



INFINITY MICROFINANCE BANK LIMITED

(RC 618784)

(INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

₦5,000,000,000

COMMERCIAL PAPER ISSUANCE PROGRAMME

Infinity Microfinance Bank Limited ("Infinity MFB", the "Bank", the "Issuer" or the "Company"), a private limited liability company incorporated in Nigeria, has established this ₦5,000,000,000 Commercial Paper Programme (the "CP Programme" or the "Programme") on 22 August, 2022, under which Infinity MFB may from time to time issue Commercial Paper notes ("CP Notes" or "Notes"), denominated in Nigerian Naira as may be agreed between the Issuer and each relevant Dealer and/or the Arranger (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 or 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 ₦5,000,000,000 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 CP Notes will be issued in dematerialised form, registered, quoted and traded via the FMDQ Securities Exchange Limited ("FMDQ Exchange" or the "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 Central Bank of Nigeria ("CBN") and FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN. The securities will settle via any central securities depository registered or recognised by the Securities and Exchange Commission, acting as Registrars and Clearing Agent for the Notes.

This Programme Memorandum has been prepared in accordance with the CBN guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on September 11, 2019, and the CBN circular to all deposit money banks and discount houses dated July 12, 2016 on the Mandatory Registration and Listing of Commercial Papers (together the "CBN Guidelines") and the Commercial Paper Registration and Quotation Rules of the FMDQ Exchange in force as at the date hereof. The document is important and should be read carefully. If you are in any doubt about its content or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the Board and Management of Infinity MFB Limited who jointly and individually accepts full responsibility for the accuracy of all information given.

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.

ARRANGER AND DEALER

FSDH CAPITAL LIMITED

RC 276208

ISSUING, CALCULATION AND PAYING AGENT

FSDH MERCHANT BANK LIMITED

RC 199528

THIS PROGRAMME MEMORANDUM IS DATED 22 AUGUST 2022

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GLOSSARY OF DEFINED TERMS

Unless the context otherwise requires, the following expressions shall have the meanings respectively assigned to them:

Terms/Abbreviations	Description
"Agency Agreement"	The issuing, calculation and paying agency agreement dated 22 August, 2022 or about the date of this Programme Memorandum executed by the Issuer and the Issuing, Calculation and Paying Agent
"Arranger"	FSDH Capital Limited
"Board" or "Directors"	Board of Directors of Infinity Microfinance 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
"CAMA"	The Companies and Allied Matters Act (Cap. C20) 2020 as may be amended from time to time
"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 Quotation of Commercial Papers, as amended or supplemented from time to time
"CGT"	Capital Gains Tax as provided for under the Capital Gains Tax Act Cap C1, LFN 2004 (as amended by the Finance Act 2019 and the Finance Act 2020)
"CITA"	Companies Income Tax Act Cap C21, LFN 2004 (as amended by the Companies Income Tax Act No 11 of 2007), the Finance Act 2019 and the Finance Act 2020)
"Clean CP"	A CP not backed by a guarantee or such other credit enhancement
"Commercial Paper", "CP", "CP Notes" 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 of this Programme Memorandum 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 or Tranches 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 ₦5,000,000,000
"CSD"	A specialist financial institution holding commercial papers either in certificated or uncertificated (dematerialised) forms so that ownership can be easily transferred through a book entry rather than the transfer of physical certificates
"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
"Dealer"	FSDH Capital Limited and/or any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer
"Eligible Investor"	Means an investor that is not a QII as defined by the FMDQ Exchange Rules, and who has executed a declaration attesting to its eligibility in the manner prescribed in the FMDQ Exchange Rules. Clean CPs (i.e., CPs not backed by guarantees or such other credit enhancement) shall be sold to QIIs and EIs

"Event of Default"	Means an event of default by the Issuer as set out in Condition 6 of the "Terms and Conditions"
"Face Value"	The par value of the Notes
"FGN"	Federal Government of Nigeria
"FIRS"	Federal Inland Revenue Service
"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" or "FMDQ Securities Exchange Limited"	Means a securities exchange and self-regulatory organization licensed by the SEC, Nigeria to provide a platform for, inter alia, the listing, quotation, registration and trading of securities
"FMDQ Exchange Rules"	The FMDQ Exchange Commercial Paper Registration and Quotation Rules issued in April 2021 (as may be amended, from time to time) and such other regulations with respect to the 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, protests, curfews, national emergency, riot, war, embargo, legislation, acts of God, pandemics, epidemics, acts of terrorism, and industrial unrest
"Government"	Any federal, state or local government of the Federal Republic of Nigeria
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
"Infinity MFB", "Bank", "Issuer", or "Company"	Infinity Microfinance Bank Limited
"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, Calculation and Paying Agent"	FSDH Merchant Bank Limited or any successor issuing, calculation 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. 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
"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
"Naira", "NGN" or "₦"	The Nigerian Naira
"The NGX"	Nigerian Exchange Limited
"NIBOR"	The Nigerian Inter-Bank Offered Rate
"Noteholders" or "Holders"	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
"Notes"	The commercial paper issued by the Issuer from time to time pursuant to the Programme Memorandum and any Applicable Pricing Supplement as promissory notes and held in a dematerialised form by the Noteholders through the CSD

"Outstanding"	means, in relation to the Notes, all the Notes issued, other than: (i) those Notes which have been redeemed pursuant to these Conditions (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 this Deed and (iii) those Notes which have become void under the provisions of this Deed
"PITA"	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011, the Finance Act 2019 and the Finance Act 2020)
"Pricing Supplement" or "Applicable Pricing Supplement"	The document(s) to be issued pursuant to the Programme Memorandum, which shall provide the final terms and conditions of a specific issue of a Series or Tranche of the Notes under the Programme
"Principal Amount"	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
"Programme"	The ₦5,000,000,000 (Five Billion Naira) commercial paper issuance programme established by the Issuer which allows for the multiple issuances of Notes from time to time
"Programme Memorandum"	This information memorandum dated 22 August, 2022 which sets out the aggregate size and broad terms and conditions of the CP Programme
"Qualified Institutional Investor" or "QII"	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 CSD or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme
"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
"Special Resolution"	A resolution passed by at least three-fourths (3/4) majority of the total number of Noteholders at any point in time
"Specified Office"	The office of the Issuing, Calculation 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

"Tranche"	Notes which are identical in all respects
"Unique Identifier"	means a code specifically designated/assigned to identify a CP
"VAT"	Value Added Tax as provided for in the Value Added Tax Act, CAP VI, LFN 2004 (as amended by the Value Added Tax Act No 12 of 2007, the Finance Act 2019 and the Finance Act 2020)
"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 ₦5,000,000,000. 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 any material fact that is 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 and the Applicable Pricing Supplement 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 authorised 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 authorised 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 Dealer, or the Arranger 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 Arranger, the Dealer, 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 Arranger, the Dealer 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.

Specifically, 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.

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.

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; and
2. The audited annual financial statements of the Issuer for the financial years prior to each issue of Notes under this Programme.

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. <https://www.infinitymfb.com/home/>

The audited financial statements and documents incorporated by reference shall be available on the website of the Issuer, www.infinitymfb.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:

TERMS	DESCRIPTION
Issuer:	Infinity Microfinance Bank Limited
Arranger:	FSDH Capital Limited
Sponsor to the Quotation of the Programme:	FSDH Capital Limited
Dealer:	FSDH Capital Limited and any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific Issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Dealer
Issuing, Calculation and Paying Agent:	FSDH Merchant Bank Limited
Auditor:	Olu Aladejebi & Co.
Registrar/Custodian:	Central Securities Clearing System PLC and/or FMDQ Depository Limited
Solicitor:	Advocaat Law Practice
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:	N 5,000,000,000 (Five 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
Use of Proceeds:	Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issue of the CPs will be utilised to support Infinity MFB’s short term financing requirements
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 Programme will be funded from the cash flow of Infinity MFB
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 ‘BBB’ rating from DataPro Limited. {The 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 agencies}

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 save for certain debts mandatorily preferred by law, the Notes rank pari passu 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 may elect at its discretion to have any Series or Tranche of Notes quoted 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 on the relevant trading platform
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 Noteholders. 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
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")

INFINITY MICROFINANCE BANK LIMITED

HISTORY

Infinity Microfinance Bank Limited started out in November 2001 as Infinity Community Savings, a local savings and loan community-based business which operated as a platform for mobilizing daily savings from low-income savers including market women, artisans and local business people through an automated and modernized thrift system. The business later transformed to Infinity Community Bank in March, 2005 and its operations were upgraded to meet the requirements of the Central Bank of Nigeria while its data was also migrated to a functional Community Bank application.

In compliance with guidelines issued by the Federal Government of Nigeria that all community banks should transform to microfinance banks, Infinity Community Bank became the 14th community bank to transform to a microfinance bank in Nigeria in October 2007. The Bank is licensed by the CBN to operate as a state microfinance bank in Lagos State and as at 31 December 2021, Infinity MFB's functional branch network in Lagos State had grown to nineteen (19) with significant footprints in all the major commercial hubs in Lagos State.

Infinity MFB focuses on micro, small and medium-sized enterprises (MSMEs). Infinity MFB provides microfinance banking services including (micro) loans, leases, savings and deposits to the underbanked and unbanked. The principal activities of the Bank include consumer financing, deposit mobilization, leasing, advisory services, MSME financing, fund management as well as acceptance of deposits. The MFB's credit facilities primarily comprise short-term loans to MSMEs operating in various sectors of the economy including trade & commerce and education.

The Bank has enjoyed stable and focused Board and management since inception to date and currently boasts of an authorized share capital of ₦300 Million, with a customer base of over 150,000 customers as at 31st December, 2021 and average Micro, Small & Medium Enterprise business loan disbursement to average of 1,500 customers every month.

BUSINESS STRUCTURE

Infinity MFB is structured along seven core functions: Credit & Marketing, Risk Management & Compliance, Financial Control & Administration, Operations, Internal Audit & Investigations, Information Technology and Human Resources. The heads of all the MFB's core functions except for the Internal Audit & Investigations unit report directly to the Managing Director/CEO. The head of Internal Audit & Investigations reports directly to Infinity MFB's board of directors with a dotted reporting line to the Managing Director/CEO on administrative matters.

BUSINESS STRATEGY

Infinity MFB's strategy is grounded in the MFB's community savings and community banking history. The Bank drives penetration of its financial services for MSMEs primarily by establishing branches around market communities and developing long-term relationships with the resident traders through direct marketing and referrals. The MFB also leverages cross-selling in the areas of risk asset creation and deposit generation by bundling loan and deposit products via a minimum deposit/equity contribution requirement for borrowers. The community relationship building and cash collateral requirement for loans also help to keep delinquency rates down by enhancing the willingness and capacity of obligors to repay obligations. Infinity MFB also partners with domestic and international development finance institutions (DFIs) for funding to on-lend to MSMEs. The MFB plans to continue to grow the business by opening new branches in the target communities across Lagos State.

INFORMATION TECHNOLOGY

The Bank uses BankOne as the core banking application for processing and recording transactions. BankOne is cloud based and offers a bank-in-a-box solution that provides application programming interfaces (APIs) to support the integration of services such as internet and mobile banking. The MFB has a mobile app "Infinity NowNow" and the MFB plans to add a loan module ("Loan NowNow") to the app by the end of the second quarter of 2022. Infinity MFB also plans to implement Unstructured Supplementary Service Data (USSD) using

the code “*5353#” for banking services before the end of 2021. Infinity MFB is integrated with the Nigeria Inter-Bank Settlement System (NIBSS) and Nigerian Uniform Bank Account Number (NUBAN). The MFB leverages mobile money agents, correspondent banks and platforms such as Remita and Paystack for collections. Infinity MFB plans to abolish cash collection in 2022 and is working with the Okra platform to implement Global Standing Instruction (GSI) in the near term. The MFB’s cloud-based core banking application and electronic banking platform integrations facilitated remote work in the light of the COVID-19 pandemic restrictions in 2020.

MILESTONES AND ACHIEVEMENTS

Infinity MFB’s journey has been underpinned by strong operating fundamentals and steady growth. Over the years, the Bank has established long-term relationships as it continues to remain innovative in its operations. The Bank has also expanded its service offerings and network across the region.

In recognition of Infinity Microfinance Bank’s contribution to poverty alleviation in Lagos State, the Lagos State Government through its Microfinance Institution (LASMI) partnered with the Bank in November, 2009 with the view of assisting organized registered Trade Associations in Lagos State under the broad umbrella of Lagos State Council of Tradesmen and Artisans (LASCOST-A) to expand their various businesses. The success of this scheme made Apapa - Iganmu LCDA to replicate same within their Local Government jurisdiction which eventually led to the establishment of Ajegunle Branch of Infinity Microfinance Bank. In September, 2020; Lagos Island Local Government also partnered with Infinity Microfinance Bank in the Local Government City Transport Scheme which was officially launched on Tuesday, September 29, 2020.

