502,642
Net gains on foreign exchange	11	81,945	325,587	22,040	323,210
Net gains on financial assets at FVTPL	11a	3,750,216	1,756,810	3,701,236	1,783,124
Other operating income	12	684,694	145,861	778,855	35,767
Operating income		17,374,906	13,993,193	12,751,112	9,899,353
Personnel expenses	14	(3,793,936)	(2,787,175)	(3,134,239)	(2,462,181)
Depreciation of property, plant and equipment	28	(450,523)	(494,376)	(420,318)	(463,562)
Depreciation of right of use assets	45	(45,022)	(138,815)	(45,022)	(138,815)
Amortisation of intangible assets	29	(675,784)	(1,207,270)	(659,163)	(1,097,522)
Other operating expenses	13	(5,784,280)	(5,215,612)	(3,403,976)	(2,957,326)
Operating expenses		(10,749,545)	(9,843,248)	(7,662,718)	(7,119,476)
Profit before tax		6,625,361	4,149,945	5,088,394	2,779,877
Income tax expense	15	(884,686)	(556,888)	(207,784)	(139,651)
Profit for the year		5,740,675	3,593,057	4,880,610	2,640,226
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Net fair value losses on financial assets at FVOCI					
-Net gains on investments in debt instruments measured at FVOCI	37	2,346,452	1,817,759	2,252,673	1,770,651
Other comprehensive (loss)/ income for the year		2,346,452	1,817,759	2,252,673	1,770,651
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		8,087,127	5,410,816	7,133,283	4,410,877
Basic/diluted earnings per share (kobo)	16	133	84	113	61

The accompanying notes are an integral part of the financial statements

SUMMARY STATEMENTS OF CASH FLOWS

**FBNQUEST MERCHANT BANK LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

<i>In thousands of Nigerian Naira</i>	Note	Group	Group	Bank	Bank
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
ASSETS					
Cash and balances with Central Bank of Nigeria	17	43,690,655	8,302,033	43,690,655	8,302,033
Due from other banks	18	25,718,491	7,377,521	22,233,202	4,238,237
Financial assets at fair value through profit or loss	20	1,910,800	2,902,292	1,379,915	2,517,162
Investment securities:					
- Fair value through OCI	21	29,041,247	16,684,696	26,986,180	16,026,386
- Amortised cost	22	7,583,938	2,914,249	7,583,938	2,914,249
Pledged assets	23	16,742,200	39,382,677	16,742,200	39,382,677
Derivative financial assets	44	417,669	474,757	417,669	474,757
Loans and advances to customers	24	55,689,216	46,448,173	55,589,727	46,390,453
Other assets	25	6,627,396	8,469,156	5,265,056	8,517,527
Investment in subsidiaries	26	-	-	1,313,329	1,313,329
Deposit with Nigerian Stock Exchange	27	1,150	1,150	-	-
Property and equipment	28	1,348,756	1,388,451	1,295,560	1,325,752
Intangible assets	29	218,778	863,136	197,499	810,031
Right of use assets	45	56,886	175,208	56,886	175,208
Deferred tax asset	30	9,429,283	9,426,538	9,113,548	9,113,548
Total assets		198,476,465	144,810,037	191,865,364	141,501,349
LIABILITIES					
Due to banks	31	28,475,932	27,648,648	28,475,932	27,648,648
Due to customers	32	100,136,570	75,675,570	100,137,825	76,021,448
Current income tax liability	15b	945,860	766,671	259,193	183,602
Other liabilities	33	31,878,608	10,090,784	28,999,979	9,112,503
Lease liabilities	46	25,100	115,233	25,100	115,233
Derivative financial Liabilities	44	383,526	469,389	383,526	469,389
Total liabilities		161,845,596	114,766,295	158,281,555	113,550,823
EQUITY					
Share capital	34	4,301,577	4,301,577	4,301,577	4,301,577
Share premium	35	3,904,731	3,904,731	3,904,731	3,904,731
Retained earnings		15,587,647	13,293,789	12,694,799	11,261,008
Statutory reserve		8,610,990	7,878,900	8,610,990	7,878,900
Credit risk reserve		2,134,767	920,039	2,134,767	920,039
Fair value reserve	37	2,064,559	(281,892)	1,936,945	(315,729)
General reserve		26,598	26,598	-	-
Total equity		36,630,869	30,043,742	33,583,809	27,950,526
Total equity and liabilities		198,476,465	144,810,037	191,865,364	141,501,349

