

This document is important and should be read carefully. If you are in doubt about its contents or the actions to take, please consult your banker, stockbroker, accountant, solicitor, or any other professional adviser for guidance immediately. This Programme Memorandum has been approved by the members of the Board of Directors of Credit Direct Limited and they individually and jointly accept full responsibility for the accuracy of all information given.

This Programme Memorandum has been prepared in accordance with the Central Bank of Nigeria ("CBN") Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on 18 November 2009 and re-issued on 11 September 2019, the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Papers (together the "CBN Guidelines") and the April 2021 FMDQ Commercial Paper Registration and Quotation Rules or as may be amended from time to time.



Credit Direct Limited

RC: 657309

₦10,000,000,000

Commercial Paper Issuance Programme

Credit Direct Limited ("CDL", "Credit Direct" or "the Issuer"), a private limited liability company incorporated in Nigeria, has established this ₦10,000,000,000 (Ten Billion Naira) Commercial Paper Issuance Programme (the "CP Programme"), under which CDL may from time to time issue Commercial Paper notes ("CP Notes" or "Notes"), denominated in Nigerian Naira as may be agreed between the Issuer and the IPA/Arranger (as defined in the section entitled, "Summary of the Programme", in separate series or tranches subject to the terms and conditions ("Terms and Conditions") contained in this Programme Memorandum.

Each Series or Tranche (as defined in this document) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the Pricing Supplement applicable to such series or tranche (the "Applicable Pricing Supplement"). The maximum aggregate nominal amount of all CP Notes from time to time outstanding under the CP Programme shall not exceed ₦10,000,000,000 (Ten Billion Naira) over a three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

This Programme Memorandum is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference and, in relation to any Series or Tranche (as defined herein), together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Programme Memorandum. This Programme Memorandum, any Applicable Pricing Supplement and the Notes have not been and will not be registered with the Securities and Exchange Commission ("SEC"), or under the Investments and Securities Act, No. 29 of 2007 (as amended).

The CP Notes will be issued in dematerialised form, registered, quoted and traded via the FMDQ Securities Exchange Limited ("FMDQ Exchange" or the "Exchange") in accordance with the rules, guidelines and such other regulation as may be prescribed by the CBN and FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN. The securities will settle via any central securities depository registered or recognised by SEC, acting as custodian and clearing agent for the Notes.

This Programme Memorandum and the Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom this Programme Memorandum and the Applicable Pricing Supplement is delivered (the "Recipient") and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party. In the event of any occurrence of a material change in the condition of the Issuer, material mistake, omission or inaccuracy relating to the information included in this Programme Memorandum, the Issuer will prepare a supplement to this Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of CP Notes.

Arranger/Issuing & Placing Agent



RC 446561

FCMB Capital Markets Limited

Collecting and Paying Agent



RC 46713

First City Monument Bank Limited

This Programme Memorandum is dated 4 October 2023

CONTENTS

DEFINITIONS.....	3
IMPORTANT NOTICES	7
INCORPORATION OF DOCUMENTS BY REFERENCE	8
SUMMARY OF THE PROGRAMME	9
USE OF PROCEEDS & SOURCES OF REPAYMENT	11
REGULATION ON THE ISSUANCE, REGISTRATION AND QUOTATION OF CP	12
TERMS AND CONDITIONS	14
TAX CONSIDERATIONS	24
RISK FACTORS	25
SETTLEMENT, CLEARING AND TRANSFER OF NOTES	28
PRO FORMA APPLICABLE PRICING SUPPLEMENT	31
DESCRIPTION OF CREDIT DIRECT LIMITED	35
AUDITOR'S COMFORT LETTER	44
HISTORICAL FINANCIAL INFORMATION	45
EXTRACT OF THE ISSUER'S RATING REPORT	48
LEGAL OPINION ON THE NOTES.....	49
GENERAL INFORMATION	63
PARTIES TO THE PROGRAMME.....	64

DEFINITIONS

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

TERMS	DEFINITION
"Agency Agreements"	The Issuing and Placing Agency Agreement between the Issuer and the Issuing and Placing Agent dated on or about the date of this Programme Memorandum, and the Collecting and Paying Agency Agreement between the Issuer and the Collecting and Paying Agent dated on or about the date of this Programme Memorandum.
"Applicable Pricing Supplement" or "Pricing Supplement"	The document(s) to be issued pursuant to the Programme Memorandum, which shall provide the definitive final terms and conditions relating to a specific Tranche or Series under the Programme.
"Arranger" or "Issuing and Placing Agent" or "IPA"	FCMB Capital Markets Limited and any other Arranger appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment
"Board" or "Directors"	Board of Directors of CDL
"Business Day"	Any day excluding Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which commercial banks are open for general business in Lagos, Nigeria
"CBN"	Central Bank of Nigeria
"CBN Guidelines"	CBN's Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers dated 18 November 2009 and re-issued on 11 September 2019, and the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Paper, as amended or supplemented from time to time
"CDL", the "Company", "Credit Direct" or "Issuer"	Credit Direct Limited
"CITA"	Companies Income Tax Act Cap C21, LFN 2004 (as amended by the Companies Income Tax (Amendment) Act No 11 of 2007, the Finance Act 2019, the Finance Act 2020 and the Finance Act 2021)
"Collecting and Paying Agent" or "CPA"	First City Monument Bank Limited or any successor collecting and paying agent appointed in accordance with the Agency Agreement
"Commercial Paper", "CP", "CP Notes" or "Notes"	Quoted Commercial Paper Notes to be issued by the Issuer under the CP Programme and any Applicable Pricing Supplement in form of short-term zero-coupon notes held in dematerialised form by Noteholders through the CSD.
"Conditions" or "Terms and Conditions"	Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed "Terms and Conditions of the Notes".
"CP Programme" or "Programme"	The CP Programme described in this Programme Memorandum pursuant to which the Issuer may issue multiple Series or Tranches of Notes from time to time with varying maturities and discount