The Bank has been publicly adjudged to be the most responsible partner of Lagos State Government among the partnering banks. The Federal Government of Nigeria through CBN also partnered with the Bank on the Micro, Small and Medium Enterprises Development Fund (MSMEDF) to boost the growth of micro, small and medium businesses in the economy. The Bank also received the Global Quality Excellence Award for 2016 as “The Global Most Trusted Quality Microfinance Bank of the year 2016” and Banking and Finance Leadership Excellence prize for 2016. Infinity Microfinance Bank is the first microfinance bank in Nigeria to have partnered with Oikocredit Ecumenical Development Cooperatives, Netherland with the assessment of a counterpart funding facility of ₦50 million. Oikocredit recently granted a facility of ₦423.5 million to the Bank to boost their portfolio growth.

Infinity Microfinance Bank is presently in Partnership with Development Bank of Nigeria to cater for long tenured developmental facilities to boost the Medium and large-scale businesses in the economy. Since inception to 31st December, 2021, the Bank had disbursed over ₦20 billion to boost micro, small and medium scale businesses in Lagos State.

VISION

The Bank’s vision is to be the preferred providers of Microfinance services in Nigeria. With this vision as the driving force behind the Bank’s activities, the Board of Directors and Management team of the Bank are convinced the Bank can achieve these goals and effectively create value for all the Bank’s stakeholders.

PROFILES OF THE BOARD OF DIRECTORS

The Bank’s strategic direction is determined by a board of seven (7) directors who are highly experienced professional, with Bimbo Josiah-Ajayi, who leads the board as Chairman

- **Mr. Bimbo Josiah-Ajayi – Chairman**

Mr. Bimbo Josiah-Ajayi graduated from University of Ife (Now Obafemi Awolowo University) in 1988 with a Second Class Lower Division in Accounting (B.sc). He had a brief stint in Aminu Ibrahim & Co. Chartered Accountants before joining the Banking Industry in 1991, the same year he qualified as a Chartered Accountant (ICAN). His banking experience which lasted 15 years took him through Chartered Bank (1991-1999), Prudent Bank (1999-2005), Gateway Bank (2005-2006). His experience in Banking cuts across Internal Control, Financial Control, Compliance and Corporate Finance. Mr. Josiah Ajayi resigned from Gateway bank in 1996 to set up Threshold Konsult, a management consulting outfit which he presently runs in Lagos. He was invited by the Board of Infinity Microfinance Bank Limited to lend a hand of support to the Bank from his wealth of experience. Mr., Bimbo Josiah - Ajayi was appointed as the chairman of the Bank after the

demise and burial rite for the pioneering chairman of the Bank, late Peter Kehinde Asu, FCA on 22nd August, 2019.

- **Mrs. Clara Oloniniyi – Director**

Mrs. Clara Oloniniyi has been a principal driving force in the evolution of Infinity MFB to date. Her sense of vision, leadership qualities and entrepreneurial spirit has seen Infinity Community Bank transformed to Microfinance Bank Limited. She obtained Higher National Diploma in Secretarial Administration from Yaba College of Technology and Post Graduate Diploma in Credit Administration from Graduate School of Credit Administration, Lagos. She also holds Post Graduate Diploma in Business Administration from Delta state University. Mrs. Oloniniyi is a Certified Microfinance Banker (MCIB) by Chartered Institute of Bankers of Nigeria and Fellow of the Institute of Credit Administration, Nigeria. She had worked in various organizations such as Hotel Support Services, Airline Services and Public Finance Office before assuming her pioneering role in Infinity Consult as the Managing Director/CEO which later transformed to Infinity Microfinance Bank Limited today. She retired as the Managing Director/Chief Executive Officer of the Bank on 29th February, 2020 having served in that capacity for over a decade in line with the corporate governance policy of the Federal Republic of Nigeria.

- **Chief Godwin Okafor – Director**

Chief Godwin Okafor is a successful entrepreneur and an industrialist. He is the Managing Director/ Chief Executive Officer of Winco Foam Industries; an industrial business he commenced in the early 70s and groomed to become one of the leading Foam Manufacturing companies in Nigeria with modern plants in Lagos, Abuja and Awka. Chief Okafor is also a philanthropist who has received many local and international awards.

- **Dr. Samson Amedu - Director**

Dr. Samson Amedu is a well-rounded Stockbroker, Investment Manager & Analyst, currently the Managing Director/Chief Executive Officer of Alangrange Securities Limited, Members of the Nigerian Stock Exchange, a company he pioneered in 2005. Before assuming this position, he was Head of Corporate Finance of Counters Trust Securities Ltd (Subsidiary of First Securities Discount House Ltd, FSDH) for six years. He also worked in Manny Bank Nigeria Ltd Plc and Rims Merchant Bank where he served in various management positions including Head, Stock broking, Head, Kaduna Branch and Chief Operating Officer in 1998-1999. Dr. Amedu is a holder of both B.Sc and MBA Degrees from Ahmadu Bello University Zaria and has an MSc Certificate in Investment Analysis from University of Sterling, UK. He also holds a DBA (Doctor of Business Administration) from Henley Business School, University of Reading, UK.

- **Dr. Tope Oloniniyi – Director**

Dr. Tope Oloniniyi is widely experienced as a financial services practitioner in the Non-Bank segment of the financial markets having put in a total of 18 years in key sub-sectors of the financial services markets before assuming a pioneering role in MIP Financial Solutions in 2008. He is a Pension Consultant/Manager, Insurance Underwriter, Investment Analyst and Portfolio Manager. Between 1994 and 2007, he served at management positions in various companies including Insurance Brokers of Nigeria, Goldlink Insurance Company and Sterling Asset Management & Trustees Limited, (SAMTL), subsidiary of Sterling Bank Plc. He is passionate about micro finance business and has been involved in the industry for over ten (10) years as a promoter, consultant, strategist, investor, and trainer. He has worked with different local and international microfinance institution in various capacities. He is a 1998 graduate of Ahmadu Bello University, Zaria with BSc Actuarial Science and had a Masters in Banking Finance (MBF) in University of Lagos in 1999. He is a Fellow of the Chartered Insurance Institute London. He also holds a Doctorate Degree (Doctor of Business Administration) from Commonwealth University, with specialization in Banking and Finance.

- **Mr. Olajide Oyedele Diya – Director**

Mr. Olajide Oyedele Diya graduated in 1992 with a B.SC Economics and obtained his MBA (Marketing) from the University of Lagos in 2000. He has an extensive banking career spanning 21 years and covering Foreign Operations, Corporate/Commercial Banking, Financial Institutions, Asset Management and Treasury. He is presently the MD/CEO of PJD Investment Limited, a company with interest / investment in Portfolio/Asset Management, Real Estate, Bureau De Change and Financial Consulting. He is happily married with children and major hobbies are travelling, reading motivational and autobiography books, and playing table tennis.

He has attended various courses both local and foreign.

- **Mrs. Kehinde Olubi – Director**

Mrs. Kehinde Olubi graduated from University of Lagos, Akoka with BSc. degree in Computer Science in 1988 and MSc. Degree in 1995. She has an extensive banking career spanning over two decades in various managerial positions. She possessed great skill in System Audit and Process Review while in the Banking Industry. She has attended various Local and International Trainings in Information Systems Auditing & Control. She rose to the position of Group Executive, Overhead Management in Intercontinental Bank Plc before she retired to her personal business in 2009. She is presently the Managing Partner, Amag Nigeria Limited, a Consulting & Corporate Training Outfit.

PROFILES OF MANAGEMENT TEAM

- **Mr. Gabriel Olu Adewunmi – Managing Director/Chief Executive Officer**

Mr. Gabriel Olu Adewunmi is a graduate of The Polytechnic, Ibadan with Higher National Diploma in Accountancy. He is a Member of Chartered Institute of Finance and Control of Nigeria (CIFIC) and Chartered Institute of Bankers of Nigeria (MCIB) respectively. He is a member of Financial Reporting Council of Nigeria (FRCN). He was tutored by the Firm of Oluwole Wright & Co. (Chartered Secretaries and Administrators) as a Management Trainee immediately he graduated in 1992. He has worked in Managerial position in various organizations as the Finance & Administration Manager before he joined Frontage Communications Limited (FSTV) as the Head Office Accountant in June, 2004. He was a Member of the Repositioning and Restructuring Team for the Re-launching of FSTV services instituted by Wema Assets Management (A Subsidiary of Wema Bank PLC) in April, 2007. He is reputed for his great analytical skill and ability to lead and motivate others. He joined Infinity Microfinance Bank Limited in September, 2008 with his wealth of experience as the Head, Financial Control & Administration. Mr. Adewunmi's absolute dedication and loyalty to duties coupled with his target delivery has won "Infinity Microfinance Bank Staff of the year Award" for three (3) consecutive years – 2009, 2010 and 2011 respectively and won the most Responsive staff award for year 2012. Mr. Adewunmi was elevated to the position of Managing Director/Chief Executive Officer effective March 01, 2020. He has attended several trainings and Workshops on the sustainability of Microfinance business in Nigeria.

- **Mr. Ogunniyi Segun Adekunle – Head, Strategy/Risk Management**

Mr. Ogunniyi Segun Adekunle is an accounting graduate of the Institute of Management and Technology, Enugu. He holds a Master Degree from the famous London School of Business and Finance, London and Masters in Entrepreneurship from ITTL Doctoral Research Center & University, Phoenix, Arizona. He is a Certified Microfinance Banker (MCIB) by Chartered Institute of Bankers of Nigeria. He has varied working experience for over 10 years in different aspects of microfinance banking, from Micro-lending to Credit Risk, Operations and Information Technology. He has attended several management courses in notable institutions in Nigeria. Acknowledged for being resourceful and recognized as the key "go-to" person by management and peers with the ability to consistently devise innovative, cost-effective solutions to everyday business problems. He joined Infinity Microfinance Bank Ltd in 2012 as the Head of Internal Control & Compliance Unit having worked as the Group head of Operations & Risk Management with Safeline Microfinance Bank Ltd (Powered by FRSC).

- **Mr. John Chinedu Samuel – Head, Financial Control & Accounts**

Mr. John Chinedu Samuel has been a seasoned banker for more than 14 years. He is a chartered Accountant with the Institute of Chartered Accountants of Nigeria since 2011. He graduated from The Polytechnic Ibadan in 2000. He is a member of the Financial Reporting Council of Nigeria. He is also a Microfinance Certified Practitioner by the Chartered Institute of Bankers of Nigeria. He started his Banking career with Refuge Mortgage Bank in 2005 as the Deputy Head, Financial Control Department. He later moved to Fidelity Bank Plc in 2008 and acquired some notable working experience. He joined Parallax Microfinance Bank in 2012 as the Head, Financial Control. He actually played a major role in moving the Bank from a unit Microfinance Bank to a National Microfinance Bank until the Bank received a Regional Commercial Banking License from Central Bank of Nigeria. He also worked in various departments in Parallax Microfinance Bank before he resigned to join Infinity Microfinance Bank in December, 2021 as the Head, Financial Control & Accounts.

Mr. John Chinedu Samuel is awaiting his honorary certificate of Fellow Chartered Accountants of Nigeria (ICAN) by April, 2022.

- **Mrs. Uche Judith Amadi – Head, Human Resources**

Mrs. Uche Judith Amadi graduated from University of Nigeria, Nsukka with B.A Foreign Languages and Literatures in 2005. She was certified as a professional in Human Resource International (PHRI) in 2018 from the Human Resource Certification Institute, Alexandria USA. She passed her MBA examination in Human Resources from National Institute of Business Management, India in 2019. She also passed Advanced Diploma in Business Management from Institute of Commercial Management, UK in 2020. She travelled on yearly basis to USA where she serves as a volunteer exam Panelist and Subject Matter Expert in Human Resource Certification Institute, Alexandria USA. She worked as Head of Human Resources in Victory Empowerment Centre, Gbagada, Lagos from 2018 to 2021 before she resigned to join Infinity Microfinance Bank Limited as Head, Talent Management. Currently, Mrs. Amadi serves as the Acting Head, Human Resources in Infinity Microfinance Bank Limited.

- **Mr. Wilson Okiriwenwen - Head, Maintenance / Information Technology**

Mr. Wilson Okiriwenwen is a graduate of University of Ado Ekiti. He obtained Bachelor of Science Degree in Mathematics in 2005. He joined the organization in 2006 before its transformation to Microfinance Bank Limited. He is a Certified Microfinance Banker (MCIB) by Chartered Institute of Bankers of Nigeria. He was highly involved in upgrading the Bank's software to its present capacity. He is very articulate and responsible.

- **Mr. Mutiu Oladele Salami – Head, Internal Audit**

Mr. Oladele Mutiu Salami is a graduate of University of Ado – Ekiti where he obtained Bachelor degree in Accounting in 2004. He is a Certified Microfinance Banker (MCIB) by Chartered Institute of Bankers of Nigeria. Mr. Salami started his carrier with Solanke & Sulaimon (Chartered Accountants) as an Audit Supervisor in 2006 before joining Ibogun Microfinance Bank as the Accountant in 2009. He rose to the position of the Managing Director in Ibogun Microfinance Bank in 2012. His quest for professionalism and hard work prompted his decision to join Infinity MFB in 2014 as Head, Internal Control and Compliance Unit of the Bank. He was appointed as the Bank's Chief Risk Officer in August, 2017.