Signed on behalf of the Board of directors on 4th March, 2021 by:



Bello Maccido
Chairman
FRC/2013/CISN/00000002366



Kayode Akinkugbe
Managing Director/CEO
FRC/2013/IODN/00000003063



Olamide Adeosun
Chief Financial Officer
FRC/2020/001/00000022332

FBNQUEST MERCHANT BANK LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

<i>In thousands of Nigerian Naira</i>					
	Note	Group 31 December 2020	Group 31 December 2019	Bank 31 December 2020	Bank 31 December 2019
Operating activities					
Cash generated from operations	38	13,011,144	(22,458,244)	11,422,870	(23,153,525)
Interest received		12,128,666	13,758,928	11,941,300	13,415,058
Interest paid		(7,958,150)	(10,842,547)	(7,958,150)	(10,842,547)
Income tax paid	15b	(705,497)	(610,078)	(132,193)	(168,402)
Net cash generated from operating activities		16,476,163	(20,151,942)	15,273,827	(20,749,416)
Investing activities					
Proceeds from redemption of investment securities		39,134,870	26,255,083	39,134,870	26,791,963
Purchase of investment securities		(33,618,928)	(12,145,157)	(32,783,301)	(12,145,157)
Purchase of property and equipment	28	(391,191)	(174,408)	(370,488)	(331,231)
Proceeds from sale of property and equipment		40,390	51,031	40,390	25,152
Purchase of intangible asset	29	(89,686)	(179,051)	(89,686)	(149,319)
Net cash generated from investing activities		5,075,455	13,816,498	5,931,785	14,391,408
Increase/(decrease) in cash and cash equivalents		21,551,618	(6,335,444)	21,205,612	(6,358,008)
Cash and cash equivalents at beginning of year		27,236,462	33,248,696	24,097,179	30,131,977
Effect of exchange rate fluctuations on cash held		22,040	323,210	22,040	323,210
Cash and cash equivalents at 31 December	19	48,810,120	27,236,462	45,324,831	24,097,179

Extract of the Report by Agosto & Co. Limited

FBNQuest Merchant Bank Limited

Rating Assigned:

A

This is a financial institution with a good financial condition and strong capacity to meet its obligations as and when they fall due.

Outlook: Stable
 Issue Date: 26 August 2021
 Expiry Date: 30 June 2022
 Previous Rating: A

Industry: Banking

Analysts:
 Tobi Adebunwa
 tobiadebuwa@agusto.com

Ayokunle Olubunmi, CFA
 kunleolubunmi@agusto.com

Agusto & Co. Limited
 UBA House (5th Floor)
 57, Marina
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RATING RATIONALE

The rating assigned to FBNQuest Merchant Bank Limited ('FBNQ MB' or 'the Bank') reflects its franchise upheld by the affiliation with FBN Holdings Plc, one of Nigeria's largest financial institutions with interests in commercial banking, pension assets custody, trusteeship, asset management and stockbroking. The rating also takes into consideration the Bank's strong presence in the investment banking space in Nigeria, good capitalisation, strong liquidity, acceptable asset quality and improving profitability. However, constraining these positive rating factors are the persistent concentration in the loan book, high funding and operating cost profile amidst the prevailing macroeconomic headwinds.

Gross loans and advances grew by 18.9% to ₦55.4 billion and remained concentrated by obligor and sector. As at FYE 2020, the top 20 loans accounted for 94.1% (FYE 2019: 97.7%) of gross loans and advances, reflecting the susceptibility of the Bank to the adverse changes in the financial condition of any of the top obligors. The continued focus of the Bank for asset creation remains financing of the manufacturing sector as well as obligors in the upstream segment of Oil & Gas. We believe these segments are vulnerable to the weak macroeconomic climate and some of the loans to these sectors have been restructured by the Bank. As at FYE 2020, FBNQ MB's stage 3 (impaired or non-performing) loan portfolio remained stagnant at ₦1.4 billion. The NPL ratio dipped slightly to 2.6% (FYE 2019: 3%), due to the expanded loan book, and was solely due to an impaired loan which the Bank has fully provided for. Therefore, we do not expect an adverse impact on future profits. Nonetheless, the Bank's NPL ratio was among the highest in the merchant banking segment as at FYE 2020. With the Bank strengthening its credit monitoring mechanism and the planned write off of the only large impaired loan, we expect asset quality to improve somewhat over the near term, though we note the vulnerability of its target sectors.