DEFINITIONS

TERMS	DEFINITION
	rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦10,000,000,000
"CSD"	FMDQ Depository Limited (which expression shall include their successors) or any additional or alternative clearing system recognised or registered by SEC as may otherwise be specified in the Applicable Pricing Supplement
"Day Count Fraction"	The method of calculating the discount/interest in respect of a Note as specified in the Applicable Pricing Supplement
"Default Date"	The date on which the written notice of the Event of Default is served to the Issuer
"Default Rate"	The interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate + 5% per annum (whichever is higher)
"Event of Default"	An event of default by the Issuer as set out in condition 6 of the "Terms and Conditions"
"Face Value"	The par value of the Notes
"FGN"	Federal Government of Nigeria
"FCMB CM"	FCMB Capital Markets Limited
"FMDQ Exchange" or "FMDQ Securities Exchange Limited" or the "Exchange"	a securities exchange and self-regulatory organisation licensed by the Securities and Exchange Commission to provide a platform for, amongst others, listing, quotation, registration, and trading of securities
"FMDQ Exchange Rules"	The FMDQ Commercial Paper Registration and Quotation Rules, April 2021 (as may be amended from time to time) and such other regulations (including but not limited to Market Bulletins) with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
"Forex"	Foreign Exchange
"Holder" or "Noteholder"	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
"ISIN"	International Securities Identification Number

DEFINITIONS

TERMS	DEFINITION
"Issue Date"	The date upon which the relevant Series or Tranche of the Notes is issued as specified in the Applicable Pricing Supplement
"Issue Price"	The price at which the relevant Series or Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
"Issue Rate"	The discount rate at which the relevant Series or Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
"LFN"	Laws of the Federation of Nigeria
"Material Adverse Change"	A material adverse effect on the ability of the Issuer to perform and comply with its obligation(s) under the CP Programme
"Naira", "NGN" or "N"	The Nigerian Naira
"NIBOR"	The Nigerian Inter-Bank Offered Rate
"Notes"	Commercial Paper Notes issued by the Issuer from time to time pursuant to this Programme Memorandum and any Applicable Pricing Supplement and held in a dematerialised form by the Noteholders through the CSD
"Noteholder" or "Holder"	The holder of a Note as recorded in the Register in accordance with the Terms and Conditions.
"Outstanding"	in relation to the Notes, all the Notes issued, other than: <ul style="list-style-type: none"> (i) those Notes which have been redeemed pursuant to the provisions of the Terms and Conditions; (ii) those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption in accordance with the relevant conditions has occurred and the redemption moneys have been duly paid in accordance with the provisions of the Terms and Conditions; and (iii) those Notes which have become void under the provisions of the Terms and Conditions.
"PITA"	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011, the Finance Act 2019, the Finance Act 2020 and the Finance Act 2021)
"Principal Amount"	The nominal amount or Face Value of each Note, as specified in the Applicable Pricing Supplement
"Programme Memorandum"	This information memorandum which sets out the detailed particulars of the Programme and includes any supplementary programme memorandum issued by the Issuer from time to time in respect of the Notes
"Qualified Institutional Investors" or "QIIs"	This include banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms, Issuing Houses, and any other category of

DEFINITIONS

TERMS	DEFINITION
	investors as may be determined by the FMDQ Exchange from time to time. Clean CPs shall only be sold to QIIs and EIs
"Redemption Amount"	The amount specified in the Applicable Pricing Supplement as the amount payable in respect of each Note on the Redemption Date
"Redemption Date"	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due
"Register"	A register or such registers as shall be maintained by the CSD in which are recorded details of Note holders
"Rollover"	A CP Issue which is raised for the repayment of an existing CP Issue on its maturity date
"SEC"	The Securities and Exchange Commission, Nigeria
"Series"	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices
"The NGX"	The Nigerian Exchange Group Limited
"Tranche"	Notes which are identical in all respects
"VAT"	Value Added Tax as provided for in the Value Added Tax Act, CAP VI, LFN 2004 (as amended by the Value Added Tax Act No 12 of 2007 and the Finance Act 2019, the Finance Act 2020 and the Finance Act 2021)
"WHT"	Withholding Tax as provided for in section 78(2) of CITA and section 70 of PITA
"Zero Coupon Note"	A Note which will be offered and sold at a discount to its Face Value and which will not bear interest, other than default interest payable on late payments

IMPORTANT NOTICES

This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ₦10,000,000,000 (Ten Billion Naira). The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum.

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

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

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

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

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

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

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

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

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

All currency risks assumed by investors upon purchase of the Notes are borne by the individual investors.

The Arranger and CPA are under no obligation to seek recovery or initiate any action against the Issuer.

FMDQ SECURITIES EXCHANGE LIMITED TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROGRAMME MEMORANDUM, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS DOCUMENT.

INCORPORATION OF DOCUMENTS BY REFERENCE

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

1. each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under the Programme; and
2. the audited financial statements (and notes thereto) and any unaudited interim financial statements published subsequent to such audited financial statements of the Issuer for the financial years or periods prior to each issue of Notes under this Programme.

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

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

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

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

The Issuer will provide free of charge to each prospective investor upon request, a copy (which includes an electronic copy at the Issuer's option) of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents shall be directed to the Issuer at its specified offices as set out in this Programme Memorandum.

