

This document is important and you are advised to carefully read and understand its contents. If you are in any doubt about the contents of this document or any action to be taken, it is recommended that you consult your Stockbroker, Banker, Solicitor, Accountant or any other professional adviser duly registered under the Investment and Securities Act No. 29, 2007(as amended) (the "ISA" or the "Act") for guidance immediately.

This Pricing Supplement and the Securities, which it offers, have been registered by the Securities and Exchange Commission ("SEC" or the "Commission"). The ISA provides for civil and criminal liabilities for the issue of a prospectus, which contains false or misleading information. The registration of this Pricing Supplement and the Securities, which it offers, does not relieve the parties of any liability arising under the Act for false or misleading statements or for any omission of a material fact in this Pricing Supplement.

Investing in this offer involves risk. For information concerning certain Risk Factors which should be considered by prospective Qualified Institutional Investors and High Net-worth Investors, please refer to the section on risk factors on pages 73-84 of the Shelf Prospectus issued for the Programme.

Investors may confirm the clearance of the prospectus and registration of the securities with the Securities & Exchange Commission by contacting the Commission on [sec@sec.gov.ng](mailto:sec@sec.gov.ng) or +234(0)94621100; +234(0) 94621168



RC 1079631

**FCMB GROUP PLC**  
**OFFER FOR SUBSCRIPTION**  
**(BY WAY OF A BOOK BUILD)**

**OF**

**₦20,686,000,000 SERIES I: PERPETUAL 16% FIXED RATE RESETTABLE NC5.25 ADDITIONAL TIER 1 SUBORDINATED BONDS**  
**(OFFERED TO QUALIFIED INSTITUTIONAL INVESTORS AND HIGH NET WORTH INVESTORS)**

**UNDER THE ₦300,000,000,000 (THREE HUNDRED BILLION NAIRA) DEBT ISSUANCE PROGRAMME**

**Book Opens: January 24, 2023**

**Book Closes: February 3, 2023**

This Pricing Supplement has been prepared pursuant to Rule 321 of the Rules and Regulations of the Securities & Exchange Commission ("the **Commission**" or "**SEC**") (as amended), the listing requirements of the FMDQ Securities Exchange Limited ("**FMDQ**") and the rules and regulations of Nigerian Exchange Limited ("**NGX**") in connection with the issuance of ₦20,686,000,000 (Twenty Billion, Six Hundred and Eighty-Six million Naira) Bonds under the ₦300,000,000,000 Debt Issuance Programme established by FCMB Group Plc ("the **Issuer**"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated **February 16, 2023** as amended and/or supplemented from time to time (the "**Shelf Prospectus**") and with all documents which are incorporated therein by reference. Any capitalised terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement except otherwise expressly stated. A copy of this Pricing Supplement has been delivered to the Commission for registration.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from any of the Issuing Houses.

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than three years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder ("the Series I Bonds" or "Bonds"). **An application has been made to both the NGX and FMDQ for the admission of the Bonds to the respective Daily Official List and the Daily Quotation List of the relevant Exchanges.** The Bonds will also qualify as a security in which Trustees may invest under the Trustee Investments Act (Chapter T22) Laws of the Federation of Nigeria, 2004.

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement and declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus as amended and/or supplemented from time to time has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus as amended and/or supplemented from time to time. It is a civil wrong and a criminal offence under the ISA to issue a Prospectus which contains false or misleading information. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Pricing Supplement is provided for in sections 85 and 86 of the ISA.

**LEAD ISSUING HOUSE/BOOK RUNNER**



**CHAPEL HILL DENHAM**  
RC 1381308

**JOINT ISSUING HOUSE/BOOK RUNNER**



CAPITAL MARKETS

RC 446561

**THIS PRICING SUPPLEMENT IS DATED THIS 16 DAY OF FEBRUARY 2023**

**THIS PRICING SUPPLEMENT WILL BE AVAILABLE ON THE FOLLOWING WEBSITES:**

[www.chapelhilldenham.com](http://www.chapelhilldenham.com) [www.fcmbgroup.com](http://www.fcmbgroup.com) [www.sec.gov.ng](http://www.sec.gov.ng)

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## 1. DEFINITIONS

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

Terms	Definition
“Additional Tier 1 Capital” or “AT1 Capital”	Capital comprised of instruments that are not common equity, and are perpetual as there is no fixed maturity, and no incentives for the Issuer to redeem them; as more specifically defined in the Guidelines on Regulatory Capital issued by Central Bank of Nigeria in September 2021 (as may be amended, modified, supplemented or superseded from time to time and/or other applicable circulars, guidelines, guidance notes, regulatory decisions or regulations issued from time to time)
“Additional Tier 1 Instruments” or “AT1 Bonds” or “AT1 Instruments”	Any securities or other instruments that at the time of issuance constitute Additional Tier 1 Capital of the Issuer and/or the Regulatory Group
“Allotment Date”	The date on which the Bonds are allotted to successful bidders
“Allotment”	The issue of Bonds to successful bidders pursuant to the completion of the Book Build
“Applicable Distribution Regulations”	Means at any time the laws, regulations, regulatory decisions, requirements, guidelines, and policies relating to the making of any distribution by the Issuer to its shareholders by way of dividend then in effect in the Federal Republic of Nigeria including, without limitation to the generality of the foregoing, the Capital Guidance and those regulations, decisions, requirements, guidelines and policies relating to the making of any such distribution of the CBN to the extent then in effect in the Federal Republic of Nigeria (whether or not any such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer).
“Assets”	Means the total amount of the non-consolidated gross assets of the Issuer as shown in its latest published audited consolidated balance sheet, but adjusted for contingencies and subsequent events in such manner as the directors of the Issuer, the auditor of the Issuer or a liquidator, judicial manager, business rescue practitioner, administrator or curator of the Issuer (if applicable) may determine
“Auditors” or “Deloitte”	Deloitte & Touche Nigeria
“Benchmark Rate”	Means, with respect to the Reset Date, the rate per annum equal to: (a) the yield on FGN Bond on the last day of the week immediately prior to the Reset Determination Date, <i>as quoted in the daily quotation list of FMDQ</i> for the maturity of five years; or (b) if such maturity is unavailable, the yield determined by way of interpolation for such maturity
“Board” or “Directors”	The Board of Directors of FCMB Group Plc
“BOFIA”	Banks and Other Financial Institutions Act 2020
“Bonds” or “Series I Bonds”	The AT1 Instrument that will be issued by the Group under the terms of this Pricing Supplement
“Bondholder” or “Holder”	In relation to the Bonds, a person (whether currently or in the future) registered in the Register of the Bonds and shall include the legal, personal representative or successor of such holder and those entered as joint holders
“Bond Trustee(s)” or “Trustee(s)”	ARM Trustees Limited and FCMB Trustees Limited
“Book”	The collation of all bids received from Qualified Investors in respect of the Offer, indicating the value of the bids, the coupon bid and the respective allocations
“Book Runner(s)”	Chapel Hill Denham Advisory Limited and FCMB Capital Markets Limited

“Book Building”	The process of price and demand discovery through which the Book Runners will determine the price at which the Bonds will be issued, based on the demand from the Qualified Investors
“Business Day”	Any day(s) except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria, on which banks are open for business in Nigeria
“CAC”	Corporate Affairs Commission
“Calculation Agent”	Chapel Hill Denham, the Lead Financial Adviser, who shall have responsibility for calculating the Rate of Interest. All determination and any calculations made by the Calculating Agent for the purposes of calculating the applicable Benchmark Rate shall be conclusive and binding on the holders of the Bonds, the Issuer and the Trustee, absent manifest error
“CAMA”	Companies and Allied Matters Act 2020
“Capital Disqualification Event”	Means if, as a result of any change or amendment in: <ul style="list-style-type: none"> <li>a. applicable law (including the Regulatory Capital Requirements) which is in effect on the date of issue of the Bonds, or</li> <li>b. the application or official interpretation thereof, which change in application or official interpretation is confirmed in writing by the Relevant Regulator,</li> </ul> which change or amendment becomes effective on or after the Issue Date and the Issuer has demonstrated to the Relevant Regulator that the regulatory reclassification of the Bonds was not reasonably foreseeable at the Issue Date, all or any part of the aggregate Principal Amount Outstanding of the Notes is not eligible for inclusion as AT1 Capital of the Issuer on a solo basis and/or the Regulatory Group on a consolidated basis (save where such exclusion is only as a result of any applicable limitation on the amount of such capital that the Issuer and/or the Regulatory Group is permitted to count towards its applicable Regulatory Capital Requirements)
“Capital Guidance”	Means the Regulatory Capital Measurement and Management Framework for The Implementation Of Basel II/III for the Nigerian Banking System (published on 10 December 2013), Guidance Notes on Regulatory Capital (published on 24 June 2015), Guidance Notes on the Calculation of Regulatory Capital (published on 10 December 2013), the CBN Prudential Guidelines for Deposit Money Banks in Nigeria (published on 8 July 2010) and the Guidelines on Regulatory Capital, Guidelines on Leverage Ratio, Guidelines on Liquidity Coverage Ratio, Guidelines on Liquidity Monitoring Tools, Guidelines on Large Exposures, Guidelines on Liquidity Risk Management and Internal Liquidity Adequacy Assessment Process, Revised Guidelines on Supervisory Review Process of Internal Capital Adequacy Assessment Process (SRP/ICAAP), each dated March 2020 and listed in the CBN Circular dated 2 September 2021 on Basel III Implementation by Deposit Money Banks in Nigeria, each as amended, modified, supplemented or superseded from time to time and/or other applicable circulars, guidelines, guidance notes, regulatory decisions or regulations issued by the Relevant Regulator from time to time
“Capital Regulations”	At any time the laws, regulations, communiqués, regulatory decisions, requirements, guidelines, guidance notes and policies relating to capital adequacy then in effect in Nigeria as applicable to the Issuer and/or the Regulatory Group including, without limitation to the generality of the foregoing, the Capital Guidance and those regulations, decisions, requirements, guidelines and policies of the Relevant Regulator relating to capital adequacy to the extent then in effect in Nigeria (whether or not any such requirements, guidelines, guidance notes or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Regulatory Group)
“CBN”	Central Bank of Nigeria

“CET1”	Common Equity Tier 1
“Chapel Hill Denham”	Chapel Hill Denham Advisory Limited
“Conditions” or “Terms and Conditions”	Terms and conditions in accordance with which the Bonds will be issued, as set out in the “Terms and Conditions of the Bonds” section of the Shelf Prospectus , the “Summary of the Offer” section of the Pricing Supplement and the Programme Trust Deed
“Coupon”	The interest paid on the Bond periodically expressed as a percentage of the Face Value of the Bond as specified in this Pricing Supplement
“Coupon Commencement Date”	The date on which the Coupon on the Bond will begin to accrue to Bondholders as specified in this Pricing Supplement
“Coupon Payment Date”	The date on which the Coupon becomes payable to the Bondholders as specified in this Pricing Supplement
“CSCS” or “Clearing System”	Central Securities Clearing Systems Plc
“Debt Issuance Programme” or the “Programme”	The ₦300,000,000,000 Debt Issuance Programme that has been registered by FCMB Group Plc pursuant to which the Group may issue Series/tranches of Bonds from time to time to a maximum value of ₦300,000,000,000 (Three Hundred Billion Naira)
“Distributable Items”	Means, with respect to any payment of interest or dividend, the available distributable items as defined for this purpose in the Applicable Distribution Regulations (regardless of the terminology used therein); on the date of the issue of the Bonds, such term refers to – on the basis of the most recent audited unconsolidated financials of the Issuer -the Issuer’s accumulated, realised profits (so far as not previously utilised by distribution or capitalization), less its accumulated, realised losses (so far as not previously written-off in a lawfully made reduction or reorganisation of capital), retained earnings and other items eligible for distribution by the Issuer to its shareholders in any financial year of the Issuer by way of dividend in accordance with BOFIA
“Exchange”	The FMDQ, the NGX or any other securities exchange recognised by the Commission on which the Bonds are listed
"Face Value"	The nominal value of the Bond
“FGN” or “Federal Government”	Federal Government of Nigeria
“FCMB Group” or “Group” or “Issuer”	FCMB Group Plc, a public limited liability company incorporated under the laws of the Federal Republic of Nigeria with RC 1079631
“First Reset Date”	Means May 16, 2028
“Fixed Rate”	The rate of interest payable in respect of Fixed Rate Bonds
“Fixed Rate Bonds”	Bonds in respect of which interest is to be calculated and paid on a Fixed Rate basis and will not change during the life of the Bonds
“FMDQ” or “FMDQ Exchange”	FMDQ Securities Exchange Limited, an over-the-counter securities exchange and self-regulatory organization licensed by the SEC to provide a platform for, inter alia, the listing, quotation, registration and trading of securities
“FMDQ-D”	FMDQ Depository Limited, a securities depository and clearing system

“GCR”	Global Credit Rating Company Limited
“High Net-Worth Investors”	As defined in the SEC Rules
“ISA” or “the Act”	Investments and Securities Act (No. 29 of 2007) as may be amended from time to time
“Intercompany Notes”	The notes issued by the Bank to the Issuer pursuant to and on terms specified in the Notes Issuance Agreement dated February 16, 2023 executed amongst the Issuer, the Bank and the Trustees
“Interest Period”	The period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date
“Issue Date”	The date on which the Bonds are issued and when accrual of the interest commences
“Issue Price”	The price at which the Bonds are issued
“Issuing Houses”	Chapel Hill Denham and FCMB Capital Markets Limited, being the mandated Issuing Houses
“Junior Loss Absorption Instruments”	Any Non-Viability Loss Absorbing Instrument that is or represents a Junior Obligation
“Junior Obligations”	Means Ordinary Share together with any other payment obligations of the Issuer, which obligations in each case rank, or are expressed to rank, junior to the Issuer’s obligations under the Bonds
“LFN”	Laws of the Federation of Nigeria
“Liabilities”	Means the total amount of the non-consolidated gross liabilities of the Issuer as shown in its latest published audited consolidated balance sheet, but adjusted for contingencies and subsequent events in such manner as the directors of the Issuer, the auditor of the Issuer or a liquidator, judicial manager, business rescue practitioner, administrator or curator of the Issuer (if applicable) may determine
“Minimum Participation Amount”	<b>₦5,000,000</b> (1.e 5,000 units @ <b>₦1,000/unit</b> ) and multiples of <b>₦1,000,000</b> thereafter
“Naira/NGN” or “ <del>₦</del> ”	Nigerian Naira
“NDIC”	Nigeria Deposit Insurance Corporation
“Nigeria”	The Federal Republic of Nigeria and the word “Nigerian” shall be construed accordingly
“Non-Viability Event”	Means the earlier of: (a) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer (on an individual basis) or the Regulatory Group (on a consolidated basis or as otherwise required by the Capital Regulations) would become non-viable as determined by the Relevant Regulator; or (b) a decision that a Write-off, conversion or write-down of the Bonds, without which the Issuer (on an individual basis) or the Regulatory Group (on a consolidated basis or as otherwise required by the Capital Regulations) would

	become non-viable is necessary as determined by the Relevant Regulator, as specified in a notice in writing by the Relevant Regulator to the Issuer in accordance with the Capital Regulations
“Non-Viability Event Notice”	A notice which specifies (at a minimum) that a Non Viability Event has occurred, that the Bonds will be Written-off as a result of the occurrence of the Non Viability Event, the Written off Amount, and the Write-off Date. Such notice shall also contain an instruction by the Issuer (through the Registrars) to the CSD to cease all clearance and settlement of transfers in the Bonds during a Suspension Period, or such other instructions that may be relevant according to the then applicable rules and regulations of such clearing system
“Non-Viability Loss Absorbing Instrument”	Means at any time, any security or other instrument or payment obligation which may have all or some of its Principal Amount Written-off (whether in whole or in part or on a permanent or temporary basis) or converted to the most subordinated form of equity of the Issuer (whether in whole or in part) on the occurrence, or as a result, of the occurrence of the Non-Viability Event
“Non- Viability Trigger Event”	Means when the CET falls to below the required regulatory CET level
“Offer”	The offer of the Bonds to investors
“Ordinary Shares”	The ordinary shares of the Issuer held by its shareholders including paid-up and unpaid-up ordinary shares
“Outstanding”	Means , in relation to the Bonds issued other than: (a) those Series 1 Bonds which have been redeemed and cancelled pursuant to the Conditions or which have been written-off (to the extent they have been so Written-off); (b) those Series 1 Bonds in respect of which the date (including, where applicable, any deferred date) for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Trustees and remain available for payment in accordance with the Conditions (c) those Series 1 Bonds which have been purchased and cancelled in accordance with the Conditions; (d) those Series 1 Bonds which have become void or in respect of which claims have been proscribed
“Par Value” or “Nominal Amount”	The nominal value of the Bonds
“Parity Loss Absorbing Instruments”	Means any Non-Viability Loss Absorbing Instrument that is or represents a Parity Obligation
“Parity Obligations”	Means any obligations of the Issuer in respect of any Additional Tier 1 instruments, any preference shares (as defined under Section 868 of CAMA or any other similar class of preferred instrument) of the Issuer, or other payment obligations or securities or other capital instruments issued by the Issuer, which in each case rank, or are expressed to rank, <i>pari passu</i> with the Issuer’s obligations under the Bonds
“Pricing Supplement” or “Supplementary Shelf Prospectus”	This document issued pursuant to the Shelf Prospectus which shall provide final terms and conditions of the Series I Bonds issued under the Programme and read in conjunction with the Shelf Prospectus

"Principal Amount"	The nominal amount of each Bond as specified in this Pricing Supplement
"Professional Parties"	Professional advisers engaged by the Issuer to facilitate the registration and issuance of the Bonds
"Programme Trust Deed"	The Programme Trust Deed entered into by the Issuer and the Trustees dated February 16, 2023
"Qualified Institutional Investor"	An investor that is so designated by the Commission including Banks, Fund Managers, Pension Fund Administrators, Insurance Companies, Investment/Unit Trusts, Multilateral and Bilateral Institutions, Registered and/or Verifiable Private Equity Funds, Registered and/or verifiable Hedge Funds, Market Makers, Staff Schemes, Trustees/Custodians, Stock Broking Firms and any other category of the investor, as stipulated by Rule 321 of the Rules and Regulations
"Qualifying Additional Tier 1 Securities"	<p>Means any securities or other instruments issued directly or indirectly by the Issuer that:</p> <ul style="list-style-type: none"> <li>a) have terms not materially less favourable to a Bondholder, as reasonably determined by the Issuer following the advice of an independent financial institution of international standing, than the terms of the Bonds, provided that they shall: <ul style="list-style-type: none"> <li>(i) include a ranking at least equal to that of the Bonds;</li> <li>(ii) have the same interest rate and Interest Payment Dates as those from time to time applying to the Bonds;</li> <li>(iii) have the same redemption rights as the Bonds;</li> <li>(iv) comply with the then current requirements of Capital Regulations in relation to Additional Tier 1 Capital; and</li> <li>(v) preserve any existing rights under the Bonds to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation (to the extent such interest has not been cancelled); and</li> </ul> </li> <li>(b) are listed on a recognised stock exchange if the Bonds were so listed immediately prior to such substitution or variation</li> </ul>
"Qualified Investors"	Qualified Institutional Investors and High Net-Worth Investors
"Rating Agencies"	GCR, DataPro Limited
"Receiving Agent"	The Lead Issuing House, the Joint Issuing Houses and the Stockbrokers
"Receiving Bank"	FSDH Merchant Bank Limited
"Record Date"	The date on which the list of holders of the Bonds is extracted from the register for the purpose of making coupon payments
"Redemption Amount"	The aggregate Principal Amount Outstanding in respect of the Bonds under certain circumstances