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Public credit rating report | Nigerian Financial Institution | December 2021*

FBNQuest Merchant Bank Limited

Rated Entity	Rating class	Rating scale	Rating	Outlook
FBNQuest Merchant Bank Limited	Long Term Issuer	National	A-(NG)	Stable
	Short Term Issuer	National	A2(NG)	

Strengths

- Sound risk position with non-performing loans ("NPL") and credit losses broadly comparable with industry average.
- Membership of FBN Holdings Plc ("the Group").
- Adequate funding and liquidity position.

Weaknesses

- Modest competitive position constrained by limited market share.
- Loan book concentration by obligors.

Rating rationale

The ratings of FBNQuest Merchant Bank Limited ("FBNQ MB" or "the bank") balance its adequate funding and liquidity position, intermediate capitalisation, modest competitive position, and good risk profile, albeit with a significant concentration by obligors.

FBNQ MB is a wholly owned subsidiary of the Group, one of the largest financial services group in Nigeria. Leveraging its membership of the Group, and long track record (having evolved from a discount house with over two decades of operations), FBNQ MB has been able to consolidate its position within the Nigerian financial landscape. Specifically, the bank continues to harness inherent cross selling opportunities within the Group to serve a wide range of customers and ultimately enhance its financial performance and market position. Reflective of its relatively small customer base and the trends across the merchant banking subsector, elevated concentration risk is perceived, with the 20 largest obligors constituting 96% of gross loans at FY20. Furthermore, the bank evidenced moderate market share within the Nigerian banking industry in terms of total assets, customer deposits, and loan portfolio, which are estimated at 0.4%, 0.3% and 0.3% respectively at FY20. Management & Governance is a neutral ratings factor, as it is in line with international best practices.

Capitalisation is a positive ratings factor, underpinned by the relatively sound GCR computed core capital ratio of 21.6% as at 31 August 2021 (FY20: 24.6%; FY19: 22.4%). Over the next 12-18 months we expect the core capital ratio to moderate to 19%-20% due to outpacing growth in risk weighted assets ("RWA") vis-à-vis internal capital generation.

*The last rating announcement was on 29 October 2021. Rating reports are updated at least once a year from the date of the last announcement.

March 1, 2022

The Managing Director
FMDQ Securities Exchange Limited
The Exchange Place
35 Idowu Taylor Street
Victoria Island
Lagos

Dear Sir,

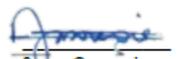
Re: ₦100,000,000,000 Commercial Paper Issuance Programme by FBNQuest Merchant Bank Limited (the "Offer") - Opinion on Claims and Litigation

We act as Solicitors to the Transaction in respect of the above-captioned Offer. We have reviewed the claims and litigation involving FBNQuest Merchant Bank Limited (the "Bank") and have set out our opinion below.

The Bank has informed us that it is involved in three cases as at the date hereof (the "Suits") which we have reviewed. The total amount claimed against the Bank in two of the Suits is ₦1,713,030,000 (One Billion, Seven Hundred and Thirteen Million, Thirty Thousand Naira). The Bank is a judgment-creditor in the sum of ₦1,861,330,935.47 (One Billion, Eight Hundred and Sixty-One Million, Three Hundred and Thirty Thousand Nine Hundred and Thirty-Five Naira and Forty-Seven Kobo) in one of the two Suits mention above, in which the Bank had a counterclaim. In the third Suit, there are no monetary claims against the Bank.