SUMMARY OF THE PROGRAMME

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

1.	Issuer:	Credit Direct Limited
2.	Programme Description:	Domestic Commercial Paper Issuance Programme
3.	Programme Size:	N 10,000,000,000 (Ten Billion Naira)
4.	Issuance in Series:	The Notes will be issued in Series and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement.
5.	Arranger/Issuing and Placing Agent:	FCMB Capital Markets Limited
6.	Collecting and Paying Agent:	First City Monument Bank Limited
7.	Solicitors to the Transaction:	Udo Udoma & Belo-Osagie
8.	Auditors:	Deloitte & Touche
9.	Central Securities Depository:	The CSD specified in the Applicable Pricing Supplement
10.	Use of Proceeds:	The net proceeds from each issue of Notes under the Programme will be used to support the Issuer's short-term funding requirements or as may otherwise be specified in the Applicable Pricing Supplement
11.	Sources of Repayment	The repayment of all obligations under the Programme will be funded from the cash flows of the Issuer, unless otherwise specified in the Applicable Pricing Supplement
12.	Method of Issue:	The Notes may be offered and sold by way of a fixed price offer for subscription or through a book building process and/or any other methods as described in the Applicable Pricing Supplement, within Nigeria or otherwise, in each case as specified in the Applicable Pricing Supplement.
13.	Tenor/Maturity Date:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 (Fifteen) days and a maximum of 270 (Two Hundred and Seventy) days, including roll-over from the date of issue. The maturity date of all outstanding CPs shall fall within the validity period of the latest Issuer/CP Programme rating filed with the Exchange.
14.	Interest Payments:	Notes shall be issued at a discount and in the form of zero-coupon notes. Thus, the Notes will not bear interest, other than default interest in the case of late payment
15.	Issue Price:	The Notes shall be issued at a discount. The effective rate of interest will be calculated based on such Day Count Fraction specified in the Applicable Pricing Supplement.

SUMMARY OF THE PROGRAMME

16.	Default Date:	The date on which the written notice of the Event of Default is served to the Issuer
17.	Default Rate:	Interest rate equivalent to the daily overnight Nigerian Inter-bank Offered Rate (NIBOR) + 5% per annum or Issue Rate + 5% per annum (whichever is higher)
18.	Issue Rate:	The discount rate at which the relevant Series or Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
19.	Issue Size:	As specified in the Applicable Pricing Supplement
20.	Currency of Issue:	Naira
21.	Issuer Rating:	<p>The Issuer has been assigned a rating of "BBB" from GCR Ratings.</p> <p>Pursuant to the CBN Guidelines and FMDQ Exchange Rules, either the issuer of a CP or the specific issue itself shall be rated by a rating agency registered in Nigeria or any international rating agency acceptable to the CBN.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.</p>
22.	Redemption:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and FMDQ Exchange Rules
23.	Settlement Procedures:	The Notes will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment ("NIP"), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS") and in accordance with the guidelines and procedures of the CSD
24.	Registration & Quotation:	The Issuer shall have any Series or Tranche of Notes issued under this Programme quoted on the FMDQ Exchange's Platform or any other recognized trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation of any Series or Tranche of Notes quoted on the relevant trading platform
25.	Sponsor to the Registration & Quotation	FCMB Capital Markets Limited
26.	Status of Notes:	Each Note constitutes a direct, unconditional, unsecured and unsubordinated obligation of the Issuer and, the Notes shall rank <i>pari passu</i> among themselves, and save for certain debt obligations mandatorily preferred by law, <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time
27.	Taxation:	Refer to the section of this Programme Memorandum headed " <i>Tax Considerations</i> ".
28.	Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by and construed in accordance with Nigerian law.

USE OF PROCEEDS & SOURCES OF REPAYMENT

Use of Proceeds

The net proceeds from each issue of Notes under the Programme will be used to support the Issuer's short term funding requirements or as may otherwise be specified in the Applicable Pricing Supplement.

Sources of Repayment

The repayment of all obligations under the Programme will be funded from the cash flows of the Issuer, unless otherwise specified in the Applicable Pricing Supplement

REGULATION ON THE ISSUANCE, REGISTRATION & QUOTATION OF CP

Background

In an attempt to facilitate the effective and efficient functioning of the Nigerian money market and provide a regulatory framework for the issuance of Commercial Papers and Bankers Acceptances in Nigeria, the CBN issued the CBN Guidelines.

Regulatory Framework

Issuance and investment in CPs by banks in Nigeria are subject to the provisions of the CBN Guidelines and the FMDQ Exchange Rules. The provisions applicable to CPs under the CBN Guidelines are as highlighted below:

Qualification

A CP qualifies as a financing vehicle if:

- i the issuer has 3 years' audited financial statements, the most current not exceeding 18 months from the last financial year end; and
- ii the issuer has an approved credit line with a Nigerian bank acting as an issuing and paying agent, where the bank guarantees the issue.

Size and Tenor

CPs shall be issued at the primary market for a minimum value of ₦100,000,000 and multiples of ₦50,000,000 thereafter.

Furthermore, they shall be issued for maturities of between 15 (Fifteen) days and 270 (Two Hundred and Seventy) days, including rollover, from the date of issue. The interest or discount element on maturing CPs may not be capitalised and rolled over.

Rating

Either the issuer of CP or the specific issue shall have an investment grade rating (minimum of BBB- or similar rating) by a rating agency registered in Nigeria or any international rating agency acceptable to the CBN.

An indicative rating should have been obtained prior to the submission of declarations and information to the FMDQ Exchange.

Investors in Commercial Papers

CPs may be issued to and held by individuals, deposit money banks, other corporate bodies registered or incorporated in Nigeria and unincorporated bodies, non-resident Nigerians and foreign institutional investors.

Forms of Maintaining CPs

Issuers and investors in CPs may issue or hold CPs in dematerialized or physical form. Issuers and investors in CPs are encouraged to issue or hold CPs in dematerialised form.

REGULATION ON THE ISSUANCE, REGISTRATION & QUOTATION OF CP

General Requirements

- i. CPs are only redeemable at maturity and as such cannot be pre-liquidated.
- ii. Investors may rediscount the paper with the Issuer before maturity at new market terms if the Issuer is willing to purchase the risk.
- iii. Any proposed issue of CPs shall be completed within the period of two (2) weeks from the date of opening of the issue for subscription.
- iv. All CPs issued in Nigeria shall be registered with a licensed securities depository, which shall serve as the depository of the issue.

Compliance with the CBN Guidelines

The Issuer has complied with all applicable provisions as stated in the CBN Guidelines. A legal opinion confirming adherence to the CBN Guidelines is incorporated on pages 48-55 of this Programme Memorandum.