- **Mr. Monde-Umo Aniekan – Head of Operations**

Mr. Monde-Umo Aniekan holds a first degree in Metallurgical & Materials Engineering, as well as a Master's Degree in Business Administration with Management specialization from the University of Lagos in Lagos State, Nigeria. He is also a member of the Chartered Institute of Bankers of Nigeria. He is a certified Microfinance Professional. Aniekan has over 7years of banking operations experience. He has worked in various operations capacities with First Bank of Nigeria MFB [now Letshego MFB] in various branches for over 6years, he worked briefly with Moneytrust Microfinance Bank as the Head of Operations and Information Technology. He is currently the Head of Operations for Infinity MFB. He joined Infinity Microfinance Bank in February, 2018

- **Mr. Ozioko Cosmas – Head, e-Business**

Mr. Ozioko Cosmas graduated from Institute of Management and Technology, Enugu with Higher National Diploma in Computer Science in 1998. He is a self-motivated System Developer, designing and delivering innovative world leading solutions for over twenty years. Infinity MFB Ltd quest to embrace technology to scale up her business informed the Management decision to employ Mr. Cosmos to full time employment. Prior to his joining Infinity Microfinance Bank Limited, Mr. Cosmos had worked in various organizations such as Hicad Systems Limited, Broadview Konsulting Limited, MIP Financial Solutions Limited and Diticiel Solutions Limited respectively. Mr. Cozmas joined Infinity MFB in February, 2020 as the Head of e-Business.

- **Mr. Jacob Akowe – Head, Legal Services**

Mr. Jacob Akowe is a graduate of law from University of Benin (LL.B). He was called to the Nigerian Bar in the year 2014 (BL). He worked as a corporate legal practitioner with Oserogho & Associates from 2015 till 2017 before he proceeded to University of Ibadan for his Masters of Laws (LL.M) programme in 2018. Jacob had served as legal adviser to various organizations such as Jacobs and Bigaels LP, Intellegal Partners and Signature Luxury Villa, a real estate company before he joined Infinity Microfinance Bank Limited in January, 2021 as the Head of legal services. His passion for company regulatory compliance, corporate law, business

law and companies' securities cannot be overemphasized. He is a good team player, self-motivated, goal driven and result oriented person with the zeal to help achieve the organization's primary objective.

EMPLOYEES

The Bank's corporate objectives are delivered through a crop of highly motivated employees. As at 31 December 2021, the average number of full-time personnel employed by the Bank was 272 employees, comprising of 19 management staff, 28 senior staff and 225 junior staff.

PREMISES

The Bank currently operates from its main office at 580, Ikorodu Road, Kosofe, Mile 12, Lagos State (Telephone number: +2348159091602; +2348159091603; +2348159091609, email address: info@infinitymfb.com and website address: www.infinitymfb.com). As at 31 December 2021, the Bank had 19 branches in the following locations in Lagos State:

S/N	Office	Address	Telephone
1.	Ketu Office	2nd Floor, 4, Demurin Street, Ketu	+2348158394231
2.	Owode Office	Plot 1, Line 1, Owode Onirin Market, Iron Sectors, Owode-Ajegunle, Lagos	+2348159091646
3.	Lagos Island Office 1	5, Idumagbo Avenue, Off Adeniji Adele Road, Beside Access Bank PLC, Lagos Island	+2348159091639
4.	Lagos Island Office 2	Shoppers Mart Phase II, 118/120 Broad Street, Lagos Island	+2347054393962
5.	Ikorodu Office	39, Ayangburen Street, Ikorodu	+2348159091663
6.	Lekki/Ajah Office	Eputu Mall, Eputu London. Ibeju Lekki	+2347054393971
7.	Apapa/Boundary Office	2, Baale / Ojora Street, Boundary Market, Ajegunle	+2348022116822
8.	Ikeja Office	Aderonke Shopping Plaza, 20, Olowu Street, Ikeja	+2348158394226
9.	Odongunyan Office	Tenibegiloju Plaza, Odongunyan, Bus Stop, Ikorodu	+2348159091660
10.	Oshodi Office	Akinwande House, 47, Oshodi Road, Oshodi	+2348158394227
11.	Yaba Office	14, Ojuelegba Road, Opposite Tejuosho Market, Yaba	+2348159091668
12.	Bariga Office	22, Jagunmolu Street, Bariga	+2347054393968
13.	Egbeda Office	Primal Tek Plaza, Egbeda Bus stop, Egbeda	+2347054393963
14.	Egbeda Office	Primal Tex Plaza, Egbeda	+2348158394224
15.	Ile Epo Office	Sonola Shopping Complex, Old Ota Road, Oke- Odo	+2348159091649
16.	Alagbado Office	14, AIT Road, Kola Bus Stop, Alagbado	+2348159091631
17.	Ikotun Office	Stainless Shopping Complex, Ikotun Round About, Ikotun	+2348159091629
18.	Mushin Office	Chief Oduntan Plaza, 294, Agege Motor Road, Olorunsogo, Mushin	+2348159091627
19.	Alaba Branch	Century Plaza, Alaba International Market, Opposite Wema Bank, Alaba	+2348181054900

CORPORATE GOVERNANCE IN INFINITY MFB

The Board of Directors has commenced proper implementation of corporate governance principle in the operations of Infinity Microfinance Bank. The Directors have also endorsed compliance with the provision of the Microfinance Bank's code of Corporate Governance, which has incorporated most of the provisions of the Central Bank of Nigeria (CBN) Code on Corporate Governance for Banks in Nigeria.

The Board

The Board is composed of 8 members, including the Chairman. The Board has four committees. These are the Credit Committee, Audit Committee, IT Steering Committee, Board Governance and Nomination committee. In addition to the Board Committees, there are regular meetings by various Management Committees.

Responsibility

The Board reviews corporate performance, authorises and monitor strategic decisions whilst ensuring regulatory compliance and safeguarding the interest of the shareholders. The Board is committed to ensuring that the Bank is managed in a manner that will fulfil the shareholders aspirations and expectation. The Board also provides

leadership for achieving the strategic objectives of the Bank. Specifically, the responsibilities of the Board of Directors of Infinity Microfinance Bank Limited are:

- Determining the Bank's objectives and strategies as well as plans to achieve them;
- Determining the terms of reference and procedures of the Board Committees, including reviewing and approving the reports of such committees where appropriate;
- Considering and approving the annual budget, monitoring performance, and ensuring that the Bank is a going concern;
- Ensuring that effective risk management process exists and is maintained;
- Retaining responsibility for systems of financial, operational and internal control and regulatory compliance, as well as ensuring that statutory reporting of these is adequate.

Separation of the Chairman and Chief Executive Offices

In line with best practice and the provision of both the CBN and the Microfinance Bank Codes of Corporate Governance, the responsibilities of the Chairman and the Managing Director of Infinity MFB are separated. While the Chairman is responsible for the leadership of the Board and creating the conditions for overall Board and individual director's effectiveness, the Managing Director is responsible for the overall performance of the Bank, including responsibilities for ensuring day to day management and control.

Standing Committees

The Board discharges its responsibilities through its standing committees whose charter are reviewed from time to time. The committees consist of:

The Board Credit Committee

This Committee was set up to assist the Board of Directors in the discharge of its responsibility to exercise due care, diligence and skill in overseeing, directing and reviewing the management of the credit portfolio of the Bank. The committee considers loan applications above specified limits and which have been approved by EXCO credit committee. It also serves as a catalyst for credit policy changes going from EXCO credit committee to Board for consideration. The committee also reviews the loan portfolio of the Bank.

Credit Committee's Terms of Reference

- To recommend criteria by which the Board of Directors can evaluate the credit facilities presented from various customers and review the credit portfolio of the Bank;
- To consider all credit facilities above Management approval limit;
- To establish and periodically review the Bank's credit portfolio in order to align organizational strategies, goals, and performance;
- To make recommendations to the Board of Directors with respect to credit facilities based upon performance and other factors as deemed appropriate;
- To recommend to the Board of Directors, as appropriate, new credit proposals, restructure plans, and amendments to existing plans;
- To report to the entire Board at such times as the Committee and Board shall determine, but not less than every quarter;
- To perform such other duties and responsibilities as the Board of Directors may assign from time to time;
- To recommend non-performing credits for write-off by the Board.

The Board Audit Committee

The Board Audit Committee was set up to further strengthen internal control in the Bank, in compliance with CAMA as amended. It assists the Board of Directors in fulfilling its audit responsibilities by ensuring that an effective system of financial and internal control is in place within the Bank.

Audit Committee's Terms of Reference

- To meet with the independent Auditors, Chief Financial Officer, Internal Auditor and any other Bank

executive both individually and/or together, as the Committee deems appropriate at such times as the Committee shall determine to discuss:

- the terms of engagement for the independent auditors, the scope of the audit, and the procedures to be used;
 - the Bank’s quarterly and audited annual financial statements, including any related notes, the Bank’s specific disclosures and discussion under “Managements Control Report” and the independent auditor’s report, in advance of publication;
 - the performance and results of the external and internal audits, including the independent auditors’ management letter, and management’s responses thereto;
 - the effectiveness of the Bank’s system of internal controls, including computerized information systems and security;
 - any recommendations by the independent auditor and internal auditor regarding internal control issues and any actions taken in response thereto; and
 - the internal control certification and attestation required to be made in connection with the Bank’s quarterly and annual financial reports.
- To actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and to take appropriate action in response to the independent auditor’s report to satisfy itself of the independent auditor’s qualification and performance including a review of the lead partner, taking into account the opinion of management and the internal auditor;
 - To review critical accounting policies and financial statement presentation;
 - To discuss with management and the independent auditors significant financial reporting issues and judgments made in preparation of the financial statements including the effect of alternative accounting methods;
 - To review major changes in accounting policies;
 - To report to the entire Board at such times as the committee shall determine

The Board Nomination and Governance Committee

The Board Nomination and Governance Committee consider plans, budget, business models, strategies and the audited accounts of the Microfinance Bank. It also considers staff matters in respect of senior officers of the Bank from Managers grade and above.

Nomination Committee’s Terms of Reference

- Review all matters relating to staff welfare including remuneration of staff, and executive management;
- Consideration of all large scale procurement to be made by the Bank;
- Review of contracts award for significant expenditures;
- Consideration of promotions of senior management staff of the Bank; and
- Any other matter that may be referred to it by the Board.

The Board IT Steering Committee

The Board IT committee oversee the IT infrastructure of the Bank and formulate policies that will guarantee business continuity and availability of link among others.

IT Steering Committee’s Terms of Reference

- Develop the short, medium and long term IT plans for the Bank;
- Ensure compliance with regulatory standards;
- Engineer the proper assimilation of the Bank on IT backbone.

Executive Committee (EXCO)

The Executive Committee (EXCO) is made up of the Managing Director as chairman and other top management staff of the Bank. The committee meets regularly to deliberate and take policy decision on the management of

the Bank. It is primarily responsible for the implementation of strategies approved by the Board and ensuring efficient deployment of Infinity MFB's resources.

Management Committees

These are standing committees made up of senior management of the Infinity Microfinance Bank. The committees ensure that policies by the Board and the regulatory bodies are complied with and also provide inputs into the various Board Committees in addition to ensuring the effective implementation of risk policies. The management committees include: Management Credit Committee, Asset and Liabilities Management Committees and Disciplinary Committee.

USE OF PROCEEDS

Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer for its general corporate purposes including refinancing of its existing indebtedness.

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

TERMS AND CONDITIONS OF THE NOTES

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 Note are incorporated by reference herein and will supplement these Terms and Conditions for the purposes of that Note. The Applicable Pricing Supplement in relation to any series of Notes 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 of Notes.

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 ₦5,000,000,000 (Five 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, serially numbered and denominated in a minimum amount of ₦5,000,000 and integral multiples of ₦1,000 in excess thereof; and will be sold at such discount from their face value amounts as shall be agreed upon by the Dealer and the Issuer; and shall have a maturity not exceeding 270 (two hundred and seventy) days.

2.1.2. The Notes issued under this Programme will be denominated in Naira.

2.1.3. The Notes issued will be in the form of Zero Coupon Notes and will not bear interest, other than in the case of late payment.

2.1.4. The Notes will be delivered to the Dealer in dematerialised (uncertificated, book entry) form; shall be registered by the Issuing, Calculation and Paying Agent (the Agent) with the CSD, which shall serve as the custodian and central depository of the Notes; and the Dealer may deal in the Notes in accordance with CSD procedures and guidelines.

2.2. Title

2.2.1. The title to the Notes will pass upon credit to the CSD account of the Noteholder.

2.2.2. Transfer of the title to the Notes shall be effected in accordance with the rules governing transfer of title in securities held by CSD.

2.2.3. The Issuer and the Agent may, save where there is a manifest error, deem and treat the registered holder of any Note as indicated in the records of CSD and the Register as the legal and beneficial owner thereof for all purposes, including but not limited to the payment of outstanding obligations in respect of the Notes, and no liability shall attach to any person for such a determination.

3. Status of the Notes

The Notes shall constitute a direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes rank pari passu among themselves and, save for certain debt obligations mandatorily preferred by law, pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time.

4. Redemption

Subject to Condition 6, the Notes are only redeemable at maturity and will be redeemed at the Face Value specified in the Applicable Pricing Supplement in accordance with the provisions of Condition 5 below.