“Register”	The record maintained by the Registrar detailing the particulars of Bondholders, respective Bonds held by each Bondholder and the particulars, transfers and redemption of Bonds held by each Bondholder
“Registrars”	Meristem Registrars & Probate Services Limited
“Regulatory Group”	Means the Issuer and its Subsidiaries, from time to time, taken as a whole, and any other undertakings from time to time consolidated with the Issuer for regulatory purposes, in each case in accordance with the rules and guidance of the Relevant Regulator then in effect
“Regulatory Capital Requirements”	The minimum capital and capital buffer requirements as laid down in the CBN Guidelines on Regulatory Capital (September 2021)
“Relevant Regulator”	The CBN or such other governmental authority in Nigeria having primary bank supervisory authority and regulating prudential matters concerning the Issuer or the Regulatory Group
“Reporting Accountant” or “EY”	Ernst & Young Professional Services
“Reset Date”	The first date at which the coupon resets and every fifth anniversary thereof
“Reset Determination Date”	Means, in relation to each Reset Date, the third Business Day immediately preceding such Reset Date
“Reset Margin”	Means the difference between the actual coupon on the AT1 security and the yield on the 5-year Federal Government of Nigeria Bond on the date that the coupon is determined. The yield on the 5-year Federal Government of Nigeria Bond on the coupon date is either (a) the yield on the FGN Bond on the close of that date, as <u>quoted in the daily quotation list of FMDQ</u> for the maturity of five years; or (b) if such maturity is unavailable, the yield determined by way of interpolation for such maturity
“Reset Period”	Means each Reset Date to (but excluding) the next succeeding Reset Date
“SEC Rules” or “Rules and Regulations”	The consolidated Rules and Regulations of the SEC (2013) (or as amended from time to time), issued by the SEC pursuant to the ISA
“Securities” or “Instruments”	The registered Bonds issued by FCMB Group Plc under this Issuance
“Senior Creditors”	Means creditors of the Issuer: (a) who are unsubordinated creditors of the Issuer; and (b) who are subordinated creditors of the Issuer (including holders of Tier 2 Instruments) other than those whose claims rank or are expressed to rank, <i>pari passu</i> with, or junior to the claims of the Bondholders under the Bonds
“Senior Obligations”	Means any of the Issuer’s present and future indebtedness and other obligations including, without limitation, any obligations of the Issuer: (a) in respect of any Taxes, statutory preferences and other legally-required payments; (b) to depositors, trade creditors and other senior creditors (c) obligations under hedging and other financial instruments; and

	<p>(d) except as provided in (i), (ii) and (iii) below, to other subordinated creditors (including in any respect of any Tier 2 instruments):</p> <p>(i) the Bonds</p> <p>(ii) any Parity Obligations; and</p> <p>(iii) any Junior Obligations</p>
“Series” or “Issue”	A tranche of Bonds together with any further tranche or tranches of Bonds which are identical in all respects (including listing) except for their respective Issue Dates, and/or Maturity Dates, Coupon Payment Dates and/or Issue Prices (as applicable)
“Series 1 Bonds”	Means the ₦20,686,000,000 (Twenty Billion, Six Hundred and Eighty-Six million Naira) perpetual fixed rate resettable NC5.25 AT 1 bonds that are issued pursuant to the Series Trust Deed
“Series Trust Deed”	The Deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer and the Trustees with regards to the Series 1 Bonds and empowering the Trustees to hold, administer and manage the applicable assets
“Shelf Prospectus” or “Prospectus”	The Prospectus dated February 16, 2023 that FCMB Group has filed in accordance with the Rules and Regulations of the SEC, which contains details of the Debt Issuance Programme
“Signing Ceremony Date”	The date on which the Offer documents approved by the SEC are signed by the Directors and other parties to the Issue
“Subordinated Bonds”	Bonds that rank pari passu without any preference to one above the other by reason of priority of date of issue, the currency of payment or otherwise with all other subordinated obligations of the Issuer, present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment to other subordinated unsecured obligations in this Pricing Supplement
“Subordination Event”	Means any distribution of the assets of the Issuer on a dissolution, winding-up or liquidation of the Issuer whether in bankruptcy, insolvency, receivership, voluntary or mandatory reorganisation of indebtedness or any analogous proceedings referred to in the Nigerian Companies and Allied Matters Act No 3. 2020 (as amended), BOFIA, Bankruptcy Act 2004, Nigeria Deposit Insurance Corporation Act 2004 (as amended) or the Asset Management Corporation of Nigeria Act 2010 (as amended) (“ <b>AMCON Act</b> ”), and for so long as the relevant proceedings for such dissolution, winding-up or liquidation subsist
“Subsidiaries”	Companies controlled by the Group
“Suspension Period”	The period commencing on the day the Non-Viability Event Notice has been delivered and ending on the close of business in Lagos on the Write-off Date
“Taxation Authority”	Means any revenue, customs, fiscal, governmental, statutory, state or provincial authority, body or person in Nigeria
“Taxes”	<p>Means:</p> <p>(a) all forms of tax, levy, duty, charge, impost, statutory deduction, withholding, social security (or similar), value added tax or other amount whenever created or imposed and whether of Nigeria or elsewhere payable to or imposed by any Taxation Authority; and</p> <p>(b) all charges, interest, penalties and fines incidental or relating to any taxation falling within paragraph (a) above or which arise as a result of the failure to pay any taxation on the due date or to comply with any obligation relating to taxation.</p>
“Tax Event”	A “ <b>Tax Event</b> ” shall occur if as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined below), which change or amendment becomes effective after February 16, 2023, on the next Interest Payment Date the Issuer would be required to: (i) pay additional amounts and/or

	(ii) make any withholding or deduction for, or on account of, any Taxes imposed or levied by or on behalf of the Relevant Jurisdiction, where such requirement cannot be avoided by the Issuer taking reasonable measures available to it as determined in good faith by the Board
“Tier 1 Capital”	The sum of CET1 and AT1 capital, net of regulatory adjustments applied to those categories as more specifically defined in the Guidelines on Regulatory Capital issued by Central Bank of Nigeria in September 2021 (as may be amended, modified, supplemented or superseded from time to time and/or other applicable circulars, guidelines, guidance notes, regulatory decisions or regulations issued from time to time)
“Tier 2 Capital”	Capital comprised of instruments that are not common equity, and are not eligible for inclusion in the Tier 1 capital, and are subordinated to depositors and general creditors of a bank; as more specifically defined in the Guidelines on Regulatory Capital issued by Central Bank of Nigeria in September 2021 (as may be amended, modified, supplemented or superseded from time to time and/or other applicable circulars, guidelines, guidance notes, regulatory decisions or regulations issued from time to time)
“Tier 2 Instruments”	Any securities or other instruments that at the time of issuance constitute Tier 2 Capital of the Issuer
“Tranche”	Bonds which are identical in all respects (including listing) except for their respective Issue Dates and/or Maturity Dates, Coupon Payment Dates and/or Issue Prices (as applicable)
“Trust Deeds”	The Programme Trust Deed by which the Bond Issuance Programme is constituted and the Series Trust Deed(s)
“Write-off”	<p>Means, in respect of the AT1 Bonds:</p> <p>(a) the Bonds shall be cancelled (in the case of a write-off in whole) or written-off in part on a pro rata basis (in the case of a write-off in part) among themselves, in accordance with the Capital Regulations and as determined by the Relevant Regulator; and</p> <p>(b) all rights of any AT1 Bondholder for payment of any amounts under or in respect of the Bonds (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an event of default) shall be cancelled or written-off pro rata among the AT1 Bondholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Trigger Event Notice and even if the Non-Viability Trigger Event has ceased, and the term “written-off” shall be construed accordingly</p>
“Write-off Date”	Means, in relation to a Write-off, such date selected by the Issuer in consultation with the Relevant Regulator but no later than 30 days following the occurrence of the Non-viability Event unless, in accordance with the Capital Regulations, the Relevant Regulator has agreed with the Issuer in writing that the then Outstanding Principal Amount (or part thereof) of the Bonds may be written off after a longer period, in which case, the Write-off shall take place on such date as agreed with the Relevant Regulator
“VAT”	Value Added Tax
“VAT Act”	The Value Added Tax Act, Cap V1, LFN 2004 (as amended by the Value Added Tax (Amendment) Act No 12 of 2007), the Finance Acts of 2019, 2020 and 2021

### Corporate Directory of FCMB Group Plc and Its Subsidiaries

#### Head Office:

First City Plaza  
44 Marina  
Lagos

#### Subsidiary Offices:

##### First City Monument Bank Limited

Head Office  
Primrose Tower  
17A Tinubu Street  
Lagos

##### CSL Stockbrokers Limited

First City Plaza  
44 Marina  
Lagos

##### FCMB Pensions Limited

207 Zakaria Maimalari Street  
Central Business District  
Abuja

##### FCMB Capital Markets Limited

First City Plaza  
44 Marina  
Lagos

##### FCMB Trustees Limited

Primrose Tower  
17A Tinubu Street  
Lagos

##### Credit Direct Limited

48 Isaac John St  
Ikeja GRA  
Lagos

#### Website:

[www.fcmbgroupplc.com](http://www.fcmbgroupplc.com)

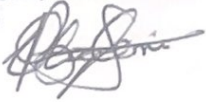
#### Corporate Telephone Number and email:

+234 (0) 1 279 3030  
institutionalinvestorrelations@fcmb.com

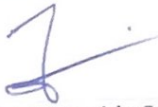
Mr. Ladi Jadesimi  
(Chairman)  
First City Plaza  
44 Marina  
Lagos



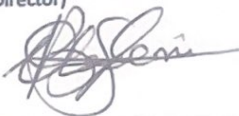
Mr. Femi Badeji  
(Executive Director, Coverage & Investment Banking)  
First City Plaza  
44 Marina  
Lagos



Alhaji Mustapha Damcida  
(Non-Executive Director)  
First City Plaza  
44 Marina  
Lagos



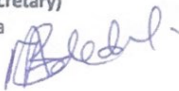
Dr. (Engineer) Gregory Omosigho Ero  
(Non-Executive Director)  
First City Plaza  
44 Marina  
Lagos



Mrs. Tokunboh Ishmael  
(Non-Executive Director)  
First City Plaza  
44 Marina  
Lagos



Mrs. Olufunmilayo Adedibu  
(Company Secretary)  
First City Plaza  
44 Marina  
Lagos



Mr. Ladi Balogun  
(Group Chief Executive)  
First City Plaza  
44 Marina  
Lagos



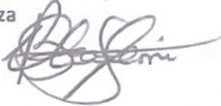
Mr. Adegbolahan Joshua  
(Executive Director & Chief Operating Officer)  
First City Plaza  
44 Marina  
Lagos



Professor Oluwatoyin Ashiru  
(Non-Executive Director)  
First City Plaza  
44 Marina  
Lagos



Mrs. Olapeju Sofowora  
(Non-Executive Director)  
First City Plaza  
44 Marina  
Lagos



Ms. Muibat I. Ijaiya  
(Independent Non-Executive Director)  
First City Plaza  
44 Marina  
Lagos



## Professional Parties

### Lead Issuing House/Bookrunner

#### Chapel Hill Denham Advisory Limited

10 Bankole Oki

Ikoyi

Lagos

*Kemi Awodeen*

### Joint Issuing House/Bookrunner

#### FCMB Capital Markets Limited

First City Plaza (6<sup>th</sup> Floor)

44 Marina Road

Lagos

*Kotwajem*  
*Kazeem Raji*

### Solicitors to the Issue

#### Olaniwun Ajayi LP

Plot L2 401 Close, Banana Island

Ikoyi

Lagos

*Yusuf Seunike*  
*Yusuf Seunike*

### Solicitors to the Issuer

#### Banwo & Ighodalo

48 Awolowo Road

Ikoyi

Lagos

*Azeeza Muse-Sadiq*  
*Aze*

### Trustees

#### FCMB Trustees Limited

17A Tinubu Street

Lagos

*Samuel Adesani*

#### ARM Trustees Limited

1 Mekunwen Road

Off Oyinkan Abayomi Drive, Ikoyi

Lagos

*Michael Abiodun Thomas*

### Rating Agencies

#### Global Credit Rating Company Limited

New Africa House Marina (17<sup>th</sup> Floor)

31 Marina

Lagos

*Sulali Tyola-Farayola*

#### DataPro Limited

Ground Floor, Foresight House

163/165 Broad Street

Lagos Island

Lagos

*Matthew Jesse Oladele*

### Registrar

#### Meristem Registrars & Probate Services Limited

213 Herbert Macaulay Way

Yaba

Lagos

*Nethe Ogunye*

### Reporting Accountants

#### Ernst and Young Nigeria

UBA House (10<sup>th</sup> Floor)

57 Marina Road

Lagos

*Abiodun Alimuri*

### Receiving Bank

#### FSDH Merchant Bank Limited

UAC House (5<sup>th</sup>-8<sup>th</sup> Floor)

1/5 Odunlami Street

Lagos

*Taiwo Otiti*

### Auditor

#### Deloitte & Touche

Civic Towers

Ozumba Mbadiwe Avenue

Victoria Island

Lagos

*Joshua Ojo*

### Joint Stockbrokers

#### CSL Stockbrokers Limited

First City Plaza

44 Marina

Lagos

*Abiodun Fagbule*

#### Chapel Hill Denham Securities Limited

10, Bankole Oki Street

Ikoyi

Lagos

*Oluyemi Idoris*

### 3. SUMMARY OF THE ISSUE

#### SUMMARY OF TERMS & CONDITIONS OF THE BOND ISSUANCE

The following are the final terms of the Series I Bonds that are the subject of this Pricing Supplement. These terms and conditions are only applicable to this issue. The following summary does not purport to be complete and is taken from, and qualified in its entirety by the Shelf Prospectus. Prospective investors in the Issue should see “Risk Factors” on pages 73 – 84. of the Shelf Prospectus that should be considered in connection with an investment in the Bonds.

1.	<b>Issuer:</b>	FCMB Group Plc
2.	<b>Description:</b>	Perpetual 16% Fixed Rate Resettable NC 5.25 Additional Tier 1 Subordinated Bonds (“the Bonds” or “AT1 Instrument”) under the Issuer’s <del>N</del> 300,000,000,000 Debt Issuance Programme.
3.	<b>Issue Currency:</b>	Nigerian Naira (“ <del>N</del> ”)
4.	<b>Aggregate Nominal Amount:</b>	<del>N</del> 20,686,000,000
5.	<b>Subscription:</b>	<p>Minimum of <del>N</del>5,000,000 (1.e 5,000 units @ <del>N</del>1,000/unit) and multiples of <del>N</del>1,000,000 thereafter</p> <p>Bids below the minimum participation amount will be disregarded unless they form part of a cumulative bid from the investor that is, in aggregate, greater than the minimum participation amount. Final allotment to respective bidders may be less than minimum participation amount if bids must be pro-rated for any reason.</p>
6.	<b>Issue Date:</b>	February 16, 2023
7.	<b>Tenor:</b>	Perpetual: The Bonds will have no scheduled maturity date
8.	<b>Issue Price:</b>	At par. <del>N</del> 1,000 (One Thousand Naira)
9.	<b>Issuer Call Dates:</b>	Any time from the fifth year up to and including the First Reset Date, and every Interest Payment Date thereafter; subject to the prior approval of the Central Bank of Nigeria and the CBN Guidelines on Regulatory Capital (as amended from time to time)
10.	<b>Coupon Basis:</b>	Fixed Rate, payable in arrears
11.	<b>Rate of Interest:</b>	<p>Each Bond shall bear interest on its Outstanding Principal Amount at a rate per annum (the “Interest Rate”) equal to:</p> <ol style="list-style-type: none"><li>In respect of the period from (and including) the Issue Date to (but excluding) the First Reset Date, 16% per annum; and</li><li>In respect of each Reset Period, the aggregate of: (i) the Reset Margin of 2.25% per annum and (ii) the then applicable Benchmark Rate,</li></ol> <p>The Interest Rate in (b) above (“Reset Interest Rate”) shall apply in the event that the Bonds are not redeemed on any Reset Date, and it shall be determined by the Calculation Agent on the Reset Determination Date.</p> <p>The Reset Margin will be fixed, and there will be no step-up in the interest rate.</p> <p>Interest rate is subject to “Coupon Discretion” and/ “Loss Absorption”</p>
12.	<b>First Reset Date:</b>	May 16, 2028

13.	<b>Reset Dates:</b>	The first Reset Date and every fifth anniversary thereof
14.	<b>Reset Margin:</b>	2.25% per annum
15.	<b>i) Gross Proceeds:</b>	₦20,686,000,000
	<b>ii) Net Proceeds:</b>	₦20,367,913,757.50 <sup>1</sup>
16.	<b>Book Build Opens:</b>	January 24, 2023
	<b>Book Build Closes:</b>	February 3, 2023
17.	<b>Status and Subordination of the Bonds:</b>	<p>The Bonds (and claims for payment by the Issuer in respect thereof) will constitute direct, unsecured and subordinated obligations of the Issuer and shall, in the case of any distribution of the assets of the Issuer on its dissolution, winding-up or liquidation, whether in bankruptcy, insolvency, receivership, voluntary or mandatory reorganisation of indebtedness or any analogous proceedings referred to in CAMA, BOFIA, NDIC or AMCON Act, and for so long as the relevant proceedings for such dissolution, winding-up or liquidation subsist (a “<b>Subordination Event</b>”), rank:</p> <ol style="list-style-type: none"> <li>subordinate in right of payment to the payment of all present and future indebtedness and other obligations of the Issuer (including, without limitation, any obligations of the Issuer (1) in respect of any senior taxes, statutory preferences and other legally-required payments, (2) to depositors, trade creditors and other general senior creditors and (3) except as provided in (A), (B) and (C) below, to other subordinated creditors (including in respect of any Tier 2 Instruments), other than its obligations under (A) the Bonds, (B) any Parity Obligations and (C) any Junior Obligations (“<b>Senior Obligations</b>”).</li> <li><i>pari passu</i> without any preference among themselves and with any obligations of the Issuer in respect of any Additional Tier 1 Instruments, any preferred shares of the Issuer, or other payment obligations or capital instruments of the Issuer, which in each case rank, or are expressed to rank, <i>pari passu</i> with the Issuer’s obligations under the Bonds on liquidation, winding-up or bankruptcy of the Issuer (“<b>Parity Obligations</b>”); and</li> <li>in priority to all payments in respect of Ordinary Shares of the Issuer, together with any other payment obligations of the Issuer, which obligations in each case rank, or are expressed to rank, junior to the Issuer’s obligations under the Bonds on liquidation, winding-up or bankruptcy of the Issuer (“<b>Junior Obligations</b>”).</li> </ol> <p>By virtue of such subordination of the Bonds, no amount will, in the case of a Subordination Event and for so long as that Subordination Event subsists, be paid under the Bonds until all payment obligations in respect of Senior Obligations have been satisfied.</p> <p>All payment obligations of, and payments made by, the Issuer under and in respect of the Bonds must be determined and made without reference to any right of set-off or counterclaim of any Bondholder whether arising before or in respect of any Subordination Event. No Bondholder shall exercise any right of set-off or counterclaim in respect of any amount owed to such Bondholder by the Issuer in respect of the Bonds and any such rights shall be deemed to be waived.</p> <p>Payments in respect of the principal of and interest on the Bonds are conditional upon the Issuer being solvent at the time of payment by the Issuer,</p>

<sup>1</sup> Following the deduction of offer expenses of ₦318,086,242.50 .