Compliance with Securities Regulations

There is no obligation for the Issuer to register the Notes with the SEC. This is by virtue of Rule 8 of the SEC Rules, which exempts short-term securities (including notes) with maturity dates not exceeding 9 months from the date of issuance from registration with the SEC.

Mandatory Registration and Quotation

The CBN circular on Mandatory Registration and Listing of Commercial Paper on CPs dated 12 July, 2016 requires CPs to be registered and quoted on authorised securities exchanges. Accordingly, banks are prohibited from transacting in CPs (that are not quoted or intended for quotation on an authorised securities exchange), in any capacity whatsoever, including but not limited to as issuer, guarantor, issuing and placing agent, and collecting and paying agent etc.

The CBN having approved the quotation rules of FMDQ Exchange, has cleared it for the quotation of CPs in Nigeria.

TERMS AND CONDITIONS

The following are the terms and conditions of the Notes which, subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are contained in the Applicable Pricing Supplement (the "Final Terms"), will govern the Notes to be issued under the Programme.

The provisions of these Terms and Conditions of the Notes (the "Conditions") which are applicable to the Notes issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Any provision of the Final Terms modifying, supplementing, or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement, or replace, in whole or in part, the provisions of these Conditions.

DEFINITIONS

In these Conditions, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:

"Agency Agreements" means the Issuing and Placing Agency Agreement, and the Collecting and Paying Agency Agreement dated on or about the date of this Programme Memorandum, where the context so admits, individually referred to as **"Agency Agreement"**;

"Agents" means the Collecting and Paying Agent and the Issuing and Placing Agents;

"Applicable Pricing Supplement" or **"Pricing Supplement"** means the document(s) to be issued pursuant to the Programme Memorandum, which shall provide the definitive final terms and conditions relating to a specific Tranche or Series of Notes under the Programme;

"Business Day" means any day excluding Saturdays, Sunday and a public holiday declared by the Federal Government of Nigeria on which banks are open for general banking business in Lagos, Nigeria;

"CBN Guidelines" means the CBN Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on 11 September 2019 and the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Paper, or any amendments thereto;

"Collecting and Paying Agent" means FCMB Limited acting as the collecting and paying agent;

"CSD" means the central securities clearing system operated by or FMDQ Depository Limited, which expression shall include its successor or any additional or alternative clearing system approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement;

"CSD Rules" means the rules and operating procedures for the time being, of the CSD;

"Default Rate" means the interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate +5% per annum (whichever is higher);

"Deed of Covenant" means the deed of covenant, dated on or about the date of the IPA Agreement executed by the Issuer in respect of the Notes issued under the Programme;

"Disclosure Documents" means at any particular date:

- (a) the Programme Memorandum;
- (b) the Applicable Pricing Supplement; and
- (c) any other document delivered by the Issuer to the Issuing and Placing Agent(s) which the Issuer has expressly authorised in writing to be distributed to actual or potential purchasers of Notes;

TERMS AND CONDITIONS

"Disruption Event" means any of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Notes (or otherwise in order for the transactions contemplated by the Transaction Documents to be carried out) which disruption is not caused by, and is reasonably beyond the control of the Issuer and/or the Collecting and Paying Agent; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems related nature) to the treasury or payments operations of the Collecting and Paying Agent preventing the Collecting and Paying Agent from (i) performing its payment obligations under the Collecting and Paying Agency Agreement, or (ii) from communicating with the Issuer or the Issuing and Placing Agents, and any other third party, in accordance with the terms of the Transaction Documents and which (in either such case) is not caused by, and is reasonably beyond the control of the Collecting and Paying Agent;

"Event of Default" means an event of default by the Issuer as set out in Condition 6;

"Face Value" means the nominal value of the Notes, as stated by the Issuer;

"Force Majeure" means any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, pandemic, epidemics, riot, war, embargo, legislation, acts of terrorism, acts of God and industrial unrest;

"FMDQ Exchange" means FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the Securities and Exchange Commission to provide a platform for amongst others, the listing, quotation, registration and trading of securities;

"FMDQ Exchange Rules" means the FMDQ Commercial Paper Registration and Quotation Rules dated April 2021, as may be amended or supplemented from time to time;

"Issue Date" means, in relation to any Note, the date on which the Note is issued by the Issuer in accordance with the IPA Agreement and the terms and conditions in the Applicable Pricing Supplement;

"Issue Price" means the price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement;

"Issuer" means Credit Direct Limited, a private limited liability company incorporated under the laws of the Federal Republic of Nigeria with RC No 657309 and having its registered office at 48 Isaac John St, Ikeja, Lagos State;

"Issuing and Placing Agency Agreement" or **"IPA Agreement"** means the Issuing and Placing Agency Agreement between the Issuer and the Issuing and Placing Agent;

"Issuing and Placing Agents" means FCMB Capital Markets Limited and any other additional Issuing and Placing Agent(s) appointed pursuant to the IPA Agreement from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any IPA pursuant to the IPA Agreement;

"Naira" or the sign **"₦"** means the official currency of the Federal Republic of Nigeria;

"NIBOR" means the Nigerian Inter-Bank Offered Rate;

TERMS AND CONDITIONS

"Noteholders" mean the several persons for the time being, whose names are shown in the records of the CSD and/or entered in the Register, as holders of the Notes and shall include the legal and personal representatives or successors of such persons;

"Notes" means the commercial paper issued by the Issuer from time to time pursuant to the Programme Memorandum and any Applicable Pricing Supplement as promissory notes and held in a de-materialised form by the Noteholders through the CSD;

"Outstanding" means, in relation to the Notes, all the Notes issued, other than:

- (a) those Notes which have been redeemed pursuant to the provisions of this Conditions;
- (b) those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption in accordance with the relevant conditions has occurred and the redemption moneys have been duly paid in accordance with the provisions of this Conditions; and
- (c) those Notes which have become void under the provisions of this Conditions;

"Principal Amount" means the nominal amount of each Note;