5. Payments

The Face Value of the Notes will be paid to the Noteholders whose names are reflected in the Register as at the close of business on the applicable Maturity Date(s). The registered Noteholder shall be the only person entitled to receive payments in respect of a Note and the Issuer will be discharged from any further obligations or liability upon payment to, or to the order of, the registered Holder in respect of each 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 Naira, to the account of the Noteholder specified in the Register.

5.1.2. All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Agent.

5.1.3. In the case of joint Noteholders, payment by electronic transfers or cheque will be made or addressed to, as the case may be, 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 to such joint Noteholders.

5.1.4. In the case of Notes held by a nominee, the nominee shall be paid as the registered Noteholder.

5.1.5. Neither the Issuer nor the Agent shall be responsible for any loss in transmission of funds paid in respect of each Note.

5.1.6. If the Issuer or the 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 Issuer or the 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) and the Issuer and the Agent shall not be responsible for any delay arising from making such payment by cheque. Such payments by cheque shall be sent by post through a reputable and registered courier operator to the address of the Noteholder as set out in the Register as soon as practicable to ensure payment is received as close to the Maturity Date as possible.

5.1.7. Cheques may be Cheques may be posted by registered mail, provided that neither the Issuer nor the Agent shall be responsible for any loss in transmission and the 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 of the outstanding in respect of the Notes shall be made on a Business Day. Where the day on or by which a payment of any amount in respect of the Notes is due to be made is not a Business Day, that payment shall be made on or by the next succeeding Business Day, unless that next succeeding Business Day falls in a different calendar month, in which case that payment shall be made or that event shall occur on or by the immediately preceding Business Day. The Noteholder shall not be entitled to any interest, return or other payment in respect of any delay in payment.

6. Event of Default

6.1. Event of Default

An event of default in relation to the Notes (each an "Event of Default") shall arise if any one or more of the following events shall have occurred and be continuing:

- 6.1.1. Subject to Condition 5.1.6 above, if the Issuer fails to make payment in full by the Relevant Date save for where such failure is as a result of an administrative or technical error and payment is not made within 10 (ten) Business Days of the Relevant Date; or
- 6.1.2. 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 15 (fifteen) days following the service on the Issuer of a written notice requiring that breach to be remedied; or
- 6.1.3. Should any representation or warranty made in connection with any documentation supplied by the Issuer in connection with the Programme be materially incorrect or materially misleading in the reasonable opinion of the ICPA; or
- 6.1.4. If the Issuer initiates bankruptcy or 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 in each case except for the purpose of and followed by a reconstruction, amalgamation, re-organisation, merger or consolidation on terms approved by the Noteholders; or
- 6.1.5. Should an order be made or the members of the Issuer pass a resolution for the winding up of the Issuer or the Issuer ceases, or through an official action of its Board, to carry on all or a substantial part of its business or operations; or
- 6.1.6. If an attachment, execution or other legal process is levied, enforced upon, issued on or against a material or substantial part of any assets of the Issuer and is not discharged or stayed within 90 (ninety) 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 10 (ten) Business Days after the date on which it is issued; or
- 6.1.8. In line with section 9.8 of the FMDQ Exchange Rules, in respect of any Tranche or Series, if the Issuer fails to notify FMDQ Exchange (through the ICPA) that the Notes have been liquidated and funds have been transferred to all Noteholders by 4:00pm on the Redemption Date.

6.2. Action upon Event of Default

- 6.2.1. 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 specified office(s), 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 it is as a result of Force Majeure or 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.
- 6.2.2. Upon the occurrence of an Event of Default which results in the inability of the Issuer to make a payment on the Relevant Date, the Issuer shall pay the Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.

6.2.3. In addition, each Noteholder shall have the right to exercise all other remedies available to it under the laws of the Federal Republic of Nigeria.

7. Register

7.1. The Register shall be maintained by the Agent. The Register shall reflect each Tranche and Series of Notes; 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 Principal Amount of the Notes issued to such Noteholder and the date of issue.

7.2. Statements issued by the CSD as to the aggregate number of Notes standing to the CSD account of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes.

7.3. The Register shall be open for inspection from 9.00am to 5.00pm during the normal business hours of the Agent to any Noteholder or any person authorised in writing by the Noteholder.

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

8. Notices

8.1. Notices to the Noteholders

8.1.1. All notices to the Noteholders will be valid if it is delivered by hand, courier, electronic mail or sent by registered post in a letter duly addressed to the Party to whom same is required to be given at the registered address of such Party or any address given by such Party at their respective addresses of record in the relevant register of Notes of a Series maintained by the Agent. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of the CBN, FMDQ Exchange, the CSD or such other regulatory authority as may be applicable to the Notes.

8.1.2. Any notice if delivered by hand or registered post before 5p.m. local time on a given date, shall be deemed to have been delivered on that date. Any notice or communication given by electronic mail shall be deemed to have been delivered when sent, subject to no delivery failure notification being received by the sender within 24 (twenty-four) hours of the time of sending or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication.

8.2. Notices from the Noteholders

8.2.1. Notices to be given by any Noteholder to the Issuer shall be in writing and given by lodging same with the Agent at its registered office.

8.2.2. Any change of name or address on the part of the Noteholder shall forthwith be notified to the Issuer and the Agent and subsequently, the Register shall be altered accordingly following notifications to the CSD.

9. Modification

9.1. The Dealer 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 the mandatory provisions of any law in Nigeria and which in the opinion of the Dealer is not prejudicial to the interest of the Noteholders. Notice of such modification shall be published in at least one daily newspaper of general circulation in Nigeria, and shall be deemed to have been given and received on the date of first publication.

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 signed by or on behalf of Noteholders, holding not less than 75% (seventy five percent) 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 signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy five percent) of the outstanding Principal Amount of all the Notes held by that group.

9.3. Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 8 as practicable thereafter.

10. Meeting of Noteholders

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

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 10% (ten percent) in Principal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within 10 (ten) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.

10.4. A Noteholder may by an instrument in writing (a "Form of Proxy") signed by the holder or, in the case of a corporate entity executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporate entity, appoint any person (a "Proxy") to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.

10.5. Any Noteholder which is a corporation or corporate entity 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.

10.6. 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.

10.7. 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 10 (ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by Noteholders, holding not less than 51% (fifty-one percent) of the outstanding Principal Amount of all the Notes present in person, by representatives or by proxy.

10.8. At any meeting of Noteholders, two or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a

quorum.

- 10.9.** At any meeting of Noteholders, any resolution put to the vote shall be first decided on a show of hands, unless a poll is demanded. A poll may be demanded by either the chairman, the Issuer, or one or more Noteholders present in person, by representative or by proxy. In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy or as a representative.
- 10.10.** If a poll is demanded it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded. 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.
- 10.11.** If 30 (thirty) 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 14 (fourteen) days nor more than 21 (twenty One) days thereafter and at the same time and place. At such adjourned meeting, 2 (two) or more Noteholders present or represented by proxy holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.
- 10.12.** A resolution in writing duly signed by seventy-five percent (75%) of the Noteholders holding in aggregate not less than seventy-five percent (75%) of the Placement Amount of outstanding Notes, shall be as effective for all purposes as a resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all of the Noteholders.

11. Changing of Agent

- 11.1.** The Issuer is entitled to vary or terminate the appointment of the Agent and /or appoint additional or other agents and/or approve any change in the office of the agent through which any agent acts, provided that there will at all times during the subsistence of the Programme, be an agent with an office.
- 11.2.** The Agent acts solely as agent of the Issuer and does not assume any obligation towards or any relationship of agency or trust for or with any Noteholder.

12. Taxation

- 12.1.** The Notes issued under the Programme are Zero Coupon Notes and as such will be offered and sold at a discount to Face Value. The Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Noteholders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.

13. Further Issues

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

14. Governing Law

- 14.1.** 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.

14.2. The Nigerian courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the Programme Memorandum and the Notes.

TAX CONSIDERATIONS

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 Noteholders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.

The foregoing summary does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective purchaser of Notes issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers 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 actual or prospective purchaser of the Notes who intends to ascertain his/her/its tax position should seek professional advice from his/her/its preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Notes, bearing in mind his/her/its peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Notes in any manner for placing reliance upon the contents of this section.

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. The Issuer and the Arranger disclaim any responsibility for advising prospective investors of such risks as they exist at the date of this Programme Memorandum or as such risks may change from time to time. An investment in the commercial papers involves certain risks, most of which may or may not occur and neither the Issuer nor the Arranger is in a position to express a view on the likelihood of any such contingency occurring. Accordingly, prospective investors should carefully consider, amongst other things, the following risk factors together with all of the other information included in this Programme Memorandum and any Applicable Pricing Supplement before purchasing the commercial papers. **Investors should also seek professional advice before making investment decisions in respect of the Notes.**

RISK FACTORS RELATING TO NIGERIA

Political Risk

These are risks related to political instability, security, religious differences and ethnicity in Nigeria. Over the past five years, there has been an increase in the number and frequency of attacks and cases of kidnapping across various parts of Nigeria.

Sectarian conflicts in the Middle Belt and Northern Nigeria continue to pose a threat to Nigeria's political stability. The intermittent crisis and insurgence of Boko Haram have been identified as major contributors to the regions' security challenges.

In addition, developments in the political movement agitating for an independent Biafra Republic may potentially have a material adverse effect on public safety and productivity if not managed appropriately.

Infinity MFB operates in Lagos State, the commercial hub of Nigeria, where the political climate is calm and encourages the activities of the Bank's operations.

Emerging Markets Risk

Emerging markets such as Nigeria are subject to greater risk than more developed markets and financial turmoil in any emerging market could cause the price of securities to decrease. Generally, investments in emerging markets are only suitable for sophisticated investors who better understand the instruments and fully appreciate the significance of the risks involved in, and are familiar with investing in emerging markets.

Investors should also note that emerging markets, such as Nigeria, are subject to rapid change and that the information set forth in this Shelf Prospectus may become outdated relatively quickly.

Although it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Bank's financial performance, Infinity MFB will continue to employ robust risk practices to ensure that all funds raised under the Programme are utilized after undertaking careful due diligence.

Economic Risk

The Nigerian economy is largely dependent on crude oil production and has been severely affected by the fall in global crude oil prices. Despite the recent rise in global crude oil prices, the country has experienced foreign exchange challenges and restrictions which have slowed down economic productivity in Nigeria.

A number of manufacturing/trading companies have been impacted by the difficulty in accessing foreign exchange for the purchase of raw materials or finished goods, leading to a significant decline in output. This has hindered the ability of such companies to service their loan facilities, thereby impacting the profitability of some banks and increasing their impairments.

Instability in key areas across the globe can adversely affect the movement of trade and foreign exchange in Nigeria. Investors are also advised to pay attention to key indicators in the global economy that may have an impact on investments in Nigeria.

Infinity MFB will continue to build on the lessons learned in navigating past macroeconomic challenges which helped the Bank to maintain stable growth in the fluctuating economic cycles that characterized the last two decades. Infinity MFB will also continue to embrace a dynamic risk management approach that helps it focus more on most resilient segments of the small and medium enterprises market.

Risks Arising from the COVID-19 Pandemic

The Corona Virus Disease (COVID-19) broke out in December 2019 in Wuhan, China. The disease spread to several countries and led to a decline in global economic activities. In Nigeria, the first case of COVID-19 was recorded on March 2020 in Lagos State, the commercial hub of Africa's largest economy and most populous country. In an effort to control the spread of the virus, the Nigerian government implemented some measures including the halting of local and international flights, halting of inter-state travels, suspension of social gatherings and physical business activities.

The pandemic led to an economic slowdown. This factor together with the contraction in global economic activity has also constrained the country's economic recovery momentum, following the recession experienced in 2016. Whilst the economy is on a path of gradual recovery, there is a heightened risk of operational constraints, higher credit losses and its attendant impact on overall asset quality. Given the global nature of the COVID-19 pandemic, there is uncertainty around the severity and duration of the impact across markets and impact on Nigeria's near to medium-term growth.

The Bank has maintained and continues to maintain strategies in response to the COVID-19 pandemic both for its employees and customers. The Bank is also careful to conduct its due diligence while conducting business with parties that have been affected by the pandemic.

RISK FACTORS RELATING TO THE ISSUER

The following is a description of the risk factors that are material in respect of the financial situation of the Issuer. The risks described below are not the only risks that affect the Issuer. Additional risks and uncertainties not currently known to the Issuer or that the Issuer considers immaterial may also materially and adversely affect the Issuer. Any of the following risks could result in a material adverse effect on the Issuer's financial condition, results of operations and ability to service debt including the CP Notes.

The sequence in which they are listed is not an indication of their likelihood of occurrence or the extent of their commercial consequences. The following statements are complete but not exhaustive, thus prospective investors must consider all the information provided in this Programme Memorandum.

Competitive Risk

Infinity MFB's capacity in terms of introducing new products, from time to time, that are targeted at meeting clients' needs is a critical condition for success. Failure to provide new initiatives that are relevant to the market from time to time could make the Issuer less attractive to clients and could affect its ability to achieve projected growth. The future value of the Issuer is hinged on a couple of initiatives, such as new products, new markets and significant adoption of fintech initiatives as parts of its operations. These are expected to drive the business towards achieving sustainable business growth.

The Bank continues to remain innovative and churn out valuable products and services targeted at meeting the needs of its clients.