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and no principal of or interest on the Bonds shall be due and payable in respect of the Bonds except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For the purposes of the foregoing paragraph, the Issuer shall be solvent if: (a) it is able to pay its debts owed to Senior Creditors as they fall due and (b) its Assets exceed its Liabilities to Senior Creditors (the “**Solvency Condition**”).

Amounts representing any payments of principal or interest in respect of which the Solvency Condition is not satisfied on the date upon which the same would otherwise be due and payable (“**Solvency Claims**”) will be payable by the Issuer (a) subject to the subordination provisions described above, in a winding-up, liquidation, or similar process of the Issuer and (b) subject to satisfying the Solvency Condition, on any redemption of the Bonds (as described below), provided that in the event that, prior to any winding-up, liquidation or similar process of the Issuer, the Issuer shall again be solvent and would be solvent immediately after the making of such payment of Solvency Claims, then the Issuer shall promptly notify the Trustee, the and the Bondholders of such fact and the Solvency Claims shall, subject to satisfying the Solvency Condition, be due and payable on the sixteenth Business Day after the Issuer shall have given such notice. A Solvency Claim shall not bear interest unless and only so long as the Issuer shall be solvent once again, in which case interest shall accrue on any such Solvency Claim from (and including) the date on which the Issuer is so solvent again to (but excluding) the date on which such Solvency Claim is paid. Any such interest shall accrue at a rate equal to the then applicable rate of interest determined in accordance with “Rate of Interest” above. In the event that the Issuer shall be so solvent once again, the Issuer may not declare or pay a dividend (in accordance with “*Restriction Following Non-Payment of Interest*” below) from the date that the Issuer is so solvent again until the date on which the Solvency Claim and any relevant interest on the Solvency Claim is paid

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| 18. | <b>Regulatory Treatment:</b> | Application was made by the Issuer to the CBN for approval to issue the Bonds and that the full Principal Amount of the Bonds will qualify for treatment as Additional Tier 1 Capital and Tier 1 capital, which approval was obtained on December 22, 2022 |
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- |     |                                  |                                                                                                                                                                                                                                                                            |
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| 19. | <b>Coupon Commencement Date:</b> | Interest will accrue from the Issue Date. The first Interest Payment Date shall be August 16, 2023. The Interest shall be due and payable every 6th and 12th month thereafter (each, an “ <b>Interest Payment Date</b> ”), up to and including the Call Date or Reset Date |
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| 20. | <b>Cancellation of Interest:</b> | <p><b>Optional Cancellation of Interest:</b></p> <p>The Issuer may elect, in its sole and absolute discretion, to cancel any payment of interest in respect of the Bonds in whole or in part at any time and for any reason. Following any such election, the Issuer shall give notice to Bondholders of the cancellation of such interest payment. Any failure by the Issuer to give any such notice to or otherwise to so notify Bondholders will not in any way impact on the effectiveness of, or otherwise invalidate, any such election, or give Bondholders any rights as a result of such failure.</p> <p>Payments of interest on the Bonds are non-cumulative. Accordingly, if any payment of interest (or part thereof) is not made in respect of the Bonds as a result of any election of the Issuer to cancel such payment of interest then the right of the Bondholders to receive the relevant interest payment (or part thereof) will be extinguished and the Issuer will have no obligation to pay such interest (or part thereof) or to pay any interest thereon, whether or not</p> |
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interest on the Issuer is paid in respect of any future Interest Period.

Payments of interest in respect of the Bonds shall be made only out of Distributable Items of the Issuer.

**Mandatory Cancellation of Interest:**

To the extent that:

- I. the Issuer has insufficient Distributable Items to make any payment of interest in respect of the Bonds scheduled for payment in the then current financial year and any other interest payments or distributions paid and/or required and/or scheduled to be paid out of Distributable Items in such financial year, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Issuer, and/or
- II. In accordance with Capital Regulations then in force, if the Issuer is required to cancel the relevant payment of interest in respect of the Bonds in whole or in part, and/or
- III. The Issuer is in breach of the Solvency Condition, then the Issuer will, without prejudice to the right above to cancel all such payments of interest in respect of the Bonds, make partial or, as the case may be, no such payment of interest in respect of the Bonds.
- IV. If the Issuer does not make any payment of interest (or part thereof) on any Interest Payment Date, such non-payment shall evidence the cancellation of such interest payment (or relevant part thereof) or, as appropriate, the Issuer's exercise of its discretion to cancel such interest payment (or relevant part thereof), and accordingly, such interest (or part thereof) shall not in any such case be due and payable.

No such election to cancel the payment of any interest (or part thereof) or non-payment of any interest (or part thereof) will constitute an event of default or the occurrence of any event related to the bankruptcy or insolvency of the Issuer or entitle Bondholders to take any action to cause the Issuer to be declared bankrupt or insolvent or for the dissolution, winding-up or liquidation of the Issuer or in any way limit or restrict the Issuer from making any payment of interest or equivalent payment or other distribution in connection with any Junior Obligation or Parity Obligation other than any payment to shareholders of the Issuer

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**21. Restriction Following Non-Payment of Interest:**

If, on any Interest Payment Date, any payment of interest in respect of the Bonds scheduled to be made on such date is not made in full and cancelled pursuant to the above provisions,

- (i) The Board of Directors of the Issuer shall not recommend or, if proposed by shareholders of the Issuer, shall recommend to reject to the shareholders of the Issuer, that any Distribution (other than in the form of Ordinary Shares or any other class of share capital of the Issuer) be paid or made on any Ordinary Shares or other class of share capital of the Issuer, and
- (ii) The Issuer shall not directly or indirectly, redeem, purchase or otherwise acquire any Ordinary Shares or other class of share capital of the Issuer other than in relation to:
  - (a) Transactions in securities effected by or for the account of customers of the Issuer or any of its Subsidiaries;

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(b) The satisfaction by the Issuer or any of its subsidiaries of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers or directors of the Issuer or any of its subsidiaries;

(c) A reclassification of any share capital of the Issuer or of any of its subsidiaries or the exchange or conversion of one class or series of such share capital for another class or series of such share capital; or

(d) the purchase of any share capital of the Issuer or fractional rights to such share capital pursuant to the provisions of any Outstanding securities of the Issuer or any of its subsidiaries being converted or exchanged for such share capital in order to fulfil its obligations under such Outstanding securities, in each case until the earliest of:

(a) the interest scheduled to be paid in respect of the Bonds on any two consecutive Interest Payment Dates following any such cancellation of interest has been paid in full; or

(b) all Outstanding Bonds having been redeemed or purchased and cancelled in full; or

(b) the Outstanding aggregate Principal Amount having been written down to zero

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**22. Loss Absorption:**

The Bonds may be classified as liabilities for accounting purposes, and therefore be subjected to loss absorbency features applicable for capital-qualifying instruments issued in terms of Basel III Guidelines including in compliance with the requirements of Paragraph 40 of the CBN Guidelines on Regulatory Capital (September 2021) and are subject, as described below, to certain loss absorbency features required of AT-1 instruments at Pre-Specified Trigger Point and at the Point of Non Viability as provided for in the Guidelines:

**Loss Absorption at Pre-Specified Trigger Point:**

If the CET1 of the Group falls below 10.75% of Risk Weighted Assets, the same shall be referred to as “Pre-Specified Trigger Point” and, at the option of the CBN, a conversion or a write-down mechanism will be activated. The write down will have the following effects:

- a. reduce the claim of the instrument in liquidation
- b. reduce the amount re-paid when a call is exercised; and
- c. partially or fully reduce coupon payments on the instrument

**Loss Absorption at Point of Non-viability:**

The Bond shall be subject to full or partial write off or conversion upon a Non Viability Event, as determined by the CBN. The trigger event shall be the earlier of:

- a.) A decision to make a public sector injection of capital, or equivalent support, without which the Issuer would become non-viable
- b.) A decision that a write off or write down of the Bonds is necessary, without which the Issuer would become non-viable

Upon the occurrence of a Non-Viability Event, the Issuer will deliver a Non-Viability Event Notice to the Trustee, the , the Registrar and notify the Bondholders in accordance with the Conditions of the Bonds as soon as practicable upon receiving notice thereof from the Relevant Regulator of its determination of such Non-Viability Event.

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The Issuer will subsequently Write-off all of the then Outstanding Principal Amount of the Bonds or part thereof by such amount (the “**Written-off Amount**”) as the Relevant Regulator shall require, *provided that*:

- (i) a Write-off of the Bonds need only occur up until the point where the Issuer is deemed by the Relevant Regulator to be viable again
- (ii) the Bond shall be Written-off in whole, or in part, on a *pro rata* basis with other Parity Loss Absorbing Instruments, and
- (iii) no Bond will be Written-off without:
  - (a) the Issuer cancelling any interest in respect of the Bonds accrued and unpaid to (but excluding) the Write-off Date (including if payable on the Write-off Date), together with any interest or equivalent payments that may be similarly cancelled in respect of any other securities or instruments of the Issuer the terms of which provide for such cancellation; and
  - (b) to the extent such cancellation of interest and any such equivalent payments is not sufficient to restore the Tier 1 Capital of the Issuer and/or the Regulatory Group, as the case may be, to the point whether the Issuer is deemed by the Relevant Regulator to be viable again, there also being the maximum possible reduction in the Principal Amount of, and/or corresponding Write-off or conversion into equity being made in respect of, all Junior Loss Absorbing Instruments in accordance with the provisions of such Junior Loss Absorbing Instruments (the “**Non-Viability Loss Absorption Condition**”). For these purposes, any determination of the Written-off Amount shall take into account the absorption of the relevant loss(es) by all Junior Obligations to the maximum extent possible or otherwise allowed by law and the Write-off of the Bonds *pro rata* with any other Parity Loss Absorbing Instruments. To the extent that the Write-off or conversion of any Non-Viability Loss Absorbing Instruments is not effective for any reason: (i) the ineffectiveness of any such Write-off or conversion shall not prejudice the requirement to effect a Write-off of the Bonds; and (ii) the Write-off or conversion of any Non-Viability Loss Absorbing Instrument which is not effective shall not be taken into account in determining the Written-off Amount of the Bonds. For the avoidance of doubt, following any Write-off of the Bonds (or the relevant part thereof) the Issuer shall not be obliged to pay compensation in any form to the Bondholders.

Whether a Non-Viability Event has occurred at any time shall be determined by the Relevant Regulator in its sole discretion, and such determination shall be binding on the Trustee and the Bondholders. Any delay in delivery or failure to deliver a Non-Viability Event Notice shall not affect the validity of any Write-off or the timing of any Write-off.

A Write-off may occur on more than one occasion following the occurrence of a Non-Viability Event and the Bonds may be Written-off on more than one occasion. Any Write-off shall take place on such date selected by the Issuer in consultation with the Relevant Regulator (the “**Write-off Date**”) but no later than 30 days following the occurrence of the Non-Viability Event unless the Relevant Regulator has agreed with the Issuer in writing that the then Outstanding Principal Amount (or part thereof) of the Bonds may be Written-off after a longer period.

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The Issuer shall not be obliged to pay any interest amount on the Outstanding Principal Amount accrued to and including the date on which the Bonds are Written-off in accordance with the Non-Viability Loss Absorption Condition, and payment of such interest amount shall be irrevocably cancelled to the extent such payment is prohibited by the Relevant Regulator.

The occurrence of a Non-Viability Event and the consequent Write-off of the Bonds will not constitute an event of default or the occurrence of any event related to the bankruptcy or insolvency of the Issuer or entitle Bondholders to take any action to cause the Issuer to be declared bankrupt or insolvent or for the dissolution, winding-up or liquidation of the Issuer. Bondholders will also have no further claim against the Issuer in respect of any discretion exercised by the Relevant Regulator regarding the Write-off of the Bonds or any Written-off Amount

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**23. Redemption:**

**Optional Redemption:**

Subject to the Issuer satisfying the Solvency Condition and upon receiving approval of the CBN, at any time from February 16, 2028 up to and including the First Reset Date and every Interest Payment Date thereafter (each, an “**Issuer Call Date**”), the Issuer may redeem all (but not some only) of the Bonds then Outstanding at their then Outstanding Principal Amount, together with interest accrued and unpaid to (but excluding) the relevant Reset Date (to the extent such interest has not been cancelled). Where the Issuer must exercise a call, then it must either (i) refinance or replace the AT1 Bond with another AT1 Bond or instrument with better quality and the replacement of the Bonds is done at conditions which are sustainable to the income capacity of the Issuer, or (ii) demonstrate that its capital position will be well above the regulatory minimum capital requirement after exercising the option.

If the Issuer has elected or received the approval of the CBN to redeem such Bonds but prior to the payment of the Redemption Amount with respect to such redemption, a Non-Viability Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount will be due and payable and the Write-off provisions shall apply in accordance with the Conditions of the Bonds.

**Tax Event Redemption:**

Subject as provided in the Conditions of the Bonds and the Issuer satisfying the Solvency Condition, the Bonds may be redeemed, subject if so required at the relevant time to the Issuer giving prior written notice and receiving the approval therefor of the Relevant Regulator, at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bondholders at their Outstanding Principal Amount, together with interest accrued and unpaid to (but excluding) the date fixed for redemption (to the extent such interest has not been cancelled), if, immediately before giving such notice, the Issuer satisfies the Trustee that a Tax Event has occurred, all as more

**Redemption upon a Capital Disqualification Event:**

Subject to the Issuer satisfying the Solvency Condition and demonstrating to the Relevant Regulator that the regulatory reclassification was not reasonably foreseeable at the Issue Date, if a Capital Disqualification Event occurs at any time after the Issue Date, the Issuer may redeem all, but not some only, of the Bonds then Outstanding subject to having obtained the prior approval of the Relevant Regulator if required pursuant to the Capital Regulations at any time at 100 per cent of their then Outstanding Principal Amount together with interest accrued and unpaid (to the extent such interest has not been cancelled) to (but excluding) the date of redemption

24.	<b>Substitution and Variation Instead of Redemption:</b>	If at any time a Tax Event or a Capital Disqualification Event occurs and is continuing, the Issuer may, subject to the Solvency Conditions and compliance with Capital Regulations and the approval of the Relevant Regulator, (without any requirement for the consent or approval of the Bondholders), at any time either substitute all (but not some only) of the Bonds for, or vary the terms of the Bonds accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Additional Tier 1 Securities
25.	<b>Purchase:</b>	Subject to compliance with the Solvency Condition, if permitted and subject to having obtained the prior approval of the Relevant Regulator, the Issuer may purchase or otherwise acquire Bonds in any manner and at any price in the open market or otherwise. Subject to applicable law, such Bonds may be held, reissued, resold or, at the option of the Issuer, surrendered to the Registrar for cancellation.
26.	<b>Conditions to Redemption and Purchase:</b>	Any redemption, variation or substitution or purchase of the Bonds under the Conditions of the Bonds is subject to the prior consent of the Relevant Regulator if required by applicable law at the time of such early redemption, variation, or substitution or purchase
27.	<b>Negative Pledge:</b>	None
28.	<b>Cross Default or Cross Acceleration:</b>	None
29.	<b>Events of Default:</b>	<p>There will be no Events of Default in respect of the Bonds. In the event of a winding-up, dissolution or liquidation of the Issuer, the Bondholders may claim payment of principal, and accrued and unpaid interest in respect of the Bonds</p> <p>The occurrence of a Non-Viability Event or any cancellation of payments of interest will not constitute an event of default or entitle Bondholders to take any action to cause the Issuer to be declared bankrupt or insolvent or for the dissolution, winding-up or liquidation of the Issuer</p>
30.	<b>Listing:</b>	FMDQ Exchange and/or The NGX
31.	<b>Method of Distribution:</b>	By way of a Book Build to Qualified Institutional Investors and High Net Worth Investors.
32.	<b>Use of Proceeds:</b>	The net proceeds shall be used for purchase of the Intercompany Notes; and subsequently in the hands of the Bank, for granting of loans and advances. See 'Use of Proceeds' in Section 9, Schedule 1 of this Pricing Supplement

#### PROVISIONS RELATING TO COUPON (IF ANY) PAYABLE

33.	<b>Fixed Rate Bond Provisions:</b>	
i.	<b>Coupon Rate:</b>	16% per annum
ii.	<b>Coupon Payment Dates(s):</b>	Semi-annual interest payments, payable in arrears on the 6th and 12th month of each year, from the Issue Date, up to and, including, the Call Date or Reset Date

iii.	<b>Coupon Amount(s):</b>	Please refer to the Coupon Payment Schedule II on page 40.
iv.	<b>Business Day Convention:</b>	Modified Following Business Day: Where a Coupon Payment Date falls on a non-Business Day, such payment shall be postponed to the next day which is a Business Day, provided that if such a Business Day falls into the next calendar month, such Coupon Payment Date shall be brought forward to the immediately preceding Business Day
v.	<b>Day Count Fraction:</b>	Actual/Actual (actual numbers of days in a month/number of days in the year)
vi.	<b>Other terms relating to the method of calculating interest for Fixed Rate Bonds:</b>	Not Applicable

#### DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

34.	<b>Form of Bonds:</b>	Dematerialised, electronic registration on CSCS and/or FMDQ-D
35.	<b>CSD:</b>	CSCS and/or FMDQ- D or any central securities depository registered or recognized by SEC
36.	<b>Registrar:</b>	Meristem Registrars & Probate Services Limited
37.	<b>Depository:</b>	CSCS and /or FMDQ-D
38.	<b>Trustees:</b>	FCMB Trustees Limited and ARM Trustees Limited
39.	<b>Closed Periods:</b>	No Bondholder may require the transfer of a Bond to be registered during the period of fifteen (15) days ending on the due date for any payment of Coupon on the Bond.
40.	<b>Bonds Settlement:</b>	Bonds purchases will be settled by electronic funds transfers either through the CBN Inter-Bank Funds Transfer System ("CIBFTS"), or the National Electronic Funds Transfer ("NEFT"), or Real Time Gross Settlement ("RTGS")
41.	<b>Receiving Bank:</b>	FSDH Merchant Bank Limited