"Programme" means the ~~N~~10,000,000,000 (Ten Billion Naira) commercial paper issuance programme established by the Issuer which allows for the multiple issuances of Notes from time to time under a standardized documentation framework;

"Programme Memorandum" means an information memorandum in respect of the Programme dated 4 October 2023 providing detailed particulars of the Programme, and includes any supplementary programme memorandum issued by the Issuer from time to time in respect of the Notes;

"Redemption Amount" means the amount specified in the Applicable Pricing Supplement as the amount payable in respect of each Note at the Redemption Date;

"Redemption Date" means in relation to any Series or Tranche, the date on which redemption monies are due and payable in respect of the Notes as specified in these Conditions and the Applicable Pricing Supplement. This shall also mean **"Maturity Date"** as referred to in the applicable Disclosure Document and or Transaction Document;

"Register" means the register to be maintained by the CSD in respect of the Notes and the Noteholders;

"Relevant Currency" means the currency in which payments in respect of the Notes of the relevant Tranche or Series are to be made as indicated in the Applicable Pricing Supplement;

"Relevant Last Day" means the date specified in the Applicable Pricing Supplement after which transfer of the Notes will not be registered;

"Series" means a series of Notes issued by the Issuer comprising one or more Tranches, having identical terms on issue and expressed to have the same series number but may not have the same Issue Date and issue price;

"Special Resolution" means a resolution passed by at least three-fourths (3/4) majority of the total number of Noteholders of the Outstanding Notes at any point in time;

"Specified Office" means the office of Agents as specified under the Agency Agreements and shall include such other office or offices as may be specified from time to time thereunder;

"Tranche" means in relation to a Series, those Notes of that Series that are issued on the same date and at the same issue price; and

TERMS AND CONDITIONS

"Transaction Documents" means the IPA Agreement, the Programme Memorandum, the Collecting and Paying Agency Agreement, any Applicable Pricing Supplement, the Deed of Covenant, and any other document relating to the issue of the Notes, as approved by FMDQ Exchange.

"Zero-coupon Notes" mean Notes which will be offered and sold at a discount to their Principal Amount or at par and will not bear interest, save for default interest payable on late payments.

CONDITION 1 CURRENCY, FORM, TITLE, AND DENOMINATION

1. Issuance of Notes

The Issuer may from time to time, subject to these Terms and Conditions, issue Notes in one or more Series on a continuous basis under the Programme in an aggregate principal amount not exceeding ~~₦~~10,000,000,000.00 (Ten Billion Naira). Any Series of Notes issued under the Programme shall be constituted by, be subject to and benefit from the Deed of Covenant.

2. Form, Denomination and Title

2.1. Form and Denomination

2.1.1 Unless otherwise specified in any Applicable Pricing Supplement, the Notes shall be registered electronically, serially numbered and offered in denominations of ₦1,000.00 (one thousand Naira) or its equivalent in any other specified currency and with a minimum subscription amount equal of ₦5,000,000.00 (five million Naira) and multiples of ₦1,000.00 (one thousand Naira) which will be sold at such discount from their face amounts as shall be agreed upon by the IPA and the Issuer and will be sold at such discount from their face amounts as shall be agreed upon by the Issuer and Issuing and Placing Agent; and shall have a maturity not exceeding 270 days including the roll over from the Issue Date.

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

2.1.3 Notes issued will be in the form of Zero-Coupon Notes and will not pay interest prior to final maturity.

2.1.4 The Notes shall be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the CSD. The CSD shall serve as the custodian and central depository of the Notes; and the Issuing and Placing Agent may deal in the Notes in accordance with the CSD procedures and guidelines.

2.2. Title

2.2.1 Title to the Notes will pass upon credit to the CSD account of the Noteholders.

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

2.2.3 The Issuer may deem and treat the registered holder of any Note as indicated in the records of CSD and the Register as the absolute owner thereof for all purposes, including but not limited to the payment of outstanding obligation in respect of the Notes.

3. Status of the Notes

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

TERMS AND CONDITIONS

4. Redemption

Subject to Condition 6, the Notes are only redeemable at maturity and will be redeemed at the face value specified in the Applicable Pricing Supplement.

5. Payments

The face value of the Notes will be paid to the Noteholders whose names are reflected in the Register as at the relevant last date. The registered Noteholder shall be the only person entitled to receive payments in respect of a Note and the Issuer will be discharged by payment to, or to the order of, the registered Noteholder in respect of each amount so paid.

5.1 Method of Payments

- 5.1.1 Payment of outstanding obligation in respect of the Notes will be made by electronic funds transfer, in Naira, to the account of the Noteholder specified in the Register.
- 5.1.2 All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the Collecting and Paying Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Collecting and Paying Agent.
- 5.1.3 In the case of joint Noteholders, payment by electronic transfers will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes to such joint Noteholders.
- 5.1.4 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each Note.
- 5.1.5 If the Issuer or the Collecting and Paying Agent is prevented or restricted directly or indirectly from making any payment by electronic funds transfer (whether by reason of pandemics, epidemics, strike, lockout, fire explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer or the Collecting and Paying Agent shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice). Such payments by cheque shall be sent by post to the address of the Noteholder as set out in the Register as soon as practicable to ensure payment is received as close to the Maturity Date as possible.
- 5.1.6 Cheques may be posted by registered mail, provided that neither the Issuer nor the Agent shall be responsible for any loss in transmission and the postal authority shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this condition.

5.1 Payment Day

Any payment in respect of the Notes shall be made on a Business Day. Where the day on or by which a payment of any amount in respect of the Notes is due to be made is not a Business Day, that payment shall be made on or by the next succeeding Business Day, unless that next succeeding Business Day falls in a different calendar month, in which case that payment shall be made on that event shall occur on or by the immediately preceding Business Day.

5.2 Closed Periods

No Noteholder may require the transfer of the Notes (i) during the period of 5 (five) Business Days ending on the due date for redemption in respect of that Note; or (ii) following the issuance of a default notice to the Issuer pursuant to the conditions stated in Conditions 6.2 (Action upon Event of Default).