Regulatory Risks

The banking industry in which the Issuer operates is highly regulated. The Banks and Other Financial Institutions Act (BOFIA), various CBN guidelines (including the CBN Prudential Guidelines), circulars and directives contain provisions, which the Issuer is required to adhere to including the requirement to meet certain capital adequacy and cash reserve requirements, failing which the Issuer risks incurring regulatory sanctions by the CBN or any other regulators. In particular, non-compliance by the Issuer with CBN directives may result in the revocation of the Issuer's banking license or the imposition of penalties on the Issuer amongst other sanctions. Should the Issuer lose its banking license, it would be unable to meet its obligations with respect to the CP notes.

Infinity MFB continues to stay abreast of changes and development in its industry, including those initiated by the CBN, and ensures compliance with any directives given by its regulators.

Operational Risks

This refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Issuer's operational processes capture the following major types of losses: fraud (internal and external); fines, penalties or expenses incurred as a result of settlement delays and regulatory infractions; losses arising from litigation processes including out of court settlements; losses incurred as a result of damage to the Issuer's assets; and losses incurred as a result of system downtime, malfunction or disruption. The Issuer recognises the significance of operational risk, which is inherent in all areas of the Issuer's business. Any lapse due to operational risk that results in severe losses could affect the Issuer's ability to meet its debt obligations. The Bank's approach to operational risk management is intended to identify potential issues and mitigate losses by supplementing traditional control-based approaches to operational risk with risk measures, tools and disciplines that are risk-specific, consistently applied and utilized in the Bank.

To monitor and control its operational risks, the Bank maintains an overall framework that includes strong oversight and governance, comprehensive policies and processes, and consistent practices across the lines of business intended to provide a sound and well controlled operational environment.

Credit Risks

The Nigerian banking industry is subject to the credit risk that Nigerian borrowers may not make timely payment of principal and interest on loans, if at all, and that upon such failure to pay, Nigerian banks may not be able to enforce any security interest or guarantee that they may hold

Higher credit risk has a material adverse effect on the quality of loan portfolios and exposes Nigerian banks to high risks and potential losses. Such losses, if material, could have a material adverse effect on the Issuer's financial condition, liquidity and results of operations.

The Bank will continue to identify and monitor its credit exposures for its loan portfolios. The Bank dedicates considerable resources to gaining a clear and accurate understanding of credit risk across the business and ensuring that its credit risks are well managed.

Liquidity Risks

Liquidity risk arises when there is a mismatch between the inflows and outflows of the Issuer. This may be due to the inability of the Issuer to liquidate certain assets at short notice due to market illiquidity and inability to access sufficient funds to meet payment obligations in a timely manner. The management of liquidity risk is very critical to the ongoing viability of the Issuer.

The Bank continues to adopt a robust liquidity risk management process which helps to identify, measure and manage its exposure to liquidity risk.

Market and Interest Rate Risks

Market risk is the risk arising from adverse changes in underlying market factors such as interest rates, foreign

exchange rates, equity prices, commodity prices and other relevant factors such as market volatility. As such, there is no assurance that the Issuer would be able to protect itself from the adverse effects of market risk exposure. The Issuer undertakes investment activities in fixed income securities such as bonds, treasury bills, interbank takings and placements, all of which give rise to market risk exposure.

Although it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Bank's financial performance, Infinity MFB will continue to employ robust risk practices to ensure that all funds raised under the Programme are utilized after undertaking careful due diligence.

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.

Authorised Participants

The CSD will maintain a central securities account for Issuing, Placing, Paying & Collecting Agents/ Issuing & Placing Agents and Dealing Members ("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 CSD only through the Authorised Participants.

For purposes of Notes issued under this Programme, the Authorised Participant is FSDH Merchant Bank Limited and any Dealer.

Registration

- i. The Authorised Participant shall complete the required registration form or other applicable document(s) and shall be required to submit proof of appropriate FMDQ membership along with the completed form.
- ii. Noteholders are required to route their account opening applications and transactions through the Authorized Participant, who would then notify CSD to create a relevant sub-account for the Noteholder.
- iii. The CSD will assign a unique identification number ("Trade Member Code") to the Authorized 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. The Authorised Participants shall provide the schedule of all the subscribers and their expected holdings to the CSD for distribution. The Authorized Participant will electronically lodge CPs with the CSD and advise the CSD after lodgment to transfer the CPs to the sub-accounts, individual accounts or custodians accounts of the beneficial owners of the Notes.
- ii. An Authorised Participant with physical CP notes may decide to dematerialise CP(s) with the CSD by completing the relevant form.
- iii. 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.
- iv. Authorised Participants may also decide to keep the CPs in physical form with the CSD (subject to service agreement with the CSD), acting as the Custodian for the Issue.
- v. Authorised Participants can also lodge the CP Notes electronically by using the CSD e-lodgement format.
- vi. 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.

- vii. 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) working days prior to its maturity date as the Register closes two (2) Business Days before Maturity Date.
- ii. The ICPA 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 matured CPs on the Maturity Date or Redemption Date of the CPs.
- 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. All CPs, including roll-overs shall not exceed 270 days (tenor) from the date of issue.
- ii. Every roll-over of a CP shall be treated or classified as a fresh/separate CP.
- iii. 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.
- iv. 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 CP investors resulting in an Event of Default, the ICPA shall notify the CSD, as well as investors latest two (2) days before the maturity date to make public the default status of the CP to the market, no later than 3.00pm. In this event, the CP holdings must remain with the CSD until the ICPA pays off the Noteholders and notifies the CSD with the evidence.
- ii. The CSD shall make public the default status to the market latest by one (1) business days before the maturity date.
- iii. The ICPA shall notify FMDQ Exchange in writing that the CP has been liquidated and that funds have been transferred to all CP holders by 4:00pm on the Maturity Date, failing which the Issuer shall be deemed to be in default
- iv. 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.
- v. 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 CPs 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.
- iii. 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.



INFINITY MICROFINANCE BANK LIMITED
(RC 618784)

(INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

ISSUE OF UP TO ₦[•] SERIES [•] COMMERCIAL PAPER NOTES
UNDER ITS ₦5,000,000,000
COMMERCIAL PAPER ISSUANCE PROGRAMME

This Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 22 August 2022 prepared by FSDH Capital Limited on behalf of Infinity Microfinance Bank Limited in connection with its ₦5,000,000,000 Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the "Programme Memorandum").

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

This document constitutes the 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 Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

This document has been prepared in accordance with the Central Bank of Nigeria ("CBN") Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper, issued on September 11, 2019, the CBN letter to all deposit money banks and discount houses dated July 12, 2016 on Mandatory Registration and Quotation of Commercial Papers (together the "CBN Guidelines") and the Commercial Paper Registration and Quotation Rules (the "Rules") of FMDQ Securities Exchange in force from time to time.

The document is not required to be registered with the Nigerian Exchange Limited ("NGX") or the Securities and Exchange Commission ("SEC"). This 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 or any other professional adviser for guidance immediately.

ARRANGER AND DEALER

FSDH CAPITAL LIMITED
RC 276208

ISSUING, CALCULATION AND PAYING AGENT

FSDH MERCHANT BANK LIMITED
RC 199528

THIS PRICING SUPPLEMENT IS DATED [•]

Issuer	Infinity Microfinance Bank Limited
Arranger	FSDH Capital Limited
Issuing, Calculation and Paying Agent	FSDH Merchant Bank Limited
Sponsor to the Quotation on FMDQ Exchange	FSDH Capital Limited
Auditors	Olu Aladejebi & Co.
Custodian	Central Securities Clearing System PLC and/or FMDQ Depository Limited
Series Number	[●]
Programme Size	N 5,000,000,000
Aggregate Nominal Amount	N [●]
a. Series	[●]
b. Tranche	[●]
Face Value	N [●]
Discounted Value	N [●]
Use of Proceeds	[●]
Source of Repayment	[●]
Nominal Amount Per Note	N 1,000
Issue Date	[●]
Tenor	[●]
Maturity Date	[●]
Final Redemption Amount	N [●]
Minimum Subscription	N 5,000,000 and multiples of N 1,000 thereafter
Specified Currency	Nigerian Naira (N)
Status Of Notes	Each Note constitutes a senior unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank pari passu 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 Exchange platform 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
Other Terms Applicable on Redemption	[●]
Offer Opens	[●]
Offer Closes	[●]
Payment/Issue Date	[●]
Allotment Date	[●]
Notification Of Allotment	All applicants will be notified through an email and/or telephone of their allotment by no later than [●]
Details of Bank Account(s) to Which Payments are to be Made in Respect of the Notes	<p>Bank: FSDH Merchant Bank Limited</p> <p>Account Name: [●]</p> <p>Account Number: [●]</p>
Settlement Procedures and Settlement Instructions	Purchases will be settled via direct debit, electronic funds transfer (NIBBS, NEFT, RTGS, etc.)

Issuer Rating

'BBB' by DataPro Limited

Delivery Date

[•]

Specified Office of Arranger

[•]

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 [insert date of last published audited accounts] audited accounts.

Responsibility

The Issuer and its Executive Management accept responsibility for the information contained in this Pricing Supplement, which when read together with the Programme Memorandum, contains all information that is material in the context of the issue of the Notes.

Signed at Infinity Microfinance Bank Limited, 580, Ikorodu Road, Kosofe, Mile 12, Lagos State,

on this_____day of_____, 202[•].

For and on behalf of Infinity Microfinance Bank Limited

Name:
Capacity: Director
Who warrants his/her authority hereto

Name:
Capacity: Director
Who warrants his/her authority hereto



OLU ALADEJEBI & CO.

(Chartered Accountants)

Head Office: 4, Turton Street, Off Thorburn Avenue, Sabo Yaba, Lagos.
Abuja Office: 4, Plot 833, Emmanuel Agunna Street, Off Idris Ibrahim Crescent, Jabi, Abuja.
Tel: 906 624 5710, 0802 223 3883, 0806 505 5999
E-mail: aladejebi2000@yahoo.com olufemi.aladejebi@olualadejebi.com www.olualadejebi.com

Report of the Independent Auditors on the Summary Financial Statements to the members of Infinity Microfinance Bank Limited

Opinion

The accompanying summary consolidated and separate financial statements of Infinity Microfinance Bank Limited which comprises of the summary audited consolidated and separate statements of financial position as at 31 December 2021, 31 December 2020, 31 December 2019, 31 December 2018, 31 December 2017 respectively and the summary audited consolidated and separate statements of profit and loss and other comprehensive income and the statements of cashflow for the year ended 31 December 2021, 31 December 2020, 31 December 2019, 31 December 2018, 31 December 2017 respectively are derived from the audited consolidated and separate financial statements as at 31 December 2021, 31 December 2020, 31 December 2019, 31 December 2018, 31 December 2017.

In our opinion, the accompanying summary financial statements are consistent, in all material respects with audited consolidated and separate financial statements as at 31 December 2021, 31 December 2020, 31 December 2019, 31 December 2018, 31 December 2017, in accordance with the international Financial Reporting Standards, Companies and Allied Matters Act, CAP C20, LFN 2020, and Financial Reporting Council of Nigeria Act, 2011.

Summary Consolidated Financial Statements

The summary consolidated and separate Financial Statements do not contain all disclosures required by the International Financial reporting Standards, Companies and Allied Matters Act, CAP C20, LFN 2020, and the Financial Reporting Council of Nigeria Act, 2011 applied in the preparation of the audited consolidated financial statements of **Infinity Microfinance Bank Limited**. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditors report thereon. The summary consolidated and separate financial statements do not reflect the events that occurred subsequently to the date of our report on those financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on those audited financial statements in our report dated 8 February 2022, 24 February 2021, 14 February 2020, 14 February 2019, 28 February 2018 respectively. Those reports also include the communication of the key audit matter as described in the auditor's report on the consolidated and separate financial statements for the relevant years.

Key audit matters are those matters that are in our professional judgement, were most significant in our audit of the consolidated and separate financial statements of the relevant years.

Directors' Responsibilities for the Summary Financial Statements

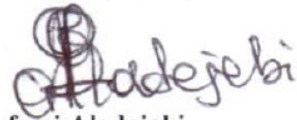
The Directors are responsible for preparing and presenting an appropriate summary of the audited consolidated and separate financial statements in accordance with Section 355 of the Companies and Allied Matters Act, C20, LFN 2020, Financial Reporting Council Act, 2011 and International Financial Reporting Standards.

Auditor's Responsibilities

Our responsibility is to express an opinion on whether the summary financial statements based are consistent in all manner respects with the audited consolidated and separate financial statements as at 31 December 2021, 31 December 2020, 31 December 2019, 31 December 2018, 31 December 2017 based on our procedures which were concluded in accordance with International Standards of Auditing (ISA) 810 revised; "Engagement to report on Summary Financial Statements".

Report on Other Legal and Regulatory Requirements

The Company Complied with the sixth schedule of the Companies and Allied Matters Act, CAP C20 LFN 2020.