#### PROVISIONS RELATING TO REDEMPTION

42.	<b>Optional Early Redemption:</b>	The Bonds may be redeemed at the option of the Bank in whole, but not in part, only (i) on any Issuer Call Date or (ii) upon the occurrence of a Tax Event or a Capital Disqualification Event, in each case only with the prior approval of the Relevant Regulator in accordance with the Terms and Conditions of the Bonds and under applicable law at the time of such early redemption
43.	<b>Call Date:</b>	Any time from the fifth year up to and including the First Reset Date, and every Interest Payment Date thereafter
44.	<b>Call Option:</b>	Callable at 100 per cent subject to obtaining prior regulatory approval (a) on the Call Date and (b) if a Capital Disqualification Event occurs
45.	<b>Redemption Amount(s):</b>	No scheduled redemption

46.	<b>Scheduled Redemption Dates:</b>	No scheduled redemption dates
47.	<b>Put Option:</b>	Not Applicable
48.	<b>Scheduled Amortisation:</b>	Not Applicable

#### GENERAL PROVISIONS APPLICABLE TO THE BONDS

49.	<b>Issuer Rating:</b>	<b>BBB+:</b> GCR <b>A :</b> Data Pro
50.	<b>Issue Rating:</b>	<b>BBB-:</b> GCR
51.	<b>Indebtedness:</b>	As at the date of the audited financial statement for the year ended 31 December 2021, the total debt position of the Issuer, through its banking subsidiary, First City Monument Bank Limited, amounted to <del>N</del> 317,071,332,000 (Three Hundred and Seventeen Billion, Seventy-One Million, Three Hundred and Thirty Two Thousand Naira). This consists of the on-lending facilities, debt securities and borrowings
52.	<b>Taxation:</b>	<p>The Issuer shall be required - by law - to withhold tax on the coupons accruing on Bonds held by corporate entities. This requirement to deduct withholding tax is without exception as regards corporate entities and the Issuer shall be obliged to deduct the tax from coupon payments to corporate bondholders. Coupon payments on Bonds derived from Nigeria and accruing to both Nigerian investors and non-Nigerian investors would ordinarily be subject to withholding tax in Nigeria at the applicable rate of 10 percent. Effective 1 July 2022, withholding tax on interest payments to a foreign company or foreign resident from a country with which Nigeria has a double taxation treaty will generally be payable at the rate of 7.5 – 10% pursuant to the FIRS Circular of 11 May 2022. In view of this, the Issuer would be required to withhold tax on such payments and remit same to the appropriate tax authorities.</p> <p>These provisions are however not applicable to individual bondholders. Bonds held by individuals are exempt from taxation in Nigeria in accordance with the Personal Income Tax (Amendment) Act 2011. The exemption under the Personal Income Tax Act is indefinite.</p> <p>In the event of disposal of Bonds held, the proceeds from the sale of the Bonds are exempt from tax imposed under the VAT Act by virtue of the Finance Act 2020.</p> <p>Under the provisions of the Capital Gains Tax Act, Chapter C1 LFN 2004, as amended by the Finance Act 2019, Finance Act 2020 and Finance Act 2021 (the “<b>CGT Act</b>”), capital gains tax is chargeable on the disposal of corporate bonds or other debt instruments which are not Nigerian Government securities (i.e. Federal, State and Local Government bonds). Thus, capital gains will be charged on any disposal of the Bonds by the Bondholders.</p>
53.	<b>Governing Law:</b>	<p>The Bonds will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria</p> <p>The Bonds will not be underwritten</p>
54.	<b>Underwriting:</b>	

#### 4. INDICATIVE ISSUE TIMETABLE

Date	Activity	Responsibility
Sept 30, 2022	File Pricing Supplement with the SEC	Issuing Houses
Jan 20, 2023	Obtain SEC's clearance of the Pricing Supplement and approval to commence Book Building	Issuing Houses
Jan 24, 2023	Commence Book Build	Issuing Houses/ Issuer
February 03, 2023	Conclude Book Build/Determination of Coupon, Clearing Price and Allocation of Bonds	Issuing Houses/ Issuer
February 06, 2023	Dispatch Allotment Confirmation Letters to successful Investors	Issuing Houses
February 07, 2023	Update Issue documents and submit to SEC	Issuing Houses
February 10, 2023	Receive SEC Approval to hold Signing Ceremony/ completion Board Meeting	Issuing Houses
February 16, 2023	Hold Signing Ceremony/ Completion Board Meeting	Issuing Houses/Issuer
February 16, 2023	Investors fund allotted Bonds	Investors
February 27, 2023	Obtain SEC Clearance of basis of allotment	Issuing Houses
February 17, 2023	Remit Net Bond Proceeds to Issuer's Designated Proceeds Account	Receiving Bank
February 20, 2023	File executed Issue documents with SEC	Issuing Houses
February 27, 2023	Obtain SEC Approval to publish Allotment Announcement	Issuing Houses
February 28, 2023	Publish Allotment Announcement in at least 2 national dailies	Issuing Houses
February 28, 2023	Credit CSCS accounts of Bondholders	Registrars
March 03, 2023	File Declaration of Compliance and General Undertaking with FMDQ	Issuing Houses
March 03, 2023	File Listing and Quotation Form	Issuing Houses
March 07, 2023	Listing of Bond on FMDQ and/or The NGX	Issuer/Issuing Houses/ Stockbroker
March 13, 2023	File Post Compliance Report with SEC	Issuing Houses

## 5. OVERVIEW OF THE TRANSACTION

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FCMB Group Plc is a bank-led financial holding company, headquartered in Lagos, Nigeria, with operating companies divided along three business groups, which includes:

- The Banking Group (First City Monument Bank Limited (the Bank), FCMB (UK) Limited, and FCMB Microfinance Limited)
- Consumer Finance (Credit Direct Limited)
- Investment Banking (FCMB Capital Markets Limited, CSL Stockbrokers Limited and CSL Capital Limited) and
- Investment Management (FCMB Pensions Limited, FCMB Asset Management Limited and FCMB Trustees Limited)

The Group is listed on the Nigerian Exchange Limited. As at December 31, 2021, the Group had a total asset of ₦2.5trillion, an Asset under Management (AuM) of ₦526 billion, and a Capital Adequacy Ratio of 16.2%.

The Group continues to diversify operations, growing the business through the adoption of technology and expanding product offerings, and pursuing organic growth opportunities that will enable it to become the premier African financial services group. The Group aims to create a technology-enabled financial ecosystem that connects customers to the products services and resources they need to achieve greater abundance.

FCMB Group seeks to further boost its capital base by Offering for Subscription ₦20,686,000,000 Perpetual 16% Fixed Rate Resettable NC5.25 Additional Tier 1 Subordinated Bonds, by way of a Book Build to Qualified Investors and High Net-Worth Investors. The Bonds will be issued further to the terms and conditions stated on pages 47-55 of this Pricing Supplement.

Given that the Bonds are unsecured and perpetual instruments, the issuance of this instrument will be supportive to the Group's regulatory capital position, enhancing its financial resilience and capital efficiency, whilst also aligning the capital base composition with international best practice. In structuring the AT1 Bonds, the provisions set out in CBN's Guidelines on Regulatory Capital (published in September 2021), as well as Basel III requirements, have been considered. AT1 Bonds are globally recognized and tested instruments used innovatively by banks to shore up their qualifying Tier 1 capital position without diluting ordinary equity shareholders.

This is the first non-Shariah Naira AT1 security to be issued in Nigeria - an indication of FCMB Group's commitment to embracing innovation in Nigerian banking, maintaining strong regulatory capital buffers and supporting the CBN's desire for stronger capitalized banks in Nigeria, with strengthened capacity to lend to the private sector in order to stimulate economic growth.



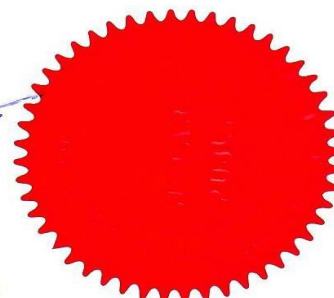
**FCMB GROUP PLC**  
RC No: 1079631

August 1, 2022

**The Director-General**

Securities & Exchange Commission  
Plot 272, Samuel Adesujo Ademulegun Street  
Central Business District  
Abuja  
FCT

PRINCE ABDUL-MUJIB  
ADETOKUNBO MUMUNI  
Legal Practitioner & Notary Public  
28, Joseph Str, Lagos Island  
01-08-2022



**ESTABLISHMENT OF A ₦300 BILLION DEBT ISSUANCE PROGRAMME BY FCMB GROUP PLC  
THE ("PROGRAMME") AND SUBSEQUENT ISSUANCES OF NOTES UNDER THE PROGRAMME:  
DECLARATION BY THE ISSUER**

The Shelf Prospectus and Pricing Supplement have been prepared by the Issuing Houses on behalf of FCMB Group Plc (the "Issuer") with a view to providing information and disclosures on relevant aspects of the Issuer and its business in connection with the establishment of a ₦300 Billion Debt Issuance Programme and issuance of securities thereunder.

We hereby make the following declarations to the best of our knowledge and belief:

1. We confirm that the information contained in the Shelf Prospectus and Pricing Supplement is in accordance with the facts and contains no omission likely to affect its import.
2. There has been no significant change in the financial condition or material adverse change in the prospects of the Issuer as of the date of publication of the Shelf Prospectus and Pricing Supplement.
3. The Issuer is not in breach of any terms and conditions in respect of borrowed monies, which has resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 (twelve) months preceding the date of the Shelf Prospectus and Pricing Supplement; and
4. No prosecution has been commenced against the Issuer nor any of its subsidiaries during the 12 (twelve) calendar months preceding the date of the Shelf Prospectus in respect of any breach or contravention of any provision of the Companies and Allied Matters Act, securities law, or the listing requirements of any securities exchange on which the securities of the Issuer are listed.

Signed for and on behalf of **FCMB Group Plc:**

**Ladi Balogun**  
Group Chief Executive Officer

**Deji Fayose**  
Chief Financial Officer

**Olufunmilayo Adedibu**  
Company Secretary

First City Plaza, 44 Marina, Lagos, Nigeria. Tel: +234 (0) 1 279 3030, +234 (0) 1 279 3033  
[www.fcmbgroup.com](http://www.fcmbgroup.com) | [fcmbgroupplc@fcmb.com](mailto:fcmbgroupplc@fcmb.com)

Mr. Oladipupo Jadesimi (Chairman), Mr. Ladi Balogun (Group Chief Executive), Mr. Gbolahan Joshua (Chief Operating Officer), Mr. Femi Badeji (Executive Director),  
Alhaji Mustapha Damicida (Non-Executive Director), Prof. Oluwatoyin Ashiru (Non-Executive Director), Dr. (Engr) Gregory Omosigho Ero (Non-Executive Director), Mrs. Olapeju Sofowora (Non-Executive Director),  
Mrs. Tokunboh Ishmael (Non-Executive Director), Ms. Mulbat Ijaya (Non-Executive Director)



**FCMB GROUP PLC**  
RC No: 1079631

August 1, 2022

**The Managing Director**  
Chapel Hill Denham Advisory Limited  
10, Bankole Oki Street  
Ikoyi  
Lagos

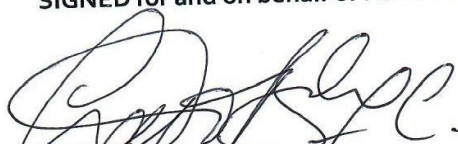
**The Managing Director**  
FCMB Capital Markets Limited  
First City Plaza  
44, Marina  
Lagos

Dear Sirs,

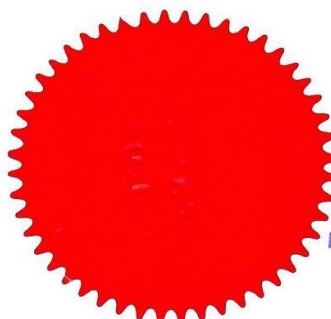
**MATERIAL ADVERSE CHANGE STATEMENT FOR FCMB GROUP PLC: ₦300 BILLION DEBT  
ISSUANCE PROGRAMME AND SERIES 1 ISSUANCE OF UP TO ₦30 BILLION**


Except as disclosed in the Shelf Prospectus as read with this Pricing Supplement, the Board confirms that there has been no material adverse change in the financial position or prospects of FCMB Group Plc ("the Issuer") since the end of the 12-month period ended December 31, 2021.

**SIGNED for and on behalf of FCMB Group Plc**

  
**Ladi Balogun**  
Group Chief Executive Officer

  
**Olufunmilayo Adedibu**  
Company Secretary



  
**PRINCE ABDUL-MUJIB  
ADETOKUNBO MUMUNI**  
Legal Practitioner & Notary Public  
28, Joseph Str, Lagos Island  
01-08-2022

First City Plaza, 44 Marina, Lagos, Nigeria. Tel: +234 (0) 1 279 3030, +234 (0) 1 279 3033  
[www.fcmbgroup.com](http://www.fcmbgroup.com) | [fcmbgroupplc@fcmb.com](mailto:fcmbgroupplc@fcmb.com)

Mr. Oladipupo Jadesimi (Chairman), Mr. Ladi Balogun (Group Chief Executive), Mr. Gbolahan Joshua (Chief Operating Officer), Mr. Femi Badeji (Executive Director),  
Alhaji Mustapha Damicida (Non-Executive Director), Prof. Oluwatoyin Ashiru (Non-Executive Director), Dr. (Engr) Gregory Omosigho Ero (Non-Executive Director), Mrs. Olapeju Sofowora (Non-Executive Director),  
Mrs. Tokunboh Ishmael (Non-Executive Director), Ms. Muibat Ijailya (Non-Executive Director)



P.O. Box 965  
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Nigeria

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Tel: +234 (1) 904 1700  
[www.deloitte.com.ng](http://www.deloitte.com.ng)

10 August 2022

**The Managing Director**  
Chapel Hill Denham Advisory Limited  
10, Bankole Oki Street  
Ikoyi  
Lagos

**The Managing Director**  
FCMB Capital Markets Limited  
First City Plaza  
44, Marina  
Lagos

Dear Sirs,

**CONFIRMATION OF GOING CONCERN STATUS OF FCMB GROUP PLC**

FCMB Group Plc ("**the Issuer**") is in the process of seeking registration of its proposed ₦300 billion Debt Issuance Programme and Series 1 Issuance up to ₦30 billion with the Securities & Exchange Commission ("**SEC**").

Based on our audit of the financial statements of the Issuer for the year ended 31 December, 2021, we confirm that nothing has come to our attention that causes us to believe that the Issuer will not continue as a going concern in the foreseeable future and therefore consider it appropriate that the Directors of the Issuer have prepared the financial statements for the year ended 31 December 2021, on a going concern basis.

This letter has been prepared solely for the purposes of compliance with the rules and regulations of the Securities & Exchange Commission ("**SEC**").

Yours faithfully,

Joshua Ojo  
For: Deloitte & Touche Nigeria



The list of Partners and Partner equivalents is available in our office.  
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited



FCMB GROUP PLC

RC No: 1079631

August 1, 2022

The Managing Director  
Chapel Hill Denham Advisory Limited  
10, Bankole Oki Street  
Ikoyi  
Lagos

The Managing Director  
FCMB Capital Markets Limited  
First City Plaza  
44, Marina  
Lagos

PRINCE ABDUL-MUJIB  
ADETOKUNBO MUMUNI  
Legal Practitioner & Notary Public  
28, Joseph Str, Lagos Island  
01-08-2022



Dear Sirs,

**CONFIRMATION OF GOING CONCERN STATUS OF FCMB GROUP PLC**

FCMB Group Plc ("the Issuer") is in the process of seeking registration of its proposed ₦300 Billion Debt Issuance Programme and Series 1 issuance of up to ₦30 Billion with the Securities & Exchange Commission ("SEC").

Based on our review of the financial statements of the Issuer for the period ended 31 December 2021, we have reasonable expectation that the Issuer has adequate resources to continue as a going concern in the foreseeable future.

This letter has been prepared only for the purposes of compliance with the rules and regulations of the SEC.

Yours faithfully,  
For and behalf of FCMB Group Plc

  
Deji Fayose  
Group Chief Financial Officer

  
Femi Badeji  
Executive Director

First City Plaza, 44 Marina, Lagos, Nigeria. Tel: +234 (0) 1 279 3030, +234 (0) 1 279 3033  
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Mr. Olatigbapo Isidore (Chairman), Mr. Ladi Babalola (Group Chief Executive), Mr. Gbolahan Joshua (Chief Operating Officer) Mr. Femi Badeji (Executive Director),  
Abajir Mustapha Dami (Non-Executive Director), Prof. Olatunmbi Adeniji (Non-Executive Director), Dr. (Eng) Gregory Omonigbo Esq (Non-Executive Director), Mrs. Olatunmbi Adeniji (Non-Executive Director), Mrs. Tolunboh Ismail (Non-Executive Director), Ms. Mubisi Jaja (Non-Executive Director)

## 9. OTHER DISCLOSURES

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### 1. AUTHORIZATION OF BONDS

By a resolution of the Board dated April 22, 2022 approving the issuance of up to ₦30,000,000,000 Additional Tier 1 Bonds, the issuance of the Series 1 Bonds was approved. The extract of the resolution of the Board is as follows:

- a. That the Board be and is hereby authorised to establish a Debt Issuance Programme for additional capital of up to ₦300,000,000,000.00 (Three Hundred Billion Naira) or its equivalent in foreign currency and the issuance of loans, notes, bonds, and/or other debt securities (convertible or non-convertible), including, but not limited to, any such instruments with capital qualifying features, whether by way of public offering, private placement, rights offering, book building process or other methods or combination of methods, in such tranches, series or proportions, at such coupons or interest rates within such maturity periods, and on such other terms and conditions including the provision of security for repayment, as the Board may deem fit or determine ("Programme"), subject to obtaining the approvals of all relevant regulatory authorities
- b. That the Board be and is hereby authorised to raise Additional Tier-1 capital of up to ₦30,000,000,000.00 (Thirty Billion Naira Only) under the Programme upon such terms and conditions as may be determined by the Board ("Series 1 Issuance"), subject to the procurement of all relevant regulatory approvals)
- c. That subject to the approval of relevant regulatory authorities, the Board be and is hereby authorised to absorb excess monies arising from the Series 1 Issuance in the event of an over subscription; up to the maximum limit prescribed under applicable regulations
- d. That the Group be and is hereby authorised to invest the proceeds of the issuances under the Programme in its existing subsidiaries and/or other permissible investments as the Board may deem fit, and/or to make the said proceeds available to First City Monument Bank Limited via such arrangements and pursuant to such transaction structure as the Board may deem fit, on such terms and conditions as the Board may agree; subject to obtaining the approvals of all relevant regulatory authorities
- e. That the Group be and is hereby authorised to make the proceeds under the Series 1 Issuance available to the Bank via a note issuance or such other arrangement as specified under the terms and conditions of the Series 1 Issuance
- f. That any two Directors or a Director and the Company Secretary be and are hereby authorised to enter into and/or sign/execute all agreements and any other documents to be issued by the Board of FCMB Group, as may be required for giving effect to the above resolutions
- g. That the Board and Company Secretary be and are hereby authorised to perform all such lawful acts as are necessary to give effect to the above listed resolutions, including without limitation, filing of any documents with the Corporate Affairs Commission, the Securities and Exchange Commission, the Nigerian Exchange Limited and/or with any other government agency, in connection with the Programme and Series 1 Issuance.