TERMS AND CONDITIONS

6. Event Default

6.1. Event of Default

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

- 6.1.1 Non-payment default by the Issuer in the payment of the Redemption Amount to the Noteholders in respect of the Notes on the Redemption Date and the continuation of such default; or
- 6.1.2 In line with Rule 9.2 of the FMDQ Exchange Rules, part payment of the CP value to Noteholders shall constitute a default; or
- 6.1.3 In line with Rule 9.8 of the FMDQ Exchange Rules, in respect of any Tranche or Series, if the Agent fails to notify FMDQ (on behalf of the Issuer) that the Notes have been liquidated and funds have been transferred by the Collecting and Paying Agent to all Noteholders by 4:00pm on the Redemption Date; or
- 6.1.4 If the Issuer fails to perform or observe any of its other obligations under the Notes (except its payment obligations) and such failure has continued for a period of 5 (five) Business Days following the service on the Issuer of a written notice requiring that breach to be remedied; or
- 6.1.5 Should any representation or warranty made in connection with any documentation supplied by the Issuer be materially incorrect; or
- 6.1.6 If the Issuer initiates bankruptcy or insolvency proceedings or becomes insolvent, or is provisionally or finally sequestrated, or is provisionally or finally wound up, or is unable to pay its debts as they become due, or is placed under provisional or final judicial management, or enters into a scheme of arrangement or compromise with its creditors in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Noteholders; or
- 6.1.7 Should the members of the Issuer pass a resolution for the winding up of the Issuer; or
- 6.1.8 If an attachment, execution or other legal process is levied, enforced upon, issued on or against a material or substantial part of any assets of the Issuer and is not appealed, discharged or stayed within 60 (Sixty) days of service by the relevant officer of the court of such attachment, execution or other legal process.

6.2. Action upon Event of Default

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

Where an Event of Default occurs prior to the Redemption Date, the amount payable to the Noteholder shall be the face value of the Note discounted at the Issue Price from the Redemption Date to the Default Date. Provided that the amount payable shall bear interest at the Default Rate from the Default Date to the date of payment thereof.

TERMS AND CONDITIONS

Where an Event of Default occurs on the Redemption Date, the amount payable to the Noteholder shall be the face value of the Note. Provided that the amount payable shall bear interest at the Default Rate from the Redemption Date to the date of payment thereof.

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

7. Register

- 7.1.1 The Register shall be maintained by the CSD. The Register shall reflect the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate principal amount of the Notes issued to such Noteholder and the date of issue.
- 7.1.2 The records of the relevant CSD and/or statements issued by the CSD as to the aggregate number of Notes standing to the CSD account of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the Collecting and Paying Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes.
- 7.1.3 The Register shall be open for inspection from 9.00am to 5.00pm during the normal business hours of the CSD to any Noteholder or any person authorised in writing by the Noteholder.
- 7.1.4 The CSD and the Collecting and Paying Agent shall alter the Register in respect of any change of name, address, or bank account number of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

8. Notices

8.1 Notices to the Noteholders.

- 8.1.1 All notices to the Noteholders will be valid if mailed to them at their respective addresses of record or electronically mailed to them via their respective email addresses in the relevant Register. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of the CBN, the FMDQ Exchange, the CSD or such other regulatory authority as may be applicable to the Notes.
- 8.1.2 The Parties agree that the Collecting and Paying Agent's obligation under Condition 10.1.1, shall be limited to providing administrative support to relay notices issued to Noteholders pursuant to the CBN Guidelines, the FMDQ Exchange, CSD Rules or such other regulatory authority as may be applicable to the Notes. The Collecting and Paying Agent shall not be obliged to review or check the adequacy, accuracy, or completeness of any document/notice it relays or sends to the Noteholders pursuant to this Condition 8 where the Collecting and Paying Agent receives such document/notice from the Issuer and is not involved in the preparation of such document/notice. For the avoidance of doubt, the duties of the Collecting and Paying Agent is solely mechanical and administrative in nature. The Collecting and Paying Agent is not obliged to review or check the adequacy, accuracy, or completeness of any document it receives directly from the Issuer for delivery, publication or notification to the Noteholders. Provided that where such document/notice is prepared by the Collecting and Paying Agent, the Collecting and Paying Agent shall be obliged to confirm the adequacy, accuracy and completeness of such document/notice.
- 8.1.3 Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication.

8.2 Notices from the Noteholders

- 8.2.1 Notices to be given by any Noteholder to the Issuer shall be in writing and given by lodging the same with the Collecting and Paying Agent.
- 8.2.2 Any change of name or address on the part of the Noteholder shall forthwith be notified to the Issuer and subsequently, the Register shall be altered accordingly following notifications to the CSD.

9. Modification

- 9.1 The Issuing and Placing Agent and the Issuer may agree without the consent of the Noteholders, to any modification of the Terms and Conditions, which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with the mandatory provisions of any law in Nigeria and which is not prejudicial to the interest of the Noteholders. Notice of such modification shall be published in at least 1 (one) daily newspaper of general circulation in Nigeria and shall be deemed to have been given and received on the date of first publication.
- 9.2 Save as provided in condition 9.1 above, no amendment of the Terms and Conditions may be effected unless;
- i. such amendment is in writing and signed by or on behalf of the Issuer; and
 - ii. such amendment:
 - if it affects the rights, under the Terms and Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% of the outstanding principal amount of all the Notes; or
 - if it affects only the rights, under the Terms and Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% of the outstanding principal amount of all the Notes held by that group.
- 9.3 Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 8 as practicable thereafter.

10. Meeting Of Noteholders

- 10.1 The Issuer may at any time convene a meeting of all Noteholders upon at least 21 (Twenty-One) days prior written notice to such Noteholders. The notice is required to be given in terms of Condition 8. Such Notice shall specify the date, place, and time of the meeting to be held, which place shall be in Nigeria.
- 10.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 10.3 Noteholders holding not less than 10% in principal amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within 10 (Ten) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.