Olufemi Aladejebi
FRC/2013/ICAN/00000001813
Olu Aladejebi & Co.
(Chartered Accountants)
Lagos, Nigeria
1 March, 2022



Dr. Olufemi Aladejebi, FCA, FCTI, M.TsD, Managing Partner

INFINITY MICROFINANCE BANK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31ST DECEMBER 2021, 2020, 2019, 2018 and 2017

	2021 ₦	2020 ₦	2019 ₦	2018 ₦	2017 ₦
Interest Income	792,274,251	583,020,190	552,083,424	447,880,677	436,097,268
Interest expense	(139,511,958)	(72,245,926)	(40,687,875)	(35,007,912)	(17,432,307)
Net Interest Income	652,762,294	510,774,264	511,395,549	412,872,765	418,664,962
Fee and commission income	123,441,302	122,702,899	151,798,249	137,353,600	87,588,332
Operating income	776,203,596	633,477,163	669,193,798	550,226,364	506,253,294
Impairment loss on financial assets	(16,555,975)	(23,395,019)	2,552,942	(3,766,702)	(6,500,407)
Additional Impairment (CBN)	(26,597,000)	-	-	-	-
Provision for other known losses	-	-	(25,119,000)	-	-
Depreciation expenses	(36,785,397)	(29,455,494)	(22,094,195)	(17,281,728)	(15,656,886)
Personnel expenses	(307,884,781)	(304,567,754)	(301,589,897)	(267,839,258)	(216,158,757)
Other operating expenses	(187,738,555)	(156,945,132)	(163,253,763)	(137,560,139)	(134,600,294)
Profit before income tax	200,641,889	119,113,764	159,689,884	123,778,538	133,336,949
Provision for tax	(15,000,000)	(12,000,000)	(13,750,000)	(10,000,000)	(12,000,325)
Profit for the year	185,641,889	107,113,764	145,939,884	113,778,538	121,336,624
Other comprehensive income, net of income tax					
Fair value gains/(losses) on available for sale investments	-	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	185,641,889	107,113,764	145,939,884	113,778,538	121,336,624

INFINITY MICROFINANCE BANK LIMITED

STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED 31ST DECEMBER 2021, 2020, 2019, 2018 and 2017

	2021 ₦	2020 ₦	2019 ₦	2018 ₦	2017 ₦
ASSETS					
Cash and cash equivalents	685,972,432	489,235,500	210,682,633	197,657,925	238,554,975
Loans and advances	2,114,742,517	1,842,207,728	1,403,000,445	1,126,356,998	874,291,693
Investment Securities:					
– Available-for-sale securities	14,590,918	4,590,918	4,590,918	5,242,340	4,495,940
– Held to maturity securities	82,989,620	79,018,000	78,211,000	78,211,000	55,000,000
Other investment	-	-	12,000,000	-	-
Other assets	116,660,395	110,111,210	59,879,995	78,560,879	19,012,585
Property, plant and equipment	107,753,729	114,051,353	82,249,616	84,684,244	77,829,346
Total Assets	3,122,709,612	2,639,214,709	1,850,614,667	1,570,713,387	1,269,190,638
LIABILITIES					
Deposit liabilities	970,821,890	896,822,480	781,370,469	643,860,016	505,500,953
Deposit for shares	35,023,500	35,023,500	-	-	-
Current tax liabilities	19,578,957	10,797,803	18,017,294	18,510,688	17,142,918
Term loans	836,891,972	659,791,667	147,472,222	164,249,567	112,224,567
Other liabilities	128,956,959	81,671,200	46,452,773	24,852,638	22,654,507
Total Liabilities	1,991,273,277	1,684,106,650	993,306,759	850,472,908	657,622,945
Net Assets	1,131,436,335	955,108,059	857,307,909	720,240,479	611,567,693
EQUITY					
Share capital	110,905,670	110,905,670	110,905,670	110,905,670	110,905,670
Retained earnings	668,340,501	534,629,462	450,218,532	344,575,587	253,891,821
Other reserves	352,190,164	309,572,928	296,183,707	264,759,221	246,770,202
Total equity attributable to equity holders of the Company	1,131,436,335	955,108,059	857,307,909	720,240,479	611,567,693

INFINITY MICROFINANCE BANK LIMITED

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31ST DECEMBER 2021, 2020, 2019, 2018 and 2017

	2021 ₦	2020 ₦	2019 ₦	2018 ₦	2017 ₦
Cash flows from operating activities:					
Profit for the period:	200,641,889	119,113,764	159,699,994	123,778,538	133,336,949
Tax expense	(15,000,000)	(12,000,000)	(13,750,000)	(10,000,000)	(12,000,325)
Profit after tax	185,641,889	107,113,764	145,939,884	113,778,538	121,336,624
Adjustments for:					
Depreciation of property and equipment	36,785,397	29,455,494	22,094,195	17,281,728	15,656,886
Depreciation adjustment	-	-	-	-	-
Other adjustment	(25,757,669)	3,608,579	(1,235,397)	4,997,156	15,396,579
Impairment on financial assets	(16,555,975)	(23,395,019)	2,552,942	(3,766,702)	27,125,093
Impairment on available for sale securities	-	-	-	-	-
Additional Impairment	(26,597,000)	-	-	-	-
	153,516,641	116,782,818	169,351,621	132,290,719	179,515,182
Changes in assets/liabilities					
Loans and advances	(272,534,789)	(439,207,283)	(216,643,441)	(252,059,305)	(114,385,494)
Available-for-sale securities	(10,000,000)	-	651,422	(745,400)	-
Held to maturity securities	(3,971,620)	(807,000)	-	(23,211,000)	10,000,000
Other investments	-	12,000,000	(12,000,000)	-	-
Other assets	(6,549,185)	(50,231,215)	18,680,884	(59,548,194)	(947,685)
Deposit liabilities	73,999,410	115,452,011	138,510,454	137,259,063	123,901,903
Deposit for shares	-	35,023,500	-	-	-
Current tax liabilities	8,781,154	(7,213,491)	(499,394)	1,367,770	4,626,360
Term loans	177,100,305	512,319,444	(16,711,344)	52,025,000	(28,575,000)
Other liabilities	47,285,759	35,218,427	21,600,136	2,198,131	(20,516,922)
Net cash (used in)/from operating activities before tax	167,627,675	329,337,211	42,874,33	(10,424,217)	153,618,346
Tax paid	(12,000,000)	(13,750,000)	(10,000,000)	(12,000,325)	(12,516,558)
Net cash (used in)/from operating activities after tax	155,627,675	315,587,211	32,874,33	(22,424,542)	141,101,788
Cash flows from investing activities:					
Purchase of property and equipment	(16,507,979)	(62,423,566)	(19,849,626)	(27,344,961)	(69,807,798)
Net cash (used in)/from investing activities	(16,507,979)	(62,423,566)	(19,849,626)	(27,344,961)	(69,807,798)
Cash flows from financing activities:					
Share capital	-	-	-	-	-
Other reserves	42,617,236	13,389,220	-	-	-
Taxation arrears	15,000,000	12,000,000	-	-	3,524,990
Dividends paid	-	-	-	8,872,454	8,872,454
Net cash (used in)/from financing activities	57,617,236	25,389,220	-	8,872,454	12,497,444
Net increase in cash and cash equivalents	196,736,932	278,552,866	13,024,708	(40,897,048)	83,791,434
Cash and cash equivalents at beginning of year	489,235,500	210,682,634	191,657,926	238,554,974	154,763,542
Cash and cash equivalents at end of year	685,972,432	489,235,500	210,682,634	197,657,926	238,554,976

INFINITY MICROFINANCE BANK LTD

This report is provided by **DataPro** subject to the terms & condition stipulated in our *Terms of Engagement*

CORPORATE RATING REPORT

References

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

EVALUATION

Expires: October, 2022

SUMMARY

- Rating:

BBB

- Report Type:
Corporate
Rating

- Client:
Infinity
Microfinance
Bank Ltd

- Date
Compiled
27-Oct-2021

DataPro Rating: BBB

Short term Rating A2

Previous Rating: NIL

Rating Outlook: Stable

Trend: UP

Currency: Naira

EXECUTIVE SUMMARY

	2020 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000
Gross Earnings	705,723	709,881	585,234	523,685	491,828
Profit Before Tax	107,113	145,939	113,778	121,336	110,104
Shareholders' Funds	955,108	857,307	720,240	611,567	502,728
Deposit Liabs	896,822	781,310	642,860	505,600	381,699
Loans & Advances	1,842,207	1,403,000	1,126,356	874,297	759,912
Total Assets	2,639,214	1,850,614	1,570,713	1,269,190	1,080,915

RATING EXPLANATION

The Short Term Rating of **A2** indicates *Fair Credit Quality* and adequate capacity for timely payment of financial commitments.

The Long Term Rating of **BBB** indicates *Slight Risk*. It shows Fair Financial strength, operating performance and business profile when compared to the standard established by **DataPro**. This Bank, in our opinion, has a very strong ability to meet its ongoing obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever.



Lagos Office: 35A Raymond Njoku Street, Off Awolowo Road, Ikoyi, Lagos.

Abuja Office: 1st Floor, Merit House, Plot 22, Aguiyi Ironsi, Maitama, FCT, Abuja, Nigeria.

T: +234-1-2714042/453-1004/4547932 **E:** info@advocaat-law.com **W:** <https://advocaat-law.com>

22nd August, 2022

FSDH Capital Limited

4th Floor, UAC House

1/5 Odunlami Street

Lagos State

Dear Sirs,

RE: ₦5,000,000,000.00 (FIVE BILLION NAIRA) COMMERCIAL PAPER ISSUANCE PROGRAMME ESTABLISHED BY INFINITY MICROFINANCE BANK LIMITED

We have acted as Solicitors to the Issue in connection with the establishment of a ₦5,000,000,000.00 (Five Billion Naira) Commercial Paper ("Notes") Issuance Programme by Infinity Microfinance Bank Limited ("the Issuer or the Company") for the issuance of discounted zero-coupon commercial papers with a minimum tenor of 15 days and a maximum tenor of 270 days ("the Notes") in an aggregate amount not exceeding ₦5,000,000,000.00 (Five Billion Naira) only ("the Programme or the Transaction")

In the capacity aforesaid, this Legal Opinion ("Opinion") is issued solely in relation to such matters as are customarily the subject of counsel's opinion, on which we are able to express our views and is given only as to the laws applicable as of the date hereof in the Federal Republic of Nigeria and its constituent states ("Nigerian Law").

This Opinion is issued pursuant to the Dealer Agreement executed as of the date hereof and dated August 22, 2022 between the Issuer and the Arranger (as defined below) ("the Dealer Agreement").

1. DEFINITIONS AND INTERPRETATION

Words and expressions used in this Opinion and not otherwise defined herein shall have the same meanings attributed to those terms in the Dealer Agreement. The following terms shall have the meanings set out beside them. Headings and sub-headings in this Opinion are for ease of reference only and do not affect its interpretation.

"Arranger"	means FSDH Capital Limited;
"Authorized Dealer"	means a Nigerian bank licensed by the CBN to deal in foreign exchange;
"Board"	means the Board of Directors of the Issuer;
"CAC"	means the Corporate Affairs Commission of Nigeria;

“CAMA”	means the Companies and Allied Matters Act, 2020 as may be amended from time to time hereafter;
“CBN”	means the Central Bank of Nigeria;
“CBN Guidelines”	means: <ul style="list-style-type: none"> (i) the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the CBN on 11th September, 2019; and (ii) the Letter from the CBN to all Deposit Money Banks and Discount Houses dated 12th July, 2016 with respect to the Mandatory Registration and Listing of Commercial Paper;
“CCI”	means a Certificate of Capital Importation issued by an authorized foreign exchange dealer that is, a Nigerian bank licensed by the CBN to deal in foreign exchange transactions;
“Company Secretary”	means the Company Secretary of the Issuer;
“FIRS”	means the Federal Inland Revenue Service;
“FMDQ”	means FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the Securities and Exchange Commission (“SEC”) to provide a platform for listing, registration, quotation and trading of debt securities amongst others"
“FMDQ Rules”	means Commercial Paper Registration and Quotation Rules issued April 2021 (as may be amended) and includes other rules and regulations governing trading of products within the FMDQ markets, registration, listing and quotation of securities, as well as the conduct of members on the FMDQ platform;
“ISA”	means the Investments and Securities Act No. 29, 2007;
“Issuer or the Company”	means Infinity Microfinance Bank Limited;
“LFN 2004”	means the Laws of the Federation of Nigeria, 2004;
“MEMART”	means Memorandum and Articles of Association;
“Nigerian Court”	means any superior court of record in the Federal Republic of Nigeria being for the purposes hereof, the Supreme Court of Nigeria, the Court of Appeal, the Federal High Court and the High Courts of each State of the Federation of Nigeria;
“Nigerian Taxes”	means the Companies Income Tax charged under the Companies Income Tax Act (CITA), Cap. C21 LFN 2004 (as amended by the Companies Income

	Tax (Amendment) Act, No. 11 of 2007); the Personal Income Tax charged under the Personal Income Tax Act (PITA), Cap. P8 LFN 2004 (as amended by the Personal Income Tax Amendment Act No. 20 of 2011) and Stamp Duties charged under the Stamp Duties Act, Cap. S8 LFN 2004;
“N”	means Nigerian Naira;
“Opinion Documents”	means the documents listed in Schedule 1 of this Opinion;
“SEC”	means the Securities and Exchange Commission;
“SEC Rules”	means the Securities and Exchange Commission Rules and Regulations 2013 (as may be amended from time to time);
“Transaction Documents”	means the documents listed in Schedule 2 of this Opinion.