### 2. INCORPORATION AND SHARE CAPITAL HISTORY

FCMB Group Plc was incorporated in Nigeria as a financial holding company on November 20, 2012, under CAMA, in response to the Central Bank of Nigeria's (CBN) Regulation on the Scope of Banking Activities and Ancillary Matters (Regulation 3). This regulation requires banks to divest their non-bank subsidiaries, or retain the permissible non-bank subsidiaries under a group structure approved by the CBN. FCMB Bank PLC's response to the regulation was a group restructuring plan that was approved by the CBN in December 2011 as the 'Compliance Plan' and subsequently by shareholders at a meeting in December 2012. The CBN granted a Financial Holding Company Licence to FCMB Group Plc in May 2013.

FCMB Group Plc was incorporated with an authorised share capital of ₦15,000,000,000, divided into 30,000,000,000 Ordinary Shares of ₦0.50 each. The issued and paid capital at incorporation was ₦9,901,355,390.50, divided into 19,802,710,781 Ordinary Shares of ₦0.50 each.

As of the date of this Pricing Supplement, the authorised share capital of FCMB Group Plc is ₦15,000,000,000, divided into 30,000,000,000 Ordinary Shares of ₦0.50 each. The issued share capital of the Company is ₦9,901,355,390.50 divided into 19,802,710,781 Ordinary Shares of ₦0.50 each.

There has been no changes in the Ordinary Share Capital of the company since incorporation as shown in the table below as follows:

Year	Authorized Share Capital (₦)		Par Value of each share	Number of shares	Issued and Fully Paid Up (₦)		Consideration/Method of Issue
	Increase	Cumulative			Increase	Cumulative	
2013	-	30,000,000,000	₦0.50	19,802,710,781	-	19,802,710,781	Migration from FCMB Bank Plc
2021	-	30,000,000,000	₦0.50	19,802,710,781	-	19,802,710,781	No Change

### 3. SHAREHOLDING STRUCTURE

As at December 31, 2021, FCMB Group had 19,802,710,781 ordinary shares of 50 kobo each outstanding in the issued share capital. The table below sets out the issued and paid-up capital beneficially held by shareholders holding more than 5% of the Group's Ordinary Shares as at the date of this Pricing Supplement:

Shareholders	Holdings	% Holdings
Stanbic Nominees Nigeria Limited – Custody	2,105,575,053	10.63
Capital IRG Trustees Limited	1,845,919,854	9.32
Primrose Investments Limited	1,013,649,521	5.12

The table below sets out a summary of the capital structure of the Company as at December 31, 2021

Description	6 months	12 months	12 months	12 months
₦' Thousand	Ended 30 Jun 2022	Ended 31 Dec 2021	Ended 31 Dec 2020	Ended 31 Dec 2019
Cash and Cash Equivalent	42,473	621,755	818,741	19,482
Short-Term Debt	-	-	-	-
Long Term Debt	-	-	-	-
Total Shareholders' Equity	132,549,930	134,342,829	132,227,355	131,939,461

### 4. DIRECTORS' INTERESTS

The interests of the Directors in the Issued Capital of the Group as recorded in the Register of Directors' interests or as notified by them for the purpose of section 301(1) of CAMA as at December 31, 2021 are as follows:

Board of Directors	Direct	Indirect
Mr. Ladi Jadesimi	190,463,000	-
Mr. Ladi Balogun	202,166,756	-
Mr. Adegbolahan Joshua	Nil	-
Mr. Olufemi Badeji	3,000,000	-
Alhaji Mustapha Damcida	Nil	-
Dr. (Engr) Gregory Ero	Nil	-
Professor Oluwatoyin Ashiru	2,055,187	-
Mrs. Olapeju Sofowora	262,500	-
Mrs. 'Tokunboh Ishmael	Nil	-
Ms. Muibat Ijaiya	8,000	-

### 5. STATEMENT OF INDEBTEDNESS

As at the date of this Pricing Supplement, FCMB Group, through its banking subsidiary (First City Monument Bank Limited), has indebtedness totaling ₦317,071,332,000 (Three Hundred and Seventeen Billion, Seventy-One Million, Three Hundred and Thirty-Two Thousand Naira).

## 6. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this Pricing Supplement, FCMB Group had the following investments in subsidiaries

Subsidiaries	% Shareholding
First City Monument Bank Limited	100
Credit Direct Limited	100
FCMB Capital Markets Limited	100
CSL Stockbrokers Limited	100
FCMB Pensions Limited	92.8
FCMB Trustees Limited	100
FCMB (UK) Limited (Subsidiary of First City Monument Bank Limited)	100
CSL Capital (UK) Limited (Subsidiary of CSL Stockbrokers Limited)	75
FCMB Asset Management Limited (Subsidiary of CSL Stockbrokers Limited)	100

## 7. MATERIAL CONTRACTS

The following agreement(s) have been entered into by the parties and are considered material to the Transaction:

- Programme Trust Deed dated February 16, 2023 executed amongst FCMB Group Plc on the one part and FCMB Trustees Limited and ARM Trustees Limited (acting as Trustees), setting out the terms on which the bonds to be issued under the Programme are constituted.
- Series I Trust Deed dated February 16, 2023 executed amongst FCMB Group Plc on the one part and FCMB Trustees Limited and ARM Trustees Limited (acting as Trustees), setting out additional terms and conditions applicable to the Series I Bonds.
- A Vending Agreement dated February 16, 2023 executed amongst FCMB Group Plc on the one part and Chapel Hill Denham Advisory Limited and FCMB Capital Markets Limited (acting as Issuing Houses), setting out the terms on which the Issuing houses have agreed to market, manage and coordinate the offering of the Series 1 Bonds on the Issuer's behalf.
- The Notes Issuance Agreement dated February 16, 2023 executed amongst the Issuer, the Bank and the Trustees.
- The Deed of Covenant dated February 16, 2023 issued by the Bank in favour of the Issuer and the Trustees.

## 8. CONSENTS

The under listed parties have given and not withdrawn their written consents to the issue of this Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

<b>Directors of the Issuer</b>	Mr. Ladi Jadesimi
	Mr. Ladi Balogun
	Mr. Femi Badeji
	Mr. Adegbolahan Joshua
	Alhaji Mustapha Damcida
	Professor Oluwatoyin Ashiru
	Dr. (Engineer) Gregory Omosigbo Ero
	Mrs. Olapeju Sofowora
	Mrs. Tokunboh Ishmael
	Ms. Muibat I. Ijaiya
<b>Company Secretary</b>	Mrs. Olufunmilayo Adedibu
<b>Lead Issuing House</b>	Chapel Hill Denham Advisory Limited
<b>Joint Issuing Houses</b>	FCMB Capital Markets Limited
<b>Trustees</b>	ARM Trustees Limited and FCMB Trustees Limited

<b>Solicitors to the Issue</b>	Olaniwun Ajayi LP
<b>Solicitors to the Issuer</b>	Banwo & Ighodalo
<b>Reporting Accountants</b>	Ernst and Young Professional Services
<b>Stockbrokers</b>	CSL Securites Limited; Chapel Hill Denham Securities Limited
<b>Auditors</b>	Deloitte and Touche, Nigeria
<b>Registrar</b>	Meristem Registrars & Probate Services Limited
<b>Receiving Bank</b>	FSDH Merchant Bank Limited

## 9. CLAIMS AND LITIGATIONS

The opinion of the Solicitors to the Issue, in the letter dated July 3 2022, in connection with the issuance of the Bonds by the Issuer is set out below:

In Olaniwun Ajayi LP's ("OALP" or the "Firm") capacity as Solicitor to the Issue, the Firm requested for information relating to pending claims, contingent liability, and litigation (Claims & Litigation) against the Issuer. Further to the request, OALP was provided with a letter dated 15 June 2022 addressed by the Issuer to the Solicitor to the Issue (the "Letter"). The Letter indicates that:

- the Issuer is not engaged in any litigation or arbitration proceedings which may have or have had any significant adverse effect on the Issuer and its respective financial position, or on the Issue;
- there are no outstanding settlements, arbitral awards, judgments, rulings, injunctions, or other decrees or orders made in favour of or against the Issuer; and
- there are also no threatened or pending claims or litigation, arbitration or regulatory proceedings, investigations or hearings or any other governmental action, which may have a material adverse effect on the Issuer or on the Issue, as far as the Issuer is aware.

In the opinion of the Solicitor to the Issue, there are no litigation or other dispute resolution claims that may adversely affect the Issuer, the Issue or the Issuer's ability to perform its obligations in relation to the Issue.

### Qualifications and Assumptions

- For the purpose of giving this opinion, OALP has examined only the Letter provided to it by the Issuer, in relation to its Claims & Litigation.
- This opinion is based on the assumption that the information detailed in the Letter provided to it by the Issuer is genuine, complete and accurate.
- The Firm does not affirm the completeness and/or accuracy of the information and the contents of the Letter made available to it, and which it relied on in issuing this opinion.
- The Solicitor to the Issue abjures any liability arising from: (i) the incompleteness or inaccuracy of the information detailed in the Letter, or any other document emanating from the Issuer, and which we have relied upon in this opinion; and (ii) the Issuer's omission to provide any information or documentation relating to its Claims & Litigations.

## 10. MERGERS AND TAKEOVERS

FCMB Group through FCMB Pensions Limited acquired 96.3% of AIICO Pensions Managers Limited in 2021. The acquisition was a private sale with a purchase price of ₦10.37 per share. Subsequently both entities merged into a single entity - FCMB Pensions Limited. As at the date of this Pricing Supplement, except as disclosed above, the Issuer has not received any merger or takeover offer from a third party in respect of its securities nor has the Issuer made any merger or takeover offer to any other company in respect of such other company's securities within the current or preceding financial years.

## 11. EXTRACT OF ISSUER'S MEMORANDUM AND ARTICLES OF ASSOCIATION

Below are relevant extracts from the Issuer's Memorandum and Articles of Association

### Memorandum:

3. The objects for which the company is established are:

- a) To carry on business as a financial holding company
- b) To invest in and hold controlling shares in as well as manage equity investment in the following companies: FCMB Plc, FCMB (UK) Limited, Credit Direct Limited, FCMB Capital Market Limited, CSL Stockbrokers Limited, First City Asset Management Limited and CSL Trustees Limited; as well as any other company that may be subscribed or registered by the company in accordance with any statutes, rule and regulations to which the company may be subject from time to time.

### Articles of Association:

#### 1. Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as a security for any debt, liability or obligation of the company or of any third party

## 12. RELATED PARTY TRANSACTION

No related party transactions recorded in the Audited financial statements.

## 13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of Joint Issuing Houses during normal business hours on any weekday (except public holidays) from the date of issuance of this Pricing Supplement:

- (a) Certificate of Incorporation of the Group duly certified by the CAC;
- (b) The Memorandum and Articles of Association of the Group duly certified by the CAC;
- (c) The Board Resolution of the Issuer dated April 22, 2022 authorizing the establishment of the Debt Issuance Programme and the issuance of the Series 1 Bonds;
- (d) CAC Certified Status Report reflecting: a.) the Issuer's Share Capital, b.) the Issuer's Directors;
- (e) The Audited Financial Statements of the Group for each of the five years ended December 31, 2021, 2020, 2019, 2018 and 2017;
- (f) The Management Accounts up to June 30, 2022
- (g) The Reporting Accountants Report on Audited Accounts of the Group for five years ended December 31, 2021, 2020, 2019, 2018 and 2017;
- (h) The Material Contracts referred to in this Pricing Supplement;
- (i) The written consents referred to in this Pricing Supplement;
- (j) The Shelf Prospectus issued in respect of the Debt Issuance Programme dated February 16, 2023;
- (k) The Pricing Supplement;
- (l) The Rating Report issued by GCR in respect of the Issuer;
- (m) The Rating Report issued by DataPro Limited in respect of the Issuer;
- (n) The Rating Report issued in respect of the Issue;
- (o) CBN's No-Objection Letter;
- (p) SEC letter approving the establishment and registration of the Programme;
- (q) SEC letter approving the registration of this Pricing Supplement;
- (r) The schedule of claims and litigations and the opinion of the Solicitors to the Issuer prepared in connection

therewith; and

(s) The Note Issuance Agreement.

#### **14. ADDITIONAL INFORMATION**

##### **Nigerian Regulatory Environment**

In relation to the issuance of securities by banks in Nigeria, the relevant laws and regulations are set out in the Central Bank Act 2007, BOFIA, the ISA, the Nigerian SEC Rules and the CAMA. The principal regulators are the CBN and the Nigerian SEC.

The CBN is charged with regulatory authority over banks and other financial institutions in Nigeria. The Group, being subject to the regulatory oversight of the CBN, is required to procure the approval of the CBN prior to undertaking the issuance of the Bonds. The Nigerian SEC is the apex regulatory authority of the Nigerian capital market and in that capacity regulates all public companies in Nigeria and oversees the issuance of securities to the Nigerian investing public.

##### **Additional Tier 1 Rules under Nigerian Law**

The CBN, by a circular dated 2 September 2021, released Guidelines on Regulatory Capital, which seeks to implement Basel III standards, ancillary Basel III guidelines, and reporting templates for implementation by banks. The circular notes that implementation of the guidelines will commence from November 2021 for an initial period of six (6) months, which may then be extended by another three (3) months, subject to the achievement of supervisory milestones. The ancillary Basel III guidelines cover (1) leverage ratio (2) liquidity coverage ratio (3) liquidity monitoring tools (4) large exposures and (5) liquidity risk management and internal liquidity adequacy assessment process. The rules on Additional Tier 1 capital are outlined in the Guidelines on Regulatory Capital.

In addition to providing that there is no limit on the inclusion of Tier 1 capital for the purpose of calculating total regulatory capital, the Guidelines on Regulatory Capital provides that Additional Tier 1 capital consists of the sum of the following:

- (a) Instruments issued by the Bank that meet the criteria for inclusion in Additional Tier 1 capital and not included in Common Equity Tier 1 (CET1) capital;
- (b) Stock surplus (share premium) resulting from the issue of instruments included in Additional Tier 1 capital;
- (c) Instruments issued by consolidated subsidiaries of the Bank and held by third parties that meet certain criteria for inclusion in AT1 capital and are not included in CET1 capital.

To qualify as Additional Tier 1 capital, the Bonds issued by the Group must meet or exceed the criteria set out in the Guidelines on Regulatory Capital. It should be noted, however, that the Basel III guidelines issued by the CBN on 2 September 2021 are yet to go into effect and the Bank would not be subject to its provisions until implementation commences.

##### **Distributable Items and Restrictions on Dividend Distribution**

Pursuant to section 427 of CAMA, a company may pay dividends to shareholders only out of profits available for the purpose. These encompass the company's accumulated, realised profits (so far as not previously utilised by distribution or capitalisation), less its accumulated, realised losses (so far as not previously written off in a lawfully made reduction or reorganisation of capital).

Section 428 of CAMA precludes a company from declaring or paying dividends if there are reasonable grounds for believing that the company is or would be, after the payment, unable to pay its liabilities as they become due. Added to this, section 16 of the BOFIA further precludes a bank from paying dividends until (1) all its preliminary expenses, organizational expenses, shares selling commission, brokerage, amount of losses incurred, and other capitalized expenses not represented by tangible assets have been completely written off (2) adequate provisions have been made to the satisfaction of the CBN, for actual and contingent losses on assets, liabilities, off balance sheet commitments and such unearned incomes as are derivable therefrom (3) it has complied with any capital ratio requirement as specified by the CBN and (4) it has satisfied any other corporate governance and prudential requirements that may be stipulated by the CBN.

### **CAPITAL ADEQUACY**

According to the prospective Basel III capital adequacy framework, the Group will have capital adequacy requirements of CET 1 capital ratio of 11.5 per cent. and total capital adequacy ratio of at least 16 per cent. (see table below). These capital adequacy requirements take into consideration a capital conservation buffer (CCB1) of 1 per cent. and such buffer requirements can only be met with CET1 Capital of the Group.

As of 2021, a countercyclical capital buffer of 0 - 2.5 per cent. has been suspended in Nigeria until such further date as it may be needed (as determined by the CBN).

In addition to the above-mentioned requirements, the Group must hold capital for requirements under the CBN Guidance Notes on Regulatory Capital 2015, which is the Basel II framework. These requirements are specific to each institution and are decided by the supervisory authority. Various factors are assessed within the CBN Guidance Notes on Regulatory Capital 2015, such as liquidity risks, concentration risks, residual risks, pension risk, interest rate risk in other operations, additional systemic risk needs, etc. The Relevant Regulator also calculates the need to hold a capital planning buffer under the Guidance Notes on Regulatory Capital 2015 and will also do same under the newly issued *Guidelines on Regulatory Capital, which seeks to implement Basel III standards*.

It is the Group's current intention that, whenever exercising its discretion to propose any dividend or distributions in respect of its Ordinary Shares, or its discretion to cancel any payment of interest on the Notes, it will take into account the relative ranking of these instruments in its capital structure. However, the Group may at any time depart from this intention at its sole discretion, and as further set out in *"The Group may decide to cancel interest payments in its sole and absolute discretion. The Notes are not cumulative instruments and cancelled interest will not accrue"*, in accordance with the Relevant Rules and the Conditions, it may in its discretion elect to cancel any payment of interest on the Bonds or any distributions in respect of the Ordinary Shares at any time and for any reason.

With regard to its tier 1 ratio, the Group aims to exceed, under normal circumstances, the tier 1 capital requirement communicated to the Group by the Relevant Regulator.

On 2 September 2021, the CBN published its Basel III Guidelines which stated that the implementation of Basel III will commence with effect from November 2021 in parallel with existing Basel II guidelines in Nigeria for an initial period of six (6) months, which may be extended by another three (3) months subject to the milestones achieved in line with supervisory expectations. It is expected that during the parallel run, the Basel III guidelines will operate concurrently alongside the existing Basel II guidelines and then, subject to the successful conclusion of the parallel run, the CBN Basel III Guidelines will become fully effective and replace the Basel II guidelines.

The Group is currently targeting a CET 1 above 10.5%. The Group gives no assurance as to what its CET 1 will be at any time as the ratio may be impacted by future regulatory changes, unexpected events affecting the Group's business, operations and financial condition, any acquisitions or capital reductions and by the the CBN's prescriptions for the determination of the ratio.