Based on our review of the Suits, we are of the opinion that most of the monetary claims in the Suits instituted against the Bank are highly exaggerated or frivolous. In the unlikely event that the claims in the Suits succeed, the liability of the Bank will not exceed the total amount claimed, and this potential liability will not have an adverse effect on the Offer or the ability of the Bank to perform its obligations under the Offer, especially considering that the contingent liabilities are not likely to crystalize at the same time.

Yours faithfully


Segun Omoregie
Partner

G. Elias & Co. is a member of ALN, an independent alliance of leading law firms in Africa.

ALGERIA | BOTSWANA | ETHIOPIA | GUINEA | KENYA | MADAGASCAR | MALAWI | MAURITIUS | MOROCCO | MOZAMBIQUE | NIGERIA | RWANDA | SUDAN | TANZANIA | UGANDA | ZAMBIA ASSOCIATE FIRM IN SOUTH AFRICA | REGIONAL OFFICE IN UAE

GECO/FBN/ProjectBlueII/SO/004/01032022

GENERAL INFORMATION

○ Authorisation

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of FBNQuest Merchant Bank Limited dated 12 February, 2022.

○ Auditors

PricewaterhouseCoopers Nigeria acted as auditors of the annual financial statements of the Issuer for the financial years ended December 31, 2018, December 31, 2019 and December 31, 2020 and was responsible for the audit, and issued an unqualified report.

○ Commercial Paper Outstanding

The Issuer has ₦7.34 billion commercial paper outstanding as at the date of this Programme Memorandum. Within the financial year ending December 31, 2022, the Issuer does not anticipate the amount of CPs to be issued to exceed the Programme Size.

○ Going Concern

The Issuer is at the date hereof a going concern, and can be reasonably expected to meet all of its obligations as and when they fall due.

○ Litigation

The Issuer is not engaged (whether as defendant or otherwise) in any legal, arbitration, administration or other proceedings, the result of which might have or have had a material effect on the financial position or the operations of the Issuer, nor is the Issuer aware of any such proceedings being threatened or pending.

○ Material Contracts

The following agreements have been entered into and are considered material to this Programme:

S/N	Narration	Date
	FBNQuest Merchant Bank Limited ₦50 Billion Commercial Paper Paper	05-Oct-18
1	Deed of Covenant	05-Oct-18
2	Dealers' Agreement	05-Oct-18
3	Issuing, Collecting, Placing and Paying Agency Agreement	
	FBNQ MB Funding SPV PLC ₦50billion Bond Programme	
1	Shelf Prospectus	02-Nov-18
2	Programme Trust Deed	02-Nov-18
	FBNQ MB Funding SPV PLC ₦5billion Series 1 Bond Under the ₦50billion Bond Programme	
1	Pricing Supplement	05-Feb-20
2	Series Trust Deed	05-Feb-20
3	Master Note Purchase Agreement	05-Feb-20
4	Deed of Undertaking	05-Feb-20
5	Vending Agreement	05-Feb-20
	FBNQ MB Funding SPV PLC ₦8billion Series 2 Bond Under the ₦50billion Bond Programme	
1	Pricing Supplement	16-Dec-20
2	Series Trust Deed	16-Dec-20

3	Master Note Purchase Agreement	16-Dec-20
4	Deed of Undertaking	16-Dec-20
5	Vending Agreement	16-Dec-20

Other material contracts in respect of any issuance of Notes under the Programme will be disclosed in the Applicable Pricing Supplement issued in respect of that Series or Tranche.

- **Ultimate Borrower**

The Issuer is the borrower in respect of the Notes.

ISSUER

FBNQuest Merchant Bank Limited

16, Keffi Street
Off Awolowo Road
S/W Ikoyi, Lagos
Nigeria



Patrick Mgbenwelu

ARRANGER

ISSUING, COLLECTING, PLACING AND PAYING AGENT

FBNQuest Merchant Bank Limited

16, Keffi Street
Off Awolowo Road
S/W Ikoyi, Lagos
Nigeria



Oluseun Olatidoye

AUDITORS

PricewaterhouseCoopers Nigeria

Landmark Towers
5B, Water Corporation Road
Victoria Island, Lagos
Nigeria



SOLICITORS

G. Elias & Co.

6, Broad Street
Lagos Island, Lagos
Nigeria



Segun Omoregie
Partner