In this Opinion:

- (a) references to Nigerian Law includes any regulations or bye law made by any authority in Nigeria and any treaty or international convention which Nigeria has ratified and incorporated into domestic law; and
- (b) references to any Nigerian authority are references to any governmental, official, administrative, quasi-judicial or judicial authority or body in Nigeria.

2. SCOPE AND EXTENT OF REVIEW AND EXAMINATION REGARDING THIS OPINION

- 2.1 This Opinion is limited to the laws applicable in the Federal Republic of Nigeria (**“Nigeria”**) as at the date hereof and is provided on the basis that the Opinion will itself be governed by, and construed in accordance with Nigerian law. We do not express any opinion on laws, procedures, matters or other circumstances relating to jurisdictions other than Nigeria. This Opinion is given as at the date hereof based on the information and documents set out in schedules 1 and 2 of this Opinion.
- 2.2 For the avoidance of any doubt, this Opinion shall only be applicable to the Opinion Documents and the opinions expressed herein shall not extend to any other document(s) merely by the fact that such document was mentioned and or referenced in an Opinion Document, which is not itself an Opinion Document.
- 2.3 Except as specifically expressed in this Opinion, we have not examined any other contract, document or agreement other than the Opinion Documents.
- 2.4 Save for the corporate searches conducted at the CAC on March 25, 2022, with respect to the Issuer, we have not carried out or assisted in any investigation or verification of any facts or the reasonableness of any assumption or statement of opinion (including without limitation, matters relating to the solvency of any other person expressed to be a party to the Transaction Documents

or any other person), contained in the Transaction Documents or in determining whether any material fact has been omitted therefrom.

- 2.5 In providing this Opinion, we do not assume any obligation to update or supplement the Opinion to reflect any facts or circumstances which may come to our attention after the date of this Opinion or changes in law which may occur or take effect after the date of this Opinion.
- 2.6 We have made no examination, searches or enquiries concerning any person in any government Ministry, Department and Agency (MDA) or any Court in Nigeria (other than the Issuer) or on any corporate records of a person (other than the Issuer) nor have we examined any documents, other than the Opinion Documents.
- 2.7 We have also made no examination, searches or enquiries concerning any party to any of the Opinion Documents and neither have we examined any documents entered into by, or affecting any person expressed to be a party to any of the Opinion Documents, other than the Opinion Documents.

3. DOCUMENTS EXAMINED

- 3.1 In arriving at the opinions expressed herein, we have examined and relied on all the documents listed in schedules 1 to 3 of this Opinion.
- 3.2 We have also reviewed and relied on such laws, rules and regulations as we have deemed necessary as a basis for the opinion expressed herein.

4. ASSUMPTIONS

In rendering the Opinion below, we have assumed that:

- (a) in our examination of the Opinion Documents, the documents submitted to us are authentic and complete, that all signatures are genuine and that all documents submitted to us as copies are correct and conform to the originals and that no amendments or variations have been made to the Opinion Documents as at the date hereof;
- (b) other than as contained in the Transaction Documents, there are no contractual or similar restrictions contained in any agreement or other arrangements that are binding on the Issuer which would affect the conclusions arrived at in this Opinion or affect the Issuer's ability to establish the Commercial Paper Programme and to issue the Notes and that there are no agreements, letters or other arrangement (other than those in the Transaction Documents) that may modify or are binding or will supersede any part of such Transaction Documents which would affect the opinions expressed herein or render a party incapable of performing its obligations thereunder;
- (c) the Opinion Documents have been duly authorized, and duly executed, by or on behalf of each of the parties thereto (other than the Issuer) and that the performance thereof is within the capacity and powers of each of the parties thereto (other than the Issuer) and constitutes and will constitute legal, valid and binding obligations of each such party enforceable under all relevant applicable laws (other than the laws of Nigeria);

- (d) all resolutions provided have been validly passed in accordance with the requirements of the laws and the MEMART of the Issuer;
- (e) no party has entered into any Transaction Documents in consequence of bad faith, fraud, coercion, duress, misrepresentation or undue influence or on the basis of a mistake of fact or law or believing it to be fundamentally different in substance or in kind from what it is; each of the Transaction Documents have been entered into, and the transactions contemplated therein were agreed to by each of the parties thereto, for the purpose of carrying on their respective businesses, and for the benefit of each of them respectively and on arm's length commercial terms;
- (f) all approval letters, consents and authorizations provided to us are genuine and authentic; all necessary consents, authorizations and licenses (other than those required under Nigerian Law), for the execution, delivery and performance of the obligations under the Transaction Documents have been or will be duly obtained;
- (g) all statements and representations as to matters of fact contained in the Transaction Documents are correct and not misleading save to the extent that such statements relate to matters that we have specifically opined upon in this Opinion and that all representations or facts expressed in or implied by the documents that we have examined are accurate;
- (h) no Notes will be issued with a tenor of more than 270 days or on the basis that the Notes may be rolled over after 270 days;
- (i) the Issuer has been rated in the manner required by applicable regulation or guidelines, and in compliance with FMDQ Rules;
- (j) the documents in the file of the Issuer held at the CAC are the most recent and up to date records of the Issuer;
- (k) No steps have been taken for the administration, insolvency, bankruptcy, liquidation, dissolution, winding up or similar procedure in respect of the Issuer and the Issuer is not insolvent within the meaning of the CAMA, after the dates of the searches referred to in paragraph 5.2 to 5.4 below;
- (l) there are no facts not disclosed to us by the Issuer which would affect the conclusions in this Opinion.

5. OPINION

Based on our review of the Opinion Documents and the foregoing assumptions, and subject to the further qualifications set forth in paragraph 6 below, it is our opinion that:

5.1 Status and capacity

- (a) The Issuer is a private limited liability company, duly registered and incorporated and validly existing under the laws of Nigeria with perpetual corporate existence and the ability to sue and be sued in its own name with full powers, authority and legal capacity to carry on its business as a legal going concern and to own properties and assets;
- (b) The Issuer has the requisite powers and capacity to enter into, deliver and perform its obligations under the Transaction Documents. The Issuer has taken all necessary corporate actions for the due and proper authorization, approval, execution, delivery and performance of the transaction and each of the Transaction Documents to which it is a party and that the Transaction Documents have been duly executed by the Issuer;
- (c) The Issuer has obtained all necessary permits, approvals and licenses from the appropriate authorities to be able to carry on business in Nigeria;
- (d) The MEMART of the Issuer empowers the Issuer to raise money to carry on its operation as it deems fit. Article 37 of the Articles of Association of the Issuer empowers the Board of Directors of the Issuer to borrow money and to mortgage and charge the undertaking, or assets of the Issuer and to issue debenture, debenture stock or other securities, whether outright or as security for any debt. Though the MEMART does not expressly empower the Issuer to issue Notes and to perform its obligations under the Transaction Documents, as a general rule, where the MEMART of a company does not expressly confer powers to issue Commercial Papers, the provisions of CAMA will apply. Section 87 (3) of CAMA states that *'except as otherwise provided in the Company's Articles, the business of the Company shall be managed by the Board of Directors, who may exercise all such powers of the Company as are not by the Act or the articles required to be exercised by the members in general meeting.'* Section 191 of CAMA also permits a company to borrow for the purpose of its business and charge its assets as security for any debt. The provision does not stipulate the level of authorization required. Thus, the quantum of borrowing and the nature of the transaction would determine whether it forms part of day-to-day business that would warrant the Directors to borrow, or whether it falls outside the definition of day-to-day business, in which case a shareholders' resolution would be required. The Issuer has nevertheless provided resolutions of the Shareholders and Board of Directors authorizing this Programme and the issuance of Notes thereunder;
- (e) The obligations assumed by the Issuer under the Transaction Documents constitute unsubordinated, direct, unconditional and general obligations ranking at least *pari passu* in right of payment with all its other present or future unsecured unsubordinated obligations.

5.2 Register of Charges/Mortgages/Encumbrances

The report of a search on the Issuer's file at the CAC conducted on March 25, 2022 indicates that a deed of all-assets debenture dated the 3rd day of May 2020 but filed with the CAC on the 11th day of August 2020 securing the sum of \$1,100,000 (One Million, One Hundred Thousand United

States of America Dollars) was entered into by the Issuer in favour of Oikocredit Ecumenical Development Co-operative Society U.A, Amersfoort and postal Address at Berkenweg 73818 LA Amersfoort, the Netherlands. This deed of all-assets debenture is yet to be discharged.

5.3 Annual Returns

While the report of a search conducted at the CAC on March 25, 2022 indicates that the Issuer filed its Annual Returns up to the year 2012, the Issuer produced a letter written by the CAC which confirms that the Issuer has filed its Annual Return for the year 2020.

5.4 Statement of Affairs

While the report of a search conducted at the CAC on March 25, 2022 indicates that the Issuer filed its Statement of Affairs up to February 2019, the Issuer produced its Statement of Affairs acknowledged by the CAC confirming that the Issuer has filed its Statement of Affairs for February 2022.

5.5 Due Authorization

- (a) The Transaction Documents and the performance of the Issuer's obligations thereunder, and the issue of the Notes, have been duly authorized by the Board, and the Transaction Documents have been duly executed and delivered, in each case by the Issuer.
- (b) The Transaction Documents constitute, and the Notes (when issued) will constitute legal, valid and binding obligations of the Issuer and are enforceable against the Issuer in accordance with their respective terms subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability to general principles of equity regardless of whether enforcement is sought in a proceeding at law and/or in equity.
- (c) The holders of the Notes that will be issued under the Programme will each be entitled, severally, to enforce the terms of the Deed of Covenant.
- (d) All legal, regulatory and corporate authorizations required to enable the Issuer lawfully enter into, exercise its rights and comply with its obligations under the Transaction Documents have been obtained or effected and are in full force and effect.
- (e) No consent, approval, waiver, license, authorization or other action by, or filing with any Nigerian governmental authority is required in connection with the consummation by the Issuer of the transactions contemplated under the Transaction Documents or the performance by the Issuer of its obligations thereunder, except for those already obtained.

5.6 No conflict

The execution, delivery and performance by the Issuer of its obligations under the Transaction Documents and the issuance of the Notes will not conflict with, violate, contravene or constitute a breach or default under:

- a. The MEMART of the Issuer;
- b. The CAMA; or

- c. Any other law, statute, rule or regulation in force in Nigeria applicable to the Issuer.

5.7 Fillings, Registrations or Consents

- (a) Save for the requirement to pay stamp duties on the Transaction Documents at the Stamp Duties Office of the FIRS and the filling of the Transaction Documents at the FMDQ in accordance with the FMDQ Rules, it is not necessary under the laws of Nigeria that any Transaction Document be filed, registered, recorded or notarized before or with any court, public office or other authority in Nigeria in order to ensure the legality, validity, enforceability and the admissibility in evidence of any of the Transaction Documents or the performance by the Issuer of its obligations under the Transaction Documents (including the issuance of the Notes);
- (b) The issuance of the Notes by the Issuer does not require SEC's approval or registration with the SEC. Section 313(1) (h) of the ISA provides that the SEC may, from time to time, make rules and regulations for the purpose of giving effect to the ISA and may, in particular, make rules and regulations, among other things, prescribing that the provisions of the ISA shall not apply or shall apply with such modifications, if any, as may be specified in the regulations to any person or any securities or to any transaction. The SEC has on this basis, and by virtue of Rule 8 of the SEC Rules provided that the provisions of the ISA and the SEC Rules requiring registration shall not apply to, among other things, any note, bill of exchange or banker's acceptance which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions and which has a maturity, at the time of issuance, not exceeding nine (9) months exclusive of days of grace, or the maturity of which is likewise limited. This means that commercial papers which have a maturity of two hundred and seventy (270) days (such as the Notes) are not required to be registered with the SEC;
- (c) By virtue of the FMDQ Rules, Commercial Papers sought to be quoted on FMDQ shall first be registered in accordance with the Rules. The Notes have been issued in compliance with the requirements of the CBN Guidelines and FMDQ Rules and are therefore liable to be registered under the Rules.

5.8 Taxation

- (a) Under the CITA and the PITA, the Issuer ordinarily has an obligation to withhold tax on interest payments to Noteholders and to remit the tax withheld to the FIRS except where such interests are specifically exempted from tax. Withholding tax is an advance and indirect source of taxation deducted from the income of the taxpayer and it is deductible at the rate of ten (10) percent, from interest payments made to investors. However, since the Notes to be issued under the Programme will be zero-coupon notes, which will be offered and sold at a discount to face value and as such not bear interest, the Issuer would not be under obligation to withhold tax, except in the case of a late payment, where interest will accrue on the redemption monies to be paid to the Noteholders. Notwithstanding, the discount on the Notes may be taxed in accordance with current Nigerian Taxes as may be applicable to a Noteholder;

- (b) Payments of principal made by the Issuer to each of the Noteholders will not be subject to tax in Nigeria and the Issuer is not required to withhold tax on such payments;
- (c) Other than value added tax payable on the fees due to a selling or buying agent, the Noteholders will have no obligation to pay value added tax in relation to the sale or purchase of the Notes. Any sale of Notes by a Noteholder resident in Nigeria will give rise to a capital gains tax obligation at the rate of 10 percent (10%) on the gain realised from a disposal of such Notes.
- (d) The Stamp Duties Act requires stamp duty to be paid, at the rates specified therein, on instruments executed in Nigeria “or relating wheresoever executed, to any property situate in or to any matter or thing done or to be done in Nigeria” failing which such instruments will not be admissible in evidence in any civil legal proceedings in Nigeria except and until the payment of the correct duty in addition to the prescribed penalty.
- (e) The Transaction Documents, being instruments executed in Nigeria or that relate to a matter or thing done or to be done in Nigeria, will be subject to the payment of stamp duty at the applicable rate. The applicable rate of stamp duty can only be confirmed following an assessment of the Transaction Documents by the Stamp Duties Commissioner.
- (f) Stamp duty shall be paid within 30 (thirty) days after the execution of the Transaction Documents in Nigeria and where executed outside Nigeria, stamp duty shall be paid within 30 (thirty) days after the date the documents are first brought into Nigeria or retrieved (electronically) from a device in Nigeria. Where a document is sought to be stamped outside the prescribed timeline, the unpaid duty shall be paid together with a penalty to be assessed by the Stamp Duties Commissioner.
- (g) The applicable rate of stamp duty on the Notes can only be confirmed following an assessment of the Transaction Documents by the Commissioner for Stamp Duties.