In the table below, the Group has presented proforma capital adequacy position as at 31 December 2021. The purpose of the proforma capital adequacy ratios set out in the table below is to present the regulatory capital adequacy position of the Group as at 31 December 2021 adjusted for the effect of the proposed issue of ₦30 billion of Bonds.

<b>FCMB Group's Summarized Capital Adequacy Ratios as at 31 December 2021</b>			
	<b>FCMB Group 31-December-21</b>	<b>Proforma Adjustment AT1 Issue</b>	<b>Proforma FCMB Group net of AT1 Issue 31-December-21</b>
<b>Common Equity Capital Ratio</b>	12.2%	0%	12.2%
<b>Additional Tier 1 Capital Ratio</b>	0%	2.1%	2.1%
<b>Tier 1 Capital</b>	12.2%	2.1%	14.3%
<b>Total Capital Ratio</b>	16.2%	0.0%	18.4%

- 1) The Capital Adequacy Ratios contained in this table have been rounded to the nearest decimal place. Any discrepancies in sum of the ratios in this table are due to rounding.
- 2) The summarized Capital Adequacy Ratios of FCMB Group Plc as at 31 December 2021 are extracted from the financial statements for half-year ended 31 December 2021 (which are not subject to Deloitte's audit or review processes).

Capital Ratios and elements	REGULATORY REQUIREMENTS	
	Applicable under Basel II	Applicable under Basel III
Tier 1 Ratio	N/A	11.25%
CET 1 Ratio	N/A	10.50%
Capital Adequacy Ratio	15%	15%
Capital Conservation Buffer (CCB1)	N/A	1%
Higher Loss Absorbency (HLA) requirement	N/A	N/A%
Total Capital Adequacy Ratio (including buffer requirements)	15%	16%
Leverage Ratio (Bank)	N/A	4%

**SCHEDULE I: USE OF PROCEEDS**

The estimated net issue proceeds from the Series 1 Bond Issuance - amounting to ~~N~~20,367,913,757.50 following the deduction of the offer costs of ~~N~~318,086,242.50 representing 1.5377% of the gross proceeds - will be utilised in accordance with the table provided below.

Use of Proceeds	Amount	%	Duration
Purchase of the Intercompany Notes to be issued by First City Monument Bank, for purposes of the Bank financing incremental term lending in focus sectors and shoring up the Bank's regulatory capital base	<del>N</del> 20,367,913,757.50	100%	Perpetual

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**SCHEDULE II: COUPON PAYMENT SCHEDULE**

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The following table indicates the semi-annual coupon payments due to Bondholders over the first 5-years of the Bond until the coupon reset date. The table reflects a coupon of 16%.

**Coupon Payment Schedule**

PERIOD	SEMI-ANNUAL COUPON PAYMENT (M)
Payment 1	1,641,278,246.58
Payment 2	1,667,218,202.56
Payment 3	1,645,836,939.89
Payment 4	1,665,186,610.97
Payment 5	1,641,278,246.58
Payment 6	1,668,481,753.42
Payment 7	1,641,278,246.58
Payment 8	1,668,481,753.42
Payment 9	1,641,278,246.58
Payment 10	1,667,218,202.56

There is no scheduled principal repayment



## PRIVATE CREDIT RATING ANNOUNCEMENT

GCR accords an Indicative Rating of BBB-(NG)(IR) to FCMB Group Plc's N30bn Additional Tier 1 Bonds, Outlook Stable.

### Rating Action

Lagos, Nigeria, 29 September 2022 – GCR Ratings ("GCR") has assigned a national scale long-term indicative Issue rating of BBB-(NG)(IR) to FCMB Group Plc's N30 billion additional tier 1 subordinated bonds, with the Outlook accorded as Stable.

Rated Issue	Rating class	Rating scale	Rating	Outlook
N30 billion Additional Tier 1 Series 1 Bonds	Long Term Issue	National	BBB-(NG)(IR)*	Stable

\*IR stands for Indicative Rating. An Indicative Rating is denoted by an 'IR' suffix to indicate that a credit rating has been accorded based on review of final draft documentation and expectations regarding final documentation. The Indicative Rating is expected to convert to a final credit rating subject to the receipt of final documentation in line with GCR's expectations.

### Rating Rationale

The N30 billion perpetual, non-cumulative, fixed-rate, resettable, additional tier 1 ("AT1") subordinated series 1 bonds ("the Bonds") are to be issued under FCMB Group Plc ("the Group" or "the Issuer")'s N300 billion Debt Issuance Programme. The Bonds are intended to qualify as AT1 capital of the Issuer under the approval of the regulator and will constitute direct, unsecured, and subordinated obligations of the Issuer. The Bonds shall rank *pari passu* among themselves and with any present and future parity obligations.

Proceeds from the Bonds will be exclusively used to provide AT1 capital to First City Monument Bank Limited ("the bank"). This structure is solidified through an intercompany notes' agreement, the terms and conditions of which mean that the bank (the major operating entity of the Group) is contractually obliged to support the Group's notes in line with the bank's (currently theoretical) AT1 ranking. The notes, therefore, rank alongside such parity obligations of the bank. As a result, GCR has chosen to notch down from the Bank's A-(NG) rating, and not the Group's BBB+ (NG) rating.

Furthermore, GCR has chosen to apply a 3-notch differential from the senior unsecured ratings of the bank. This reflects the contractual subordination of the notes - they rank below senior unsecured and subordinated (tier two qualifying capital) notes, interest payments are deferrable and non-cumulative, subject to the Issuer's discretion, and lastly the fact that the notes can be written down when the CET1 ratio reaches 10.75% (0.25% above the regulatory minimum) or when the regulator (Central Bank of Nigeria) considers the bank to be at a point of non-viability ("PONV"). As a result, GCR has assigned a long-term indicative issue rating of BBB-(NG)(IR) for the Bonds and we believe the notes qualify for intermediary levels of capital under our methodology.

*The information in this section is a summary of the certain provisions of the Series 1 Trust Deed. This summary should be read in conjunction with and is qualified in its entirety by reference to all the provisions of the Programme Trust Deed. A copy of the Series 1 Trust Deed is available for inspection at the registered office of the Bond Trustees.*

**2. THE SERIES 1 BONDS**

- 2.1 The Series 1 Bonds shall be issued in the aggregate nominal amount of ₦20,686,000,000 (Twenty Billion, Six Hundred and Eighty-Six Million) and upon the issue of the Bonds, the Bonds shall become constituted by this Deed without further formality.
- 2.2 The Series 1 Bonds shall constitute direct, fixed rate, resettable unsecured and subordinated obligations of the Issuer.
- 2.3 The Bonds shall be issued by way of an offer for subscription through a book building process.
- 2.4 Subject to the approval of the Exchange, the Series 1 Bonds shall be, and the Issuer shall ensure that the Series 1 Bonds are, listed on the Exchange.
- 2.5 The Bonds shall be issued in denominations of ₦1,000.00 (One Thousand Naira) each with a minimum subscription of ₦5,000,000.00 (Five Million Naira) and multiples of ₦1,000,000.00 (One Million Naira) thereafter.
- 2.6 Subject to the provisions contained herein, the Series 1 Bonds shall be
  - a. a perpetual instrument of the Issuer with no scheduled maturity date; and
  - b. subject to Condition 4.4 (Non-Viability Event) be a non-convertible instrument.
- 2.7 The Series 1 Bonds shall form a separate series of Bonds issued under the Programme and accordingly, the provisions of this Series Trust Deed and its Conditions in the Schedule shall apply mutatis mutandis separately and independently to the Series 1 Bonds.

**3. USE OF PROCEEDS**

The proceeds of the issuance of the Series 1 Bonds shall be utilized for the purchase of the Intercompany Notes to be issued by the Bank for the purposes of financing incremental term lending in focused sectors and shoring the Bank's regulatory capital base.

**4. COVENANT TO REPAY PRINCIPAL AND PAY INTEREST**

The Issuer will (subject, where applicable, to the Conditions) on any date when any Bonds become due to be redeemed, or on such earlier date as the same or any part thereof may become due and repayable thereunder, in accordance with the Conditions and upon the approval of the Relevant Regulator, as may be required, unconditionally pay or procure to be paid to or to the order of the Trustees in immediately available funds the nominal amount in respect of the Bonds becoming due for redemption on that date and shall in the meantime and until redemption in full of the Bonds (both before and after any judgment or other order of a court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Trustees as aforesaid interest (which shall accrue from day to day) on the nominal amount of the Bonds at rates and/or in amounts calculated from time to time in accordance with, or specified in, and on the dates provided for in, the Conditions (subject to Clause 5 (Subordination)), provided that:

- a. every payment of principal or interest or other sum due in respect of the Bonds made to or to the order of the Trustees shall be in satisfaction pro tanto of the relative covenant by the Issuer in this Clause contained in relation to the Bonds except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Bondholders;
- b. in the case of any payment of principal (in accordance with Conditions hereof) which is not made to the Trustees on or before the due date for the exercise of such payment, interest shall continue to accrue on the nominal amount of the Bonds at the rates aforesaid up to and including the date which the Trustees determines to be the date on and after which payment is to be made in respect thereof as stated in a notice given to the holders of the Bonds (such date to be not later than 30 days after the day on which the whole of such Principal Amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been

received by the Trustees); and

- c. in any case where payment of the whole or any part of the Principal Amount of the Bond (in accordance with Conditions hereof) is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by (b) above) interest shall accrue on the nominal amount of such Bonds (payment of which has been so withheld or refused (both before and after any judgment or other order of a court of competent jurisdiction) at the rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by Nigerian law) from the date of such withholding or refusal until the date on which, upon further presentation of the Bonds, payment of the full amount (including interest as aforesaid) payable in respect of the Bonds is made or (if earlier) the seventh day after notice is given to the relevant Bondholders) (whether individually or in accordance with Condition 10 (Notices)) that the full amount (including interest as aforesaid) in respect of the Bonds is available for payment, provided that upon further presentation thereof being duly made, such payment is made.

- 4.1 Notwithstanding any other provisions in this Series Trust Deed, the Issuer shall not be obliged to pay any interest or other amount:
  - a. on the Outstanding Principal Amount accrued to and including the date on which the Bonds are Written-off in accordance with the Non-Viability Loss Absorption Condition (as defined in the Condition 4); or
  - b. to the extent such payment is required to be cancelled in accordance with Condition 3.3 (*Optional Cancellation of Interest*) and Condition 3.4 (*Mandatory Cancellation of Interest*).
- 4.2 The Trustees shall hold the benefit of this covenant and the other covenants in this Series Trust Deed on trust for the bondholders and itself in accordance with this Series Trust Deed
- 4.3 The Issuer shall be at liberty from time to time (but subject always to the provisions of these presents) without the consent of the Bondholders to create and issue further Bonds having terms and conditions the same as the Bonds (or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue) and so that the same shall be consolidated and form a single series with the Outstanding Bonds.
- 4.4 The Trustees shall hold the benefit of this covenant and the other covenants in this Series Trust Deed on trust for the bondholders and itself in accordance with this Series Trust Deed

## 5. SUBORDINATION

- 5.1 The Bonds constitute unsecured and subordinated obligations of the Issuer in respect of which, upon the occurrence of a Non-Viability Event, the rights and claims of each Bondholder will be Written-Off, as provided in Condition 4 (Loss Absorption upon the occurrence of a Non-Viability Event).
- 5.2 The claims of the Trustees, the Bondholders in respect of the Series 1 Bonds to payments of the nominal amount of the Bonds for the time being Outstanding and any other amounts payable in respect of the Bonds (including any accrued and uncanceled interest or damages awarded for breach of any obligations under the Conditions) shall, in the event of a Subordination Event and for so long as the Subordination Event subsists, rank:
  - a. junior in right of payment to all Senior Obligations;
  - b. rank *pari passu* without any preference among themselves and with any obligations of the Issuer in respect of any Additional Tier 1 Instrument;
  - c. rank *pari passu* in right of payment with payments to holders of all present or future Outstanding Parity Obligations; and
  - d. senior in right of payment to holders of all present or future Outstanding Junior Obligations.

No Bondholder who in the event of the liquidation or bankruptcy of the Issuer is indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Series 1 Bonds (including any damages awarded for breach of any obligations under the Conditions, if any are payable) held by such Bondholder.

- 5.3 Subject to Applicable Law, all payment obligations of, and payments made by, the Issuer under the Series 1 Bonds must be determined and made without reference to any right of set-off or counterclaim of the

Bondholders whether arising before or in respect of any Subordination Event and the Bondholders shall not exercise any right of set-off or counterclaim in respect of any amount owed to the Bondholders by the Issuer under the Conditions and any such rights shall be deemed to be waived.

## **6. SOLVENCY CONDITION**

- 6.1 Payments in respect of the Principal Amount and Interest are conditional upon the Issuer being solvent at the time of payment by the Issuer, and no principal of or interest on the Bonds shall be due and payable in respect of the Bonds except to the extent that the Issuer could make such payment and still be solvent immediately thereafter and have secured the approval of the Regulator as may be required under the Guidelines.
- 6.2 For the purposes of this Clause 6, the Issuer shall be solvent if: (i) it is able to pay its debts owed to Senior Creditors as they fall due and (ii) its assets (in its latest audited financial statements) exceed its liabilities to Senior Creditors (the "Solvency Condition").
- 6.3 Amounts representing any payments in respect of which the Solvency Condition is not satisfied on the date upon which the same would otherwise be due and payable ("Solvency Claims") will be payable by the Issuer (a) subject to Clause 5 (Subordination), in a winding-up, liquidation, or similar process of the Issuer and (b) subject to satisfying the Solvency Condition, on any redemption of the Bonds, provided that in the event that, prior to any winding-up, liquidation or similar process of the Issuer, the Issuer shall again be solvent and would be solvent immediately after the making of such payment of Solvency Claims, then the Issuer shall promptly notify the Trustees and the Bondholder of such fact and the Solvency Claims shall, subject to satisfying the Solvency Condition and upon the approval of the Relevant Regulator, be due and payable on the sixteenth Business Day after the Issuer shall have given such notice.
- 6.4 A Solvency Claim shall not bear interest unless and only so long as the Issuer shall be solvent once again, in which case interest shall accrue on any such Solvency Claim from (and including) the date on which the Issuer is so solvent again to (but excluding) the date on which such Solvency Claim is paid. Any such interest shall accrue at a rate equal to the then applicable Rate of Interest determined in accordance with the Conditions. In the event that the Issuer shall be so solvent once again, the Issuer may not declare or pay a dividend (in accordance with Condition 3.8 (Restriction Following Non-Payment of Interest)) from the date that the Issuer is so solvent again until the date on which the Solvency Claim and any relevant interest on the Solvency Claim is paid.

## **7. COVENANTS OF THE ISSUER**

- 7.1 So long as the Bonds remain Outstanding, the Issuer shall comply with Clause 7 (Covenants of the Issuer) of the Programme Trust Deed (save for the covenants contained in clause 4.1 (Covenant to Repay Principal and Pay Interest on the Bonds) and clause 5.2 (Pari passu ranking) thereof) and the additional covenants outlined below:
  - a. observe and comply with its obligations under the Conditions of this Series Trust Deed;
  - b. notify the Trustees in writing immediately on its becoming aware of the occurrence of any Non-Viability Event, Subordination Event, Tax Event or Capital Disqualification Event or any event which with the giving of notice and/or the lapse of time and/or the issue of a certificate would constitute a Non-Viability Event, Subordination Event, Tax Event or Capital Disqualification Event or any breach by it of any provision of this Series Trust Deed and in each case without waiting for the Trustees to take any further action;
  - c. forthwith upon request by the Trustees give notice to the Bondholders of any irrevocable payment to the Trustees of any sum due in respect of the Bonds made after the due date for such payment;
  - d. not less than the number of days specified in the relevant Condition prior to the redemption or repayment date in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or repayment pursuant to the Conditions;
  - e. obtain and maintain from time to time when necessary all such authorisations, approvals, consents and licences and satisfy such (if any) other requirements as may be required under any applicable law or regulation (including, for the avoidance of doubt, by the Central Bank of Nigeria), to enable it to carry on its business and to perform its obligations under the Series 1 Bonds and this Series Trust Deed or for the continuing validity and enforceability of the Bonds and this Series Trust Deed and it shall comply with all the terms of the same;
  - f. preserve and keep in full force and effect its corporate existence and at all times comply in all material

respects with all applicable laws and regulations, non-compliance with which could (in the opinion of the Trustees) be materially prejudicial to the interests of the Bondholders;

- g. at any time after the Issuer shall have purchased any Bonds and retained such Bonds for its own account, and after being so requested by the Trustees, notify the Trustees, to that effect and deliver to the Trustees promptly a certificate of the Issuer signed by two directors of the Issuer setting out the total number of Bonds which, at the date of such certificate, are held by or for the benefit of the Issuer;
- h. give prior notice to the Trustees of any proposed redemption pursuant to Condition 5.4 (Redemption upon a Capital Disqualification Event), Condition 5.3 (Redemption for tax reasons) or Condition 5.2 (Optional Redemption).

## 8. PAYMENT ACCOUNT

- 8.1 The Issuer shall establish an account called the "Payment Account" not later than [Ten (10)] Business Days after the Issue Date which shall be opened in the name of the Trustees, i.e. **ARM TRUSTEES/ FCMB TRUSTEES – FCMB BOND PAYMENT ACCOUNT** and shall also be under the custody and administration of the Trustees on behalf of the Bondholders. Upon confirmation that the requisite funds required to meet the Issuer's obligations to the Bondholders under this Trust Deed have been received by the Trustees, the Trustees shall remit the said funds to the Registrar; the Registrar shall, not later than forty-eight (48) hours after the receipt of the said funds, make the necessary payments to the Bondholders.
- 8.2 The Issuer shall ensure that funds required to meet any of its interest and other payment obligations under this Trust Deed shall be paid into the Payment Account at least 5 (five) Business Days before the next Interest Payment Date.
- 8.3 The amount standing to the credit of the Payment Account from time to time shall be applied to meeting the obligations of the Issuer as follows:
  - (i) Interest payments;
  - (ii) Trustees' fees and expenses (as indicated in the respective appointment letters of the Trustees and as may be agreed from time to time between the Issuer and the Trustees);
  - (iii) Annual listing fees;
  - (iv) Annual ratings agencies' fees;
  - (v) Any excess left over at the end of the Programme and after due discharge of all the Issuer's obligations aforesaid shall be paid over to the Issuer.
- 8.4 The Trustees may at their discretion and pending payment obligation of the Issuer invest the funds in the Payment Account in accordance with the Trustees Investment Act

## 9. POWERS, RIGHTS, DUTIES AND INDEMNITIES OF THE TRUSTEES

- 9.1 The Trustees shall have all the powers, rights, duties and reliefs as set out in Clause 2 and 3 (Appointment of Trustees and Declaration of Trust) and Clause 19 (Powers, Duties, Reliefs and Indemnities of the Trustees) of the Programme Trust Deed.
- 9.2 In addition to the above, the Trustees shall:
  - 9.2.1 comply with the fiduciary duties owed to the Bondholders in accordance with this Deed and the Applicable Laws and act in the best interest of the Bondholders;
  - 9.2.2 act impartially and solely in the best interest of all Bondholders in the management of the trust property;
  - 9.2.3 not to let their commercial interests and the duties owed to the Bondholders in connection with and under this Deed conflict;
  - 9.2.4 not commingle their funds with those of the trust created under this Deed;
  - 9.2.5 segregate their assets from the trust property;

- 9.2.6 not pledge or charge the trust property except as permitted by the Programme Trust Deed, this Deed or any Applicable Law; and
- 9.2.7 not delegate their duties except as permitted by this Deed or the Programme Trust Deed.