TERMS AND CONDITIONS

- 10.4 A Noteholder may by an instrument in writing ("**Form of Proxy**") signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person ("**Proxy**") to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 10.5 Any Noteholder, which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative ("**Representative**") in connection with any meeting or proposed meeting of the Noteholders.
- 10.6 Any Proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the Holder of the Notes to which the appointment relates and the Holder of the Notes shall be deemed for such purposes not to be the Holder.
- 10.7 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 10. Should the Noteholders requisition a meeting, and the Issuer fail to call such a meeting within 10 (Ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by a simple majority of Noteholders present in person or proxy.
- 10.8 The chairman of the meeting shall be the sole judge of the validity of every vote tendered at such meeting, and the chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
- 10.9 At any meeting of Noteholders, two or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than 60% (sixty percent) of the principal amount of outstanding Notes shall form a quorum. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 10.10 If within 30 (thirty) minutes after the time appointed for any such meeting, a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than 14 (fourteen) days nor more than 21 (twenty-one) days thereafter, and at the same time and place unless as otherwise prescribed by the chairman. At such adjourned meeting, one or more Noteholders present or represented by proxy holding in aggregate not less than 60% (sixty percent) of the Principal Amount of outstanding Notes shall form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.
- 10.11 A resolution shall be deemed an Extraordinary Resolution if the same shall be passed by a majority consisting of not less than 75% (seventy-five percent) of the persons present and voting at the meeting upon a show of hands, or if a poll is demanded, by Noteholders holding not less than 75% (seventy-five percent) in value of the Notes held by the Noteholders present or represented by proxies at the meeting.
- 10.12 A meeting of the Noteholders shall inter alia have the following powers exercisable by Extraordinary Resolution:
- 10.12.1 to sanction the release of the Issuer from all or any part of the Principal Amount and any other sums owing upon the Notes;
 - 10.12.2 to sanction any modification or compromise or any agreements in respect of any rights of the Noteholders against the Issuer;

TERMS AND CONDITIONS

- 10.12.3 to assent to any modification of the provisions of the Terms and Conditions;
 - 10.12.4 to request any outstanding Notes to have become immediately due and payable on the occurrence and/or subsistence of any Event of Default;
 - 10.12.5 to give any sanction, direction or request which under any of the provisions of these presents is required to be given by Extraordinary Resolution;
- 10.13 A resolution passed at a meeting of the Noteholders duly convened and held in accordance with this Condition 10 shall be binding upon all the Noteholders whether present or not present at such meeting, and each of the Noteholders shall be bound to give effect thereto accordingly, and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.
- 10.14 A resolution in writing duly signed by 75% (seventy-five percent) of the Noteholders holding in aggregate not less than 75% (seventy-five percent) of the Principal Amount of outstanding Notes, shall be as effective for all purposes as a resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form signed by all the Noteholders entitled to receive notice of a meeting.

11. Further Issues

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

12. Governing Law

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

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

TAX CONSIDERATIONS

The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, however, in the case of a late payment, interest will accrue on the redemption monies to be paid to the Note holders. The discount on the Notes, and/or any accrued interest on the redemption monies to be paid to Noteholders may be taxed in accordance with applicable Nigerian tax laws.

The foregoing does not constitute advice on tax to any actual or prospective purchaser of Notes issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attaching to a subscription or purchase of Notes issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Notes may vary. Any actual or prospective purchaser of the Notes who intends to ascertain his/her tax position should seek professional advice from his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Notes, bearing in mind his/her peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Notes in any manner for placing reliance upon the contents of this section.

RISK FACTORS

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

Investors should also seek professional advice before making investment decisions in respect of the Notes.

1. RISKS FACTORS RELATING TO THE COMPANY

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

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

a. Political, Legal and Regulatory Risk

Political risk is the possibility that a political unrest or changes in government of the country could have a negative impact on the economy or a sector of the economy. A change in the executive, judicial, legislative, or military branches of government could cause instability that would have an impact on the country.

Political environment in the country has been stable despite difficult economic situation. Nigeria is a growing nation with large population. Credit Direct Limited, which operate within a highly regulated environment, may face regulatory and compliance risks if they fail to adhere to applicable laws, regulations, and industry standards. Non-compliance can result in penalties, legal actions, or reputational harm.

The risk of legal disputes, lawsuits, or regulatory actions arising from lending activities, contractual disputes, or allegations of unfair lending practices.

b. Market Risk

Market risk is the possibility of losing money or asset value because of events that have an impact on the performance of investments across all financial markets. Credit Direct Limited may face market risk due to fluctuations in interest rates, foreign exchange rates, and other market variables. These fluctuations can impact the profitability and valuation of the company's assets and investments.

c. Operational Risk

Operational risk is the possibility of suffering losses due to ineffective policies, procedures, systems, or incidents that interfere with corporate operations. Operational risk includes the risk of disruptions or failures in the company's operational processes, systems, or controls. This could arise from human error, technology failures, fraud, or external events, potentially leading to financial losses or reputational damage.

In addition, CDL has technology risk - The risk of cyber threats, data breaches, or system failures that can compromise the security of customer information, disrupt operations, and damage the institution's reputation.

RISK FACTORS

d. Liquidity Risk

This risk arises when Credit Direct Limited is unable to meet its financial obligations or fund its operations due to a shortage of available cash or liquid assets. Insufficient liquidity can impact the company's ability to lend, meet customer withdrawals, or settle financial obligations on time.

e. Reputational Risk

Credit Direct Limited's reputation is vital in the financial services industry. Reputational risk refers to the potential damage to the company's brand and customer trust due to negative public perception, customer complaints, data breaches, or unethical behaviour.

f. Funding and Default Risk

The risk of being unable to obtain sufficient funds to meet the demand for loans or repay maturing obligations, which can impact the lending institution's ability to operate and grow its loan portfolio. The risk that borrowers may fail to repay their loans, leading to financial losses for the lending institution.