5.9 Non-Nigerian Investors

- (a) Residents and non-residents of Nigeria may invest in, acquire, deal in or dispose of, the Notes.
- (b) Under Nigerian law, an entity that is not incorporated in Nigeria will not, by reason of its purchase of the Notes, and enforcing its rights thereunder be:
 - i. required to be incorporated in Nigeria or be required to comply with any requirement as to foreign registration in Nigeria;
 - ii. required to make any filing with any court or other agency in Nigeria prior to any enforcement of the Transaction Documents (including the Notes); or

- iii. deemed to be resident, domiciled or carrying on business in Nigeria for tax or any other purpose and the performance by any party of any of its rights, duties, obligations or representations under the Transaction Documents (including the Notes) will not violate any existing applicable law or regulation in Nigeria.
- (c) Pursuant to Section 15 of the Foreign Exchange (Monitoring and Miscellaneous provisions) Act Cap F34 LFN 2004, a non-Nigerian Noteholder is permitted to import foreign exchange into Nigeria to invest in the Notes and obtain a CCI in respect of such foreign capital. A CCI entitles the investor to open a foreign currency domiciliary account with any Authorised Dealer and also open a special non-resident Naira account. A CCI serves as evidence that foreign currency has been brought into Nigeria and converted into Naira to invest in securities, such as the Notes. A CCI will permit a non-Nigerian Noteholder to have access to the official foreign exchange market for payments in respect of the Notes, subject to appropriate documentation. Such monies may, also, be repatriated out of Nigeria, without restriction and without the need to obtain any consent, approval, license, or permission of any person or authority other than the routine approval of the Authorised Dealer through which the foreign currency will be repatriated.

5.10 Ranking of Claims

Each Note shall constitute a senior unsecured obligation of the Issuer. The Notes shall rank *pari passu* 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 subject to the effect of applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5.11 Governing law

The parties' choice of Nigerian law as the governing law of the Transaction Documents will be upheld and applied by the courts in Nigeria.

5.12 Immunity and Set Off

Neither the Issuer nor any of its assets are entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (which shall include, without limitation, suit, attachment prior to judgment, execution or other enforcement).

5.13 Winding up

- (a) Based on our searches at the registries of the CAC on March 25, 2022, we confirm that as at March 25, 2022, no documents had been filed at the CAC for the administration, winding up, bankruptcy, liquidation, dissolution or similar procedure in respect of the Issuer.
- (b) Subject to bankruptcy and insolvency laws generally applicable to Nigerian companies, in the event of bankruptcy or insolvency proceedings involving the Issuer, the obligations of the Issuer under the Transaction Documents will remain valid, binding and enforceable. Upon the commencement of winding-up proceedings against the Issuer, no attachment or execution can be levied against its assets.

- (c) Subject to bankruptcy and insolvency laws generally applicable to Nigerian companies, upon the maturity of the Notes, in the event that the Issuer is unable to discharge any of its obligations to the Noteholders, the Noteholders (as creditors of the Issuer) are entitled to apply for the winding up of the Issuer on the ground of the Issuer's inability to pay its debts.
- (d) The Notes are neither secured nor guaranteed and the Issuer has created no security interests in favour of the Noteholders by the Transaction Documents and in the event of the insolvency of the Issuer, Nigerian law would regard the Noteholders as unsecured creditors of the Issuer for all purposes.

5.14 Disputes, Claims and Litigation

We were informed by the Issuer that there are no pending or existing disputes, claims and or litigation against it.

6. QUALIFICATIONS

6.1 The opinions set out above are subject to the following qualifications:

- (a) This Opinion is given solely on the basis of laws applicable in the Federal Republic of Nigeria as of the date hereof and not any other jurisdiction;
- (b) In the case of such laws that have been subject to judicial interpretation or court action, we have relied on them as construed and enforced by duly constituted superior courts of record within Nigeria.
- (c) With respect to the laws aforesaid that have not been subject to judicial interpretation or been subject of court action, we have relied on those laws on the basis of our belief of how they will be so interpreted and enforced by the courts aforesaid;
- (d) This opinion is subject to the limitations arising from bankruptcy, insolvency, liquidation, moratorium, reorganization and similar laws of general application affecting the rights of contracting parties or creditors generally;
- (e) The ranking of any security may be affected by the mandatory provisions of applicable bankruptcy, insolvency and/or liquidation laws;
- (f) Orders for specific performance and injunctions are, in general, discretionary remedies under Nigerian Law and specific performance is not available where damages are considered by the courts to be an adequate alternative remedy;
- (g) A court may refuse to give effect to a provision of an agreement in respect of the costs of unsuccessful litigation where the court has itself made an order for costs;
- (h) Claims may become barred by applicable prescription periods or statutes of limitation and may be or become subject to defences of set-off or counter-claim;

- (i) Where obligations governed by Nigerian Law are to be performed in a jurisdiction outside Nigeria, they may not be enforceable in Nigeria to the extent that performance would be illegal under the laws of that jurisdiction;
- (j) Enforcement under Nigerian Law may be limited by general principles of equity such that equitable remedies may not be available where damages are considered by the court to be an adequate remedy;
- (k) Under Nigerian law, Nigerian Courts may imply terms into an agreement, especially (a) where it is intended to give business efficacy to a contract; (b) where the term is an obvious inference from the agreement; and (c) where the terms of the contract are incomplete and the court intends to ascertain what the exact intentions of the parties were;
- (l) The enforcement of obligations may be invalidated by reason of fraud, undue influence, coercion or duress in which case discretionary power may be required to be exercised reasonably and any determination may be expected to be based on reasonable grounds;
- (m) The Nigerian Courts will, in certain circumstances, decline to enforce rights or obligations (a) which they regard as being contrary to public policy; or (b) which would involve the enforcement of foreign revenue or penal laws; and
- (n) We express no opinion on any laws, procedures, matters or other circumstances arising from, or applicable in jurisdictions other than Nigeria.

6.2 The expression “enforceable” as used in this Opinion means that the obligations of the Issuer under the Transaction Documents are of a type which the courts in Nigeria will enforce. It does not mean that those obligations will be enforced in all circumstances in accordance with their terms. In addition, but without limitation, the power of a Nigerian court to order specific performance of an obligation, to stay proceedings or to grant injunctive relief or any equitable remedy, is discretionary and, accordingly, we express no opinion as to whether such remedies would be available in respect of any of the obligations of the Issuer and a Nigerian court may make an award of damages where specific performance of an obligation or any other equitable remedy is sought.

6.3 Under Nigerian law, the Federal High Court has exclusive jurisdiction in matters relating to the insolvency and winding up of a Nigerian company. The Nigerian Court will generally recognise and enforce any judgments made by all Courts of competent jurisdiction in Nigeria. In addition, any monetary judgment of the Nigerian Court in respect of a claim brought in connection with the Transaction Documents may be expressed in the currency in which such claim is made, but where such claim is made in a foreign currency, the court is not mandatorily required to do so.

6.4.1 The Issuer’s registered office and/or head office is located in Lagos State. While there are about 35 divisions of the Federal High Court which is the appropriate Court where any insolvency and or winding up proceedings will typically be filed, the Lagos State Judicial Division of the Federal High Court would be the appropriate forum where any proceedings against the Issuer should be filed in accordance with the requirements of the law.

7. Benefits of Opinion

- 7.1** This Opinion is addressed to the addressees above in connection with the offer and sale of the Notes and is given for the purpose of the transactions contemplated by the Transaction Documents.
- 7.2** This Opinion is not to be relied upon by anyone else or quoted in any public document without our prior express written consent, other than those professional advisers or persons (such as auditors, legal advisers or insurers) who, in the ordinary course of their business have access to the information and records of the Arranger(s) or are entitled by law to have access to them on the basis that such persons will make no further disclosure without our express written consent.
- 7.3** This Opinion may be included in the Programme Memorandum, and you may release a copy of this Opinion: (a) to the extent required by any applicable law or regulation; (b) to any regulatory authority having jurisdiction over you; (c) in connection with any actual or potential dispute or claim to which you are a party relating to the issue of any Note, in each case for the purposes of information only on the strict understanding that we assume no duty or liability whatsoever to any such recipient as a result or otherwise.
- 7.4** This Opinion is given as of the date hereof and we have not undertaken any obligation to update this Opinion in the event of changes in current law or interpretations thereof or additional or new legislation.

We hope you find the foregoing useful. Please do not hesitate to revert in the event that you require further clarification.

Yours faithfully

For: **Advocaat Law Practice**



Ola Alokolaro
Senior Partner

SCHEDULE 1
OPINION DOCUMENTS

- (a) A copy of the Certificate of Incorporation of the Issuer dated 9th August 2007 affirming the change of name of the Issuer from Infinity Community Bank Limited to Infinity Microfinance Bank Limited (“the Issuer”).
- (b) A certified true copy of the MEMART of the Issuer certified by the CAC on 4th September 2007.
- (c) A certified true copy of Form CAC 7A (Particulars of Directors) of the Issuer certified by the CAC on 17th March 2016.
- (d) An extract of the resolution of the Board dated 27th January 2022 by which the Board approved the establishment of the Programme and the issuance and offering of the Notes.
- (e) An extract of the resolutions of the Shareholders of the Issuer dated 27th January 2022 by which the Shareholders resolved and authorized the Board to raise funding of up to ₦5,000,000,000.00 (Five Billion Naira) through issuance of commercial paper.
- (f) A copy of the Banking License of the Issuer dated 22nd October 2007.

SCHEDULE 2
TRANSACTION DOCUMENTS

- i. The Dealer Agreement dated August 22, 2022 and entered into between the Issuer and FSDH Capital Limited
- ii. The Deed of Covenant dated August 22, 2022 executed by the Issuer as a deed poll in favour of the Noteholders
- iii. The Issuing, Calculation and Paying Agency Agreement dated August 22, 2022 and entered into between the Issuer and FSDH Merchant Bank Limited
- iv. The Programme Memorandum dated August 22, 2022

SCHEDULE 3
SEARCH REPORT OBTAINED FROM THE CAC

- i. The Search Report obtained from the CAC dated March 25, 2022

GENERAL INFORMATION

Authorisation

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of Infinity Microfinance Bank dated 27 January 2022.

Auditors

Olu Aladejebi & Co. acted as auditors of the annual financial statements of the Issuer for the financial years ended December 31, 2017, December 31, 2018, December 31, 2019, December 31, 2020 and December 31, 2021 and was responsible for the audit, and issued unqualified reports.

Commercial Paper Outstanding

The Issuer has no commercial paper outstanding as at the date of this Programme Memorandum. Within the financial year ending 31 December 2021, 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

Infinity MFB 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:

- i. the Deed of Covenant dated 22 August, 2022 executed by the Issuer as a deed poll in favour of the Noteholders;
- ii. the Dealer Agreement dated 22 August, 2022 executed by the Arranger and the Issuer; and
- iii. the Issuing, Calculation and Paying Agency Agreement dated 22 August, 2022 executed by the Issuer and the Issuing, Calculation and Paying Agent.

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.

PARTIES TO THE TRANSACTION

ISSUER

Infinity Microfinance Bank Limited
580, Ikorodu Road
Kosofe, Mile 12
Lagos, Nigeria

Okedotin Adesimmi
[Signature]

ARRANGER

FSDH Capital Limited
4th Floor, UAC House
1/5, Odunlami Street
Marina, Lagos Island
Lagos, Nigeria

[Signature]
TOLU OSINIBI

AUDITOR

Olu Aladejebi & Co.
4, Turton Street
Sabo, Yaba
Lagos, Nigeria

[Signature]
Aladejebi
Chufemi Aladejebi

SOLICITOR

Advocaat Law Practice
35A Raymond Njoku Street
Off Awolowo Way
Ikoyi
Lagos, Nigeria

OLA AROKOLANU
[Signature]

ISSUING, CALCULATION AND PAYING AGENT

[Signature]
TAIWO OTITI

FSDH Merchant Bank Limited
5th – 8th Floors, UAC House
1/5, Odunlami Street
Marina, Lagos Island
Lagos, Nigeria