## **10. SEVERABILITY**

Any term or provision of this Deed or the application thereof to any circumstance that is prohibited or unenforceable (to any extent) in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity, prohibition or unenforceability without invalidating or rendering unenforceable, the remaining terms or provisions hereof or the application of such term or provision to circumstances other than those to which it is held invalid, illegal or unenforceable. Any such illegality, invalidity, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other relevant jurisdiction. To the extent permitted by Applicable Law, the Parties hereto waive any provision of law that renders any term or provision of this Deed illegal, invalid, prohibited or unenforceable in any respect.

## **11. BENEFIT OF THE TRUST DEED**

Nothing in this Deed or in the Series 1 Bonds, express or implied, shall give to any person, other than the Parties hereto and their successors hereunder and the Bondholders, and where specified herein, the beneficial owners of the Series 1 Bonds, any benefit or any legal or equitable right, remedy or claim under this Deed.

## **12. ASSIGNMENT**

Neither Party to this Trust Deed shall not assign or transfer any of its rights, interests or obligations under or in respect of this Deed to any person, without the prior written consent of the Trustees.

## **13. COMPLIANCE WITH THE ISA**

The Trustees in exercise of the powers and discretions vested in them pursuant to this Trust Deed shall comply with the provisions of the ISA, the SEC Rules and the Trustee Investments Act.

## **14. GOVERNING LAW AND JURISDICTION**

This Trust Deed shall be governed by and construed in accordance with Nigerian law and the Courts of the Federal Republic of Nigeria shall have exclusive jurisdiction to determine any dispute arising out of or in connection with this Trust Deed.

## **15. COUNTERPARTS**

This Trust Deed may be executed simultaneously in any number of counterparts, each of which shall be deemed to be an original, but all of which taken together, shall constitute one and the same instrument.

## **16. PAYMENT CURRENCY**

The currency for repayment of the Bonds shall be in Nigerian Naira, and this clause shall not be amended without the written confirmation of the Parties.

**SCHEDULE 1**  
**TERMS AND CONDITIONS**

*The following is the text of the general terms and conditions which, (save for the italicised text), will apply to the Series 1 Bonds.*

*Words and expressions defined in the Series 1 Trust Deed (as same may be amended, varied or supplemented from time to time with the consent of the Parties thereto) are expressly and specifically incorporated into and shall apply to these Conditions.*

*Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Series 1 Trust Deed unless the context otherwise require or unless otherwise stated.*

**1. Form, Denomination and Title**

**1.1 Form and Denomination**

The Bonds shall be issued in registered form in denominations of ₦1,000 (One Thousand Naira), with a minimum subscription of ₦5,000,000.00 (Five Million Naira) and multiples of N1,000,000.00 (One Million Naira) thereafter and the Bonds issued under this Trust Deed shall be perpetual fixed rate resettable NC5.25 AT 1 subordinated bonds.

The Bonds will be issued in uncertificated (dematerialised or book-entry) form, which shall be registered with a separate securities identification code with the Clearing System in addition to being registered in the Register of Bondholders.

**1.2 Title**

Title to Bonds shall be effected in accordance with the rules governing transfer of title in securities held by the Clearing System. In these Conditions, Bondholders and (in relation to a Bond) holder means the person in whose name a Bond is registered in the Register of Bondholders.

**2. Status of the Bonds**

**2.2 Subordination**

The Series 1 Bonds (and claims for payment by the Issuer in respect thereof), which are intended to qualify as Additional Tier 1 Capital and Tier 1 Capital of the Issuer in accordance with Applicable Law and regulations and under the relevant approval of the Relevant Regulator, will constitute direct, unsecured and subordinated obligations of the Issuer and shall, in the case of a Subordination Event and for so long as the Subordination Event subsists, rank:

- (a) subordinate in right of payment to the payment of all present and future Senior Obligations;
- (b) *pari passu* without any preference among themselves and with all present and future Parity Obligations; and
- (c) in priority to all payments in respect of all present and future Junior Obligations.

By virtue of the subordination of the Bonds, as set out in this Condition 2, no amount will, in the case of a Subordination Event and for so long as the Subordination Event subsists, be paid under the Bonds until all payment obligations in respect of Senior Obligations have been satisfied.

## 2.2 No Set-off or Counterclaim

Subject to Applicable Law, no Bondholders may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Bonds or this Series Trust Deed and each Bondholder shall, by virtue of its holding any Bonds, be deemed to have waived all such rights of set-off, claim, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Bondholder by the Issuer is discharged by set-off (whether by operation of law or otherwise), such Bondholder shall unless such payment is prohibited by law, immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of its winding up or administration, the liquidator or administrator, as appropriate, of the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer, or the liquidator or administrator as appropriate, of the Issuer (as the case may be), and accordingly any such discharge shall be deemed to have taken place.

## 2.3 Solvency Condition

- (a) Payments in respect of Principal Amount and Interest are conditional upon the Issuer being solvent at the time of payment by the Issuer, and no principal of or interest on the Bonds shall be due and payable in respect of the Bonds except to the extent that the Issuer could make such payment and still be solvent immediately thereafter and have secured the approval of the Regulator as may be required under the Guideline. For the purposes of this Condition 2.3 (a), the Issuer shall be solvent if: (i) it is able to pay its debts owed to Senior Creditors as they fall due and (ii) its assets (in its latest audited financial statements) exceed its liabilities to Senior Creditors (the “**Solvency Condition**”).
- (b) Amounts representing any payments in respect of which the Solvency Condition is not satisfied on the date upon which the same would otherwise be due and payable (“**Solvency Claims**”) will be payable by the Issuer (a) subject to Clause 5 (*Subordination*), in a winding- up, liquidation, or similar process of the Issuer and (b) subject to satisfying the Solvency Condition and upon the approval of the Relevant Regulator, on any redemption of the Bonds, provided that in the event that, prior to any winding- up, liquidation or similar process of the Issuer, the Issuer shall again be solvent and would be solvent immediately after the making of such payment of Solvency Claims, then the Issuer shall promptly notify the Trustees and the Bondholder of such fact and the Solvency Claims shall, subject to satisfying the Solvency Condition, be due and payable on the sixteenth Business Day after the Issuer shall have given such notice.

## 3. **Interest**

### 3.1 Interest Rate

Each Bond shall bear interest on its Outstanding Principal Amount at a rate per annum equal to:

- (a) in respect of the period from (and including) the Issue Date to (but excluding) the First Reset Date, at the rate of 16% per annum (“**Initial Interest Rate**”); and
- (b) in respect of each Reset Period, the aggregate of: (i) the Reset Margin of 2.25% per annum and (ii) the then applicable Benchmark Rate (“**Reset Interest Rate**” and together with the Initial Interest Rate, each a “**Rate of Interest**”) as determined by the Calculating Agent on the Reset Determination Date .

### 3.2 Interest Payment

Interest will accrue from the Issue Date. The first Interest Payment Date shall be August 16, 2023. The Interest shall be due and payable every 6th and 12th month (16/August and 16/February) respectively thereafter (each, an “**Interest Payment Date**”). There will be a long first Interest Period from (and including) the Issue Date to (but excluding) the first Interest Payment Date.

### 3.3 Calculation of Interest

Interest shall be calculated in respect of any period by applying the Rate of Interest to the aggregate Principal Amount of the Outstanding Bonds, multiplying such sum by actual number of days in a month/actual number of days in the year.

### 3.4 Determination and Notification of Reset Interest Rate

The Calculation Agent will, at or soon as practicable after the relevant time, determine the Reset Interest Rate and cause it to be notified to the Issuer and any stock exchange on which the Bonds are for the time being listed and notice thereof to be published in accordance with Condition 10 as soon as possible after such determination but in no event later than the fourth Business Day thereafter. For the purposes of this paragraph, the expression "Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Lagos.

### 3.5 Optional Cancellation of Interest

The Issuer may elect, in its sole and absolute discretion, to cancel any payment of interest in whole or in part at any time and for any reason. Following any such election, the Issuer shall give notice to Bondholders in accordance with Condition 10 and to the Trustees of the cancellation of interest payment. Any failure by the Issuer to give any such notice to or otherwise to so notify Bondholders will not in any way impact on the effectiveness of, or other invalidate, any such election, or give Bondholders any rights as a result of such failure.

### 3.6 Mandatory Cancellation of Interest

- (a) Payment of interest in respect of the Bonds shall be made only out of Distributable Items of the Issuer. To the extent that:-
  - (i) the Issuer has insufficient Distributable Items to make payment of interest in respect of the Bonds scheduled for payment in the then current financial year and any other interest payments or distributions paid and/or required and/or scheduled to be paid out of Distributable Items in such financial year, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Issuer, and/or
  - (ii) in accordance with Capital Regulations then in force, if the Issuer is required to cancel the relevant payment of interest in respect of the Bonds in whole or in part then the Issuer will, without prejudice to the right above to cancel all such payments of interest in respect of the Bonds, make partial or, as the case may be, no such payment of interest in respect of the Bonds, and/or
  - (iii) the Issuer is in breach of the Solvency Condition on the Business Day prior to an Interest Payment Date.
- (b) Following such determination, the Issuer shall give notice to the Bondholders and to the Trustees of the mandatory cancellation of such interest payment. Any failure by the Issuer to give any such notice to or otherwise to so notify the Bondholders will not in any way impact of the effectiveness of, or otherwise invalidate, any such election, or give Bondholders any rights as a result of such failure.

### 3.7 Interest Payment Non-Cumulative

Interest payments in respect of the Bonds will be non-cumulative. Accordingly, if any payment of interest (or part thereof) is not made in respect of the Bonds as a result of any election of the Issuer to cancel such payment of interest under Condition 3.3 or as a result of the determination under Condition 3.4 then the right of the Bondholders to receive the relevant interest payment (or part thereof) will be extinguished and the Issuer will have no obligation to pay such interest (or part thereof) or to pay interest thereon, whether or not interest on the Bonds is paid in respect of any future Interest Period.

### 3.8 Non-Payment Evidence of Cancellation

If the Issuer does not make any payment of interest (or part thereof) on any Interest Payment Date, such non-payment shall evidence the cancellation of such interest payment (or relevant part thereof) or, as appropriate, the Issuer's exercise of its discretion to cancel such interest payment (or relevant part thereof), and accordingly, such interest (or part thereof) shall not in any such case be due and payable.

### 3.9 Cancellation not an Event of Default

No such election to cancel the payment of any interest (or part thereof) or non-payment of any interest (or part thereof) will constitute an Event of Default or the occurrence of any event related to the bankruptcy or insolvency of the Issuer or entitle Bondholders to take any action to cause the Issuer to be declared bankrupt or insolvent or for the dissolution, winding-up or liquidation of the Issuer or in any way limit or restrict the Issuer from making any payment of interest or equivalent payment or other distribution in connection with any Junior Obligation or Parity Obligation other than any payment to shareholders of the Issuer.

### 3.10 Restrictions Following Non-Payment of Interest

If, on any Interest Payment Date, any payment of interest in respect of the Bonds scheduled to be made on such date is not made in full and cancelled pursuant to the above provisions,

- i. The board of directors of the Issuer shall not recommend or, if proposed by shareholders of the Issuer, shall recommend to reject to the shareholders of the Issuer, that any distribution (other than in the form of Ordinary Shares or any other class of share capital of the Issuer) be paid or made on any Ordinary Shares or other class of share capital of the Issuer, and

The Issuer shall not directly or indirectly, redeem, purchase or otherwise acquire any Ordinary Shares or other class of share capital of the Issuer other than in relation to:

- (a) transactions in securities effected by or for the account of customers of the Issuer or any of its subsidiaries;
- (b) the satisfaction by the Issuer or any of its subsidiaries of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers or directors of the Issuer or any of its subsidiaries;
- (c) a reclassification of any share capital of the Issuer or of any of its subsidiaries or the exchange or conversion of one class or series of such share capital for another class or series of such share capital; or
- (d) the purchase of any share capital of the Issuer or fractional rights to such share capital pursuant to the provisions of any Outstanding securities of the Issuer or any of its subsidiaries being converted or exchanged for such share capital in order to fulfil its obligations under such Outstanding securities, in each case until the earliest of:
  - the interest scheduled to be paid in respect of the Bonds on any two consecutive Interest Payment Dates following any such cancellation of interest has been paid in full; or
  - all Outstanding Bonds having been redeemed or purchased and cancelled in full; or
  - the Outstanding aggregate Principal Amount having been written down to zero.

#### 4. Loss Absorption

##### 4.1 Loss Absorption

The Bonds may be classified as liabilities for accounting purposes, and therefore be subjected to loss absorbency applicable for capital-qualifying instruments issued in terms of Basel III Guidelines and in compliance with the requirements of Paragraph 40 of the CBN Guidelines on Regulatory Capital 2021 and are subject to loss absorbency required of AT 1 instruments at Pre-Specified Trigger Point (as herein after defined) and at the Point of Non-Viability (as provided hereunder) as provided for in the CBN Guidelines on Regulatory Capital 2021.

##### 4.2 Loss Absorption at Pre-specified Trigger Point

Where the CET 1 of the Group falls below 10.75% of risks weighted assets, the same shall be referred to as “Pre-Specified Trigger Point” and a write-down mechanism will be activated. The write down will have the following effects:

- (a) reduce the claim of the instrument in liquidation
- (b) reduce the amount re-paid when a call is exercised; and
- (c) partially or fully reduce interest payments on the instrument

##### 4.3 Loss Absorption at Point of Non-Viability

The Series 1 Bonds shall be subject to full or partial write-off upon a Non-Viability Event, as determined by the CBN. The trigger event shall be the earlier of:

- (a) a decision that a write off or write down of the Bonds is necessary, without which the Issuer would become non-viable
- (b) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer would become non-viable;

##### 4.4 Non-Viability Event

Upon the occurrence of a Non-Viability Event, the Issuer will deliver a Non-Viability Event Notice to the Trustees, the Registrar and notify the Bondholders in accordance with the Condition 10 of the Series 1 Bonds as soon as practicable not later than 10 (ten) Business Days upon receiving notice thereof from the Relevant Regulator of its determination of such Non-Viability Event. The Issuer will subsequently Write-off all of the then Outstanding Principal Amount of the Series 1 Bonds or part thereof by such amount (the “**Written-off Amount**”) as the Relevant Regulator shall require, provided that:

- I. a Write-off of the Series 1 Bonds need only occur up until the point where the Issuer is deemed by the Relevant Regulator to be viable again;
- II. the Series 1 Bonds shall be Written-off in whole, or in part, on a *pro rata* basis with other Parity Loss Absorbing Instruments; and
- III. no Series 1 Bond will be Written-off without:
  - (a) the Issuer cancelling any interest in respect of the Bonds accrued and unpaid to (but excluding) the Write-off Date (including if payable on the Write-off Date), together with any interest or equivalent payments that may be similarly cancelled in respect of any other securities or instruments of the Issuer the terms of which provide for such cancellation; and
  - (b) to the extent such cancellation of interest and any such equivalent payments is not sufficient to restore the Tier 1 Capital of the Issuer and/or the Regulatory Group, as the case may be, to the point whether the Issuer is deemed by the Relevant Regulator to be viable again, there also

being the maximum possible reduction in the Principal Amount of, and/or corresponding Write-off or conversion into equity being made in respect of, all Junior Loss Absorbing Instruments in accordance with the provisions of such Junior Loss Absorbing Instruments (the “**Non-Viability Loss Absorption Condition**”).

For these purposes, any determination of the Written-off Amount shall take into account the absorption of the relevant loss(es) by all Junior Obligations to the maximum extent possible or otherwise allowed by law and the Write-off of the Bonds pro rata with any other Parity Loss Absorbing Instruments.

To the extent that the Write-off or conversion of any Non-Viability Loss Absorbing Instruments is not effective for any reason: (i) the ineffectiveness of any such Write-off or conversion shall not prejudice the requirement to effect a Write-off of the Bonds; and (ii) the Write-off or conversion of any Non-Viability Loss Absorbing Instrument which is not effective shall not be taken into account in determining the Written-off Amount of the Bonds. For the avoidance of doubt, following any Write-off of the Bonds (or the relevant part thereof) the Issuer shall not be obliged to pay compensation in any form to the Bondholders.

#### 4.5 Determination

Whether a Non-Viability Event has occurred at any time shall be determined by the Relevant Regulator in its sole discretion, and such determination shall be binding on the Trustee and the Bondholders. Any delay in delivery or failure to deliver a Non-Viability Event Notice shall not affect the validity of any Write-off or the timing of any Write-off.

#### 4.6 Write-off Date

A Write-off may occur on more than one occasion following the occurrence of a Non-Viability Event and the Bonds may be Written-off on more than one occasion. Any Write-off shall take place on such date selected by the Issuer in consultation with the Relevant Regulator (the “**Write-off Date**”) but no later than thirty (30) days following the occurrence of the Non-Viability Event unless the Relevant Regulator has agreed with the Issuer in writing that the then Outstanding Principal Amount (or part thereof) of the Bonds may be Written-off after a longer period.

#### 4.7 Interest Cancellation

The Issuer shall not be obliged to pay any interest amount on the Outstanding Principal Amount accrued to and including the date on which the Bonds are Written-off in accordance with the Non-Viability Loss Absorption Condition, and payment of such interest amount shall be irrevocably cancelled to the extent such payment is prohibited by the Relevant Regulator.

#### 4.8 No Event of Default

The occurrence of a Non Viability Event and the consequent Write-off of the Bonds will not constitute an Event of Default or the occurrence of any event related to the bankruptcy or insolvency of the Issuer or entitle Bondholders to take any action to cause the Issuer to be declared bankrupt or insolvent or for the dissolution, winding up or liquidation of the Issuer.

#### 4.9 No Further Claim in respect of the Written-Down Amount

Bondholders will also have no further claim against the Issuer in respect of any discretion exercised by the Relevant Regulator regarding the Write-off of the Bonds or any Written off Amount. Once a Write-off of all or part of the then Outstanding Principal Amount has occurred, no Written-off Amount shall be restored under any circumstances (including, without limitation, where the Non-Viability Event ceases to continue) and the Trustee (on behalf of the Bondholders) and the Bondholders will automatically irrevocably lose their rights to receive, and no longer have any rights against the Issuer with respect to, interest accrued on the Written-off Amount prior to the Write-off Date and repayment of the Written-off Amount; provided that, if the Series 1 Bonds are Written-off in part, interest will continue to accrue on the then Outstanding Principal Amount.

#### 4.10 Regulatory Determination Upon the Occurrence of Non-Viability Event

Notwithstanding any provisions of this Trust Deed, upon the occurrence of a Non-Viability Event and where it is so determined by the CBN pursuant to the Capital Regulations, the Series 1 Bonds shall be written off or converted to Common Equity Tier 1 Capital.

### 5 **Redemption**

#### 5.1 No Fixed Maturity

The Bonds are perpetual securities with no fixed maturity or date for redemption and are only redeemable in accordance with the following provisions of this Condition 5.

#### 5.2 Optional Redemption

Subject to the Issuer satisfying the Solvency Condition, at any time from February 16, 2028 up to and including the First Reset Date and every Interest Payment Date thereafter (each, an “**Issuer Call Date**”), the Issuer may, upon the approval of the Relevant Regulator, as may be required, redeem all (but not some only) of the Bonds then Outstanding at their then Outstanding Principal Amount, together with interest accrued and unpaid to (but excluding) the relevant Reset Date (to the extent such interest has not been cancelled). Where the Issuer must exercise a call, then it must either (i) refinance or replace this Series 1 Bonds with another AT 1 Bond or instrument with better quality and the replacement of the Series 1 Bonds is done at conditions which are sustainable to the income capacity of the Issuer, or (ii) demonstrate that its capital position will be well above the regulatory minimum capital requirement after exercising the option.

If the Issuer has elected to redeem such Bonds but prior to the payment of the Redemption Amount with respect to such redemption, a Non-Viability Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount will be due and payable and the Write-off provisions shall apply in accordance with the Conditions of the Bonds.

#### 5.3 Redemption for Tax Reasons

Subject as provided in the Conditions of the Bonds and the Issuer satisfying the Solvency Condition, the Bonds may be redeemed, if so required at the relevant time to the Issuer giving prior written notice and receiving the approval therefor of the Relevant Regulator, at the option of the Issuer in whole, but not in part, at any time, on giving not less than thirty (30) nor more than sixty (60) days’ notice to the Bondholders at their Outstanding Principal Amount, together with interest accrued and unpaid to (but excluding) the date fixed for redemption (to the extent such interest has not been cancelled), if, immediately before giving such notice, the Issuer satisfies the Trustee that a Tax Event has occurred, all as more fully described in the Conditions.

#### 5.4 Redemption upon a Capital Disqualification Event

Subject to the Issuer satisfying the Solvency Condition and demonstrating to the Relevant Regulator that the regulatory reclassification was not reasonably foreseeable at the Issue Date, if a Capital Disqualification Event occurs at any time after the Issue Date, the Issuer may redeem all, but not some only, of the Bonds then Outstanding subject to having obtained the prior approval of the Relevant Regulator if required pursuant to the Capital Regulations at any time at 100 per cent of their then Outstanding Principal Amount together with interest accrued and unpaid (to the extent such interest has not been cancelled) to (but excluding) the date of redemption.

#### 5.5 Substitution or Variation Instead of Redemption

If at any time a Tax Event or a Capital Disqualification Event occurs and is continuing, the Issuer may, subject to the Solvency Conditions and compliance with Capital Regulations and the approval of the Relevant Regulator, (without any requirement for the consent or approval of the Bondholders), at any time either substitute all (but not some only) of the Bonds for, or vary the terms of the Bonds accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Additional Tier 1 Securities.

#### 5.6 Purchase of the Bond

Subject to compliance with the Solvency Condition, if permitted and subject to having obtained the prior approval of the Relevant Regulator, the Issuer may purchase or otherwise acquire Bonds in any manner and at any price in the open market or otherwise. Subject to applicable law, such Bonds may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

#### 5.7 Conditions to Redemption and Purchase

Any redemption, variation, substitution, or purchase of the Bonds under the Conditions of the Bonds is subject to the prior consent of the Relevant Regulator if required by applicable law at the time of such early redemption, variation, or substitution or purchase.

#### 5.8 No other Optional Redemption or Purchase

The Issuer may not redeem or purchase the Bonds other than as provided in this Condition 5.

### 6 Transfers

6.1 The Bond is transferable in amounts or integral multiples of an amount of ₦1,000,000.00 (One Million Naira). Transfers of the Bond shall be by an instrument in writing in any form the Issuer and the Trustees may approve **PROVIDED THAT** the Bonds shall be transferred on the Exchange in accordance with the rules and regulation of the Exchange. Bondholders who wish to trade the Bonds on the Exchange may do so after the Bonds have been listed on the Exchange.

6.2 Every instrument of transfer must be signed by or on behalf of the transferor or where the transferor is a corporation, properly executed according to its constitutional documents, and the transferor shall be deemed to remain the owner of the Bonds until the name of the transferee is entered in the Register.

6.3 Every instrument of transfer must be left for registration at the place where the Register shall for the time being be kept accompanied by the Certificate for the Bond to be transferred, such other evidence as the Issuer may require to prove the title of the transferor or his right to transfer the Bond and (if the instrument of transfer is executed by some other person on his behalf) the authority of that person so to do.

6.4 All instruments of transfer which shall be registered will be retained by the Issuer.

6.5 Closed Periods: No Bondholder may require the transfer of a Bond to be registered during the period of 15 (fifteen) days ending on the due date for any payment of principal or interest on that Bond.

### 7 Transmission

7.1 In the case of the death of a Bondholder, the survivor or survivors where the deceased was a joint holder and the executor or administrator of the deceased where he was a sole or only surviving holder shall be the only person recognised by the Issuer as having any title to such Bond.

- 7.2 Any person becoming entitled to any Bond in consequence of the death or bankruptcy of any Bondholder or of any other event giving rise to the transmission of such Bond by operation of law may upon producing such evidence that he sustains the character in respect of which he proposes to act under this condition or of his title as the Board shall think sufficient be registered himself as the holder of such Bond or subject to Condition 10 may transfer such Bond without himself being registered as the holder of such Bond.

## **8 Receipts for Money Paid**

If several persons are entered in the Register as joint holders of any Bond, then the receipt of any of such persons for any interest or principal or other money payable on or in respect of such Bond shall be as effective a discharge to the Issuer as if the person signing such receipt were the sole registered holder of such Bond.

## **9 Tax Consideration**

Following the expiration of the exemption period granted under the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2011, the VAT (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011, the Bonds issued under this Deed shall be subject to withholding tax or other deductions, companies income tax where applicable and subject to capital gains tax as provided by the Capital Gains Tax Act (as amended by the Finance Acts, 2019, 2020 and 2021). While the VAT Order expires in 2022, the Finance Act, 2020 now excludes securities from “goods and services” for the purpose of value added tax. However, commissions payable to the SEC, the Exchange and the Central Securities Depository for stock exchange transactions will be subject to VAT following the expiration of the Value Added Tax (Exemption of Commissions on Stock Exchange Transactions) Order, 201

Furthermore, by virtue of the Personal Income Tax (Amendment) Act 2011, corporate bonds are also exempt from personal income tax. Notwithstanding the foregoing, the Bonds shall enjoy the benefits of the provisions of any re-enactment of the tax exemptions, and such extension, amendments and modifications thereof.

## **10 Notices**

The provision of Condition 20 (Notices) of the Second Schedule to the Programme Trust Deed will apply to the notices in connection with the Bonds.

## **11 Meetings of Bondholders**

The rights and duties of the Bondholders in respect of attendance at meetings of Bondholders are set out in the Third Schedule of the Programme Trust Deed (Provisions for Meetings of Bondholders).

## **12 Governing Law**

The Bonds are governed by, and shall be construed in accordance with, the laws of the Federal Republic of Nigeria.

## **13 Dispute Resolution**

The provisions of Clause 41 (Dispute Resolution) of the Programme Trust Deed will apply to any dispute that may arise in connection with the Bonds.



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The Directors  
FCMB Group Plc  
Primrose Tower  
44, Marina Plaza  
Lagos

and

The Directors  
Chapel Hill Advisory Partners Limited  
45, Saka Tinubu Street  
Victoria Island  
Lagos

and

The Directors  
FMCB Capital Markets  
First City Plaza  
44 Marina  
Lagos

Dear Sirs,

#### **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

We have reviewed the accompanying audited consolidated financial statements of FCMB Group Plc (the "Company") and its subsidiaries (collectively, the "group") that comprise the consolidated statements of financial position as at 31 December 2017, 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the five year then ended, 31 December 2017, 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 and a summary of significant accounting policies and other explanatory information. KPMG Nigeria Professional services were the auditors of the group and company for the periods ended 31 December 2017 - 31 December 2019 and Deloitte & Touche audited the group and company consolidated financial statements for the periods ended 31 December 2020 - 31 December 2021. Unmodified audit reports were issued on the periods.

## **Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Reporting Accountant's Responsibility**

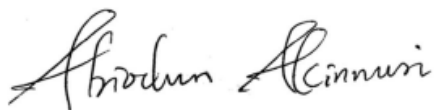
Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the consolidated financial position of FCMB Group Plc as at 31 December 2017, 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 and of its financial performance and consolidated cash flows for the years then ended, in accordance with the International Financial Reporting Standards.



Abiodun Akinnusi  
FRC/2021/004/00000023386  
For: Ernst & Young  
Lagos, Nigeria  
1 August 2022

**A INVITATION FOR PARTICIPATION**

Qualified Investors are hereby invited to participate in the Issue through the Issuer and the Issuing Houses/Book Runners to the Issue (the "Selling Group").

- a. The Book Building Period opens on January 24, 2023 and closes on February 3, 2023. Orders must be for a minimum of ~~₦~~5,000,000.00 (i.e. 5,000 units at ~~₦~~1,000/unit) and in integral multiples of ~~₦~~1,000,000.00 thereafter.
- b. The amount indicated on Commitment Form by a Participant ("Participation Amount") and the rate within the Price Range indicated in the Commitment Form by a Participant ("Bid Coupon Rate") should be entered in the space provided in the prescribed Commitment Form attached to this Pricing Supplement. Photocopies or scanned copies of the Commitment Form will not be accepted.
- c. By completing the Commitment Form, each Participant hereby agrees that the Order is irrevocable and, to the fullest extent permitted by law, the obligations in respect thereof shall not be capable of rescission or termination by any Participant.
- d. Participants may order the Bonds at any price within the Price Range subject to the Minimum Participation Amount and the terms and conditions stated on the Commitment Form.
- e. A corporate Participant should affix its official seal in the box provided and state its incorporation (RC) Number or, in the case of a corporate foreign subscriber, its appropriate identification/incorporation number in the jurisdiction in which it is constituted.
- f. An individual Participant should sign the declaration and write his/her full name, address and daytime telephone number on the Commitment Form. Joint Participants must all sign the Commitment Form.
- g. Upon the completion and submission of the Commitment Form, the Participant is deemed to have authorised the Issuer and the Issuing Houses/Book Runners to effect the necessary changes in the Pricing Supplement as would be required for the purposes of filing an application for the clearance and registration of the Pricing Supplement with the SEC. The Commitment Form shall be considered as the Application Form for the purposes of registration of the Pricing Supplement with the SEC.
- h. Participants may not submit an Order on another Commitment Form after the submission of a Commitment Form to a member of the Selling Group. Submission of a second or more Form(s) of Commitment to either the same or to another member of the Selling Group will be treated as multiple applications and will be rejected.
- i. Notwithstanding the above, participants shall have the option to make a maximum of three (3) orders on a single Commitment Form and such options shall not be considered as multiple applications.
- j. The Commitment Form presents the Participant with the choice to bid for up to three (3) optional bid Coupon Rates within the price range and to specify the Participation Amount in each option. The Bid Coupon Rates and the Participation Amounts submitted by the Participant in the Commitment Form will be treated as optional demands from the Participant and will not be cumulated.
- k. After determination of the Coupon Rate, the maximum Participation Amount specified by a Participant at or below the Clearing Price will be considered for allocation and the rest of the order(s), irrespective of the corresponding Bid Coupon Rate(s), will become automatically invalid.
- l. The Issuer, in consultation with the Book Runners, reserves the right not to proceed with the Issue at any time including after the Book Building Opening Date but before the Allotment Date without assigning any reason therefore but after notification to the SEC.

**B PAYMENT INSTRUCTIONS**

Successful Participants should ensure that payment of the Participation Amount is received on the Signing Ceremony Date via the Real Time Gross Settlement ("RTGS") into the following designated Issue Proceeds Accounts domiciled with the Receiving Bank:

**Receiving Bank Details**

BANK	ACCOUNT NAME	ACCOUNT NO.
FSDH Merchant Bank Limited	FCMB GROUP Plc Series I AT1 Bonds	1000142853

**C ALLOCATION/ALLOTMENT**

- a. On the date on which the final price (Coupon Rate) of the Bonds is determined after close of the Book Build ("Pricing Date"), the Issuing Houses/Book Runners will analyse the demand generated at various price levels and, in consultation with the Issuer, finalise the Coupon Rate and the allocations to each Participant. Allocation Confirmation Notices will be sent to successful Participants thereafter.
- b. The Directors of the Issuer and the Issuing Houses/Book Runners reserve the right to accept or reject any application in whole or in part for not complying with the terms and conditions of the Issue.
- c. Upon clearance of the Final Pricing Supplement by the SEC, allotment of the Bonds shall be effected in a dematerialised (uncertificated) form.

**Participants will receive the Series I Bonds in dematerialised form and are mandatorily required to specify their Bank Verification Number (BVN), CSCS details (CSCS Account Number, the name of their Stockbroking Firm and the Clearing House Number (CHN)) and FMDQ Participant details (FMDQ Depository Participant BPID Number and Client BPID Number) in the spaces provided on the Commitment Form.**

**D BANK ACCOUNT DETAILS**

- a. Participants are required to indicate their bank account details in the space provided on the Commitment Form for the purposes of future payments of Coupon and the Principal Amount.
- b. Participants are advised to ensure that bank account details stated on the Commitment Form are correct as these bank account details shall be used by the Registrar for all payments indicated in D(a) above in connection with the Series I Bonds.

**Failure to provide correct bank account details could result in delays in credit of such payments or the issuance of cheques/warrants, which shall be sent by registered post to the specified addresses of the affected investors. The Issuer, the Issuing Houses, the Receiving Bank, the Trustee and the Registrar shall not have any responsibility nor will any of these specified parties undertake any liability for the same.**

## APPENDIX V: APPLICATION FORM

FOR ELIGIBLE INVESTORS ONLY



FCMB GROUP PLC

RC: 395010

**₦20,686,000,000 SERIES I: PERPETUAL 16% FIXED RATE RESETTABLE NC5.25 ADDITIONAL TIER 1 SUBORDINATED BONDS**

Under the ₦300,000,000,000 Debt Issuance Programme

OFFERING BY WAY OF BOOK BUILD

**LEAD ISSUING HOUSE/BOOK RUNNER**

**JOINT ISSUING HOUSE/BOOK RUNNER**



RC 446561

RC 446561

Orders must be made in accordance with the instructions set out in this Pricing Supplement. Investors must carefully follow all instructions as applications, which do not comply with the instruction, may be rejected. If in any doubt, consult your Stockbroker, Accountant, Banker, Solicitor or any professional adviser for guidance. By signing this form, you confirm and agree that the Issuing Houses are acting as agents for the Company and no other party, including any investor, in relation to the Offer.

All Sections of this Form must be completed (as applicable) PLEASE USE BLOCK LETTERS															
QUALIFIED INVESTOR (PLEASE TICK ✓)			DATE (DD/MM/YYYY)								CONTROL NO. (FOR REGISTRARS' USE ONLY)				
<input type="checkbox"/>	High Net worth Investors				/			/	2	0	2	3			
<input type="checkbox"/>	Fund Managers														
<input type="checkbox"/>	Pension Fund Administrators		<p><b>DECLARATION</b></p> <p><input checked="" type="checkbox"/> I/We hereby confirm that I am/we are eligible persons to participate in this Bond Issue in accordance with applicable SEC Rules and Regulations.</p> <p><input checked="" type="checkbox"/> I/we hereby irrevocably undertake and confirm my/our Order(s) for the Bonds equivalent to my/our Participation Amount(s) set out below at the Coupon Rate to be discovered through the Book Building Process.</p> <p><input checked="" type="checkbox"/> I/We authorise you to enter my/our name on the Register of Holders as holders of the Bonds that may be allotted to me/us and to register my/our address as given below.</p>												
<input type="checkbox"/>	Insurance Companies														
<input type="checkbox"/>	Investment/Unit Trusts														
<input type="checkbox"/>	Market Makers														
<input type="checkbox"/>	Staff Schemes														
<input type="checkbox"/>	Trustees/Custodians														
<input type="checkbox"/>	Resident Corporate Investors														
<input type="checkbox"/>	Non-Resident Investors		<p><input checked="" type="checkbox"/> I/We note that the Issuer and the Issuing Houses/Book Runners are entitled in their absolute discretion to accept or reject this Order.</p> <p><input checked="" type="checkbox"/> I/We agree to accept the Participation Amount as may be allocated to me/us subject to the terms of this Red Herring Prospectus.</p>												
<input type="checkbox"/>	Hedge Funds														

**PARTICIPATION DETAILS (The Participation Amount(s) and the Bid Coupon Rate(s) being offered must be indicated in the boxes below).**

Participants have the option to make a maximum of three orders on the Commitment Form. Each option shall be regarded as a separate application and will not be considered as multiple applications. All orders must be for a minimum amount of ₦5,000,000 and multiples of ₦1,000,000 thereafter.

### ORDER 1

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦5 MILLION AND IN MULTIPLES OF ₦1 MILLION THEREAFTER)														BID COUPON RATE		
IN FIGURES	₦															
IN WORDS																

### ORDER 2

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦5 MILLION AND IN MULTIPLES OF ₦1 MILLION THEREAFTER)														BID COUPON RATE		
IN FIGURES	₦															
IN WORDS																

### ORDER 3

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦5 MILLION AND IN MULTIPLES OF ₦1 MILLION THEREAFTER)														BID COUPON RATE		
IN FIGURES	₦															
IN WORDS																

PLEASE TURN OVER TO COMPLETE THIS FORM

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Please tick ☒ to indicate a depository preference – CSCS ☐ / FMDQD ☐

[illegible][illegible][illegible]

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[illegible]

SIGNATURE	2ND SIGNATURE (CORPORATE/JOINT)	SEAL & RC. No.
NAME OF AUTHORISED SIGNATORY (Corporates only):	NAME OF AUTHORISED SIGNATORY (Corporates/Joint):	
DESIGNATION (Corporate only):	DESIGNATION (Corporate only):	

(ISSUER/ISSUING HOUSES/STOCKBROKERS TO THE ISSUE/ RECEIVING AGENTS ONLY)	