Given that CDL's loans are largely unsecured, the Company is exposed to the possibility of borrowers defaulting or delaying to fund within the agreed timeline.

2. RISK FACTORS RELATING TO THE NOTES

a. Market Price Risk

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Company's operating results, adverse business developments, changes in the regulatory environment in which the Company operates, changes in financial estimates by securities analysts and the actual or expected sale or purchase of a large number of Notes.

Each investor needs to assess the market prior to trading their Notes.

b. Currency (Exchange Rate) Risk

The Company will make payment in respect of the Notes in Naira. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency unit other than the Naira. These include the risk that exchange rates may significantly change (including changes due to depreciation of the Naira or appreciation/revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation/revaluation in the value of the investor's currency relative to the Naira may decrease the investor's currency equivalent:

- i. yield on the Notes;
- ii. value of the principal payable on the Notes; and
- iii. market value of the Notes.

c. Interest Rate Risk

The Notes could be offered at a fixed rate benchmarked against treasury bills; Noteholders will be exposed to potential risks as the Notes may vary inversely with changes in prevailing interest rates. That is, where the interest rates rise, the prices of fixed rate securities fall and when interest rates drop, the prices increase. Accordingly, the extent of the fall or rise in the prices is a function of the existing interest, days to maturity and the increase or decrease in the level of the prevailing interest

RISK FACTORS

rates. Increased interest rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Notes.

d. Notes Issued at a Discount

The Notes are discounted; the market value of securities issued at a discount from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the security, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

e. Amendment to Prevailing Laws

This Programme Memorandum, the Notes and the Terms and Conditions, are governed by, and will be construed in accordance with, the laws of the Federal Republic of Nigeria. No assurance can be given as to the impact of any possible judicial decision or amendment and, or review of the laws of the Federal Republic of Nigeria or administrative practice in the Federal Republic of Nigeria after the issue.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

Clearing System

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

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

Authorised Participants

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

For purposes of Notes issued under this Programme, the Authorised Participant is First City Monument Bank Limited and any other bank appointed by the Issuer to act as CPA.

Registration

- i. The Authorised Participant is required to register with the CSD before dealing in CPs.
- ii. Noteholders without sub-accounts are required to route their account opening applications and transactions through the Authorised Participant, who would then notify the CSD to create a relevant sub-account for the Noteholder.
- iii. The CSD will assign a unique identification number (the "Trade Member Code") to the Authorised Participant and also open the account(s) requested by the Authorised Participant.
- iv. FMDQ Exchange will request for the CP to be registered with the CSD, who in turn will furnish FMDQ Exchange and the Authorised Participant with the unique identifier for the registered CP.
- v. The CSD will re-open the existing ISIN code for all Tranches with same maturity dates, however new ISIN codes will be issued for Tranches with different maturity dates.

Lodgement

The Authorised Participant will electronically lodge CPs within 10 Business days after receiving the approval for quotation of the CPs on the Exchange and advise the CSD after lodgement to transfer the CPs to the sub-accounts of the beneficial owners of the Notes and the CSD shall process same.

Redemption

- i. No transactions or trades may be effected for any CPs fifteen (15) Business days prior to its maturity date.
- ii. The Authorised participant shall obtain the statement of investors' accounts/holdings from the CSD one (1) business day before the maturity date of the CP.
- iii. The Authorised Participant shall effect repayment to the designated accounts of all registered holders of the CP.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- iv. The Issuer shall ensure that there are sufficient funds in its funding account with the CPA to pay all investors (i.e. including investors that have indicated interest to participate in another CP issuance [which is not a Rollover] within the Programme) by 12:00 Noon on the maturity date of the CP, failing which the Issuer shall be in violation of FMDQ Exchange Rules
- v. The CPA shall ensure that funds have been transferred to all CP holders by 3:00 PM on the maturity date of the CP

Roll-Over

- i. All CPs, including roll-overs shall not exceed 270 days (tenor) from the date of issue.
- ii. Every roll-over of a CP shall be treated or classified as a fresh/ separate CP.
- iii. Upon granting approval for rollover, FMDQ Exchange shall request for the rollover CP to be registered with the CSD who in turn shall furnish FMDQ Exchange and the Authorised Participant with the new unique identifier, subject to receipt of CP rollover fees from the Authorised Participant.
- iv. The CSD shall expunge the existing CP unique identifier the system and replace with new codes.

Default

- i. The CPA shall notify FMDQ Exchange in writing that the CP has been liquidated and that funds have been transferred to all CP holders by 4:00 PM on the maturity date of the CP, failing which, the Issuer shall be deemed to be in default.
- ii. In the case of a Rollover, if any investor objects to a Rollover, the Issuer shall effect the payment of the value of the investor's CP holding on the maturity date, based on the initial terms of the Issue. Failure by the Issuer to effect such payment shall result in a default.
- iii. The FMDQ Exchange shall be notified immediately it is identified that a default is imminent or there is a strong possibility of default. The CPA shall provide reasons for the default or imminent default e.g. the investors may not be paid due to CPA experiencing technical issues such as a market disruption or insufficient funds in the funding account to meet payment obligations on maturity date or as the case may be.

Note: In the event of default, the IPA is under no obligation to seek recovery or initiate any action against the Issuer/Promoter either on its own or on behalf of the investors.

Secondary Market Trading (OTC) Guidelines

- i. The Authorised Participant will submit CP transaction instructions/details to the CSD via the authorised data-exchange platform.
- ii. CP transactions are to be submitted to the CSD by the applicable cut off time on the settlement date and the Authorised Participant is to state the particular account number where the CP(s) should be traded from or deposited into.
- iii. The CSD shall deliver securities and send confirmation of transfers via the authorized platform by 2.00pm on the settlement date to the Nigeria Inter-Bank Settlement System ("NIBSS") and to the FMDQ Exchange simultaneously.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the CSD and the Authorised Participant simultaneously.
- v. Transactions for standard settlement (T + 2) shall stop five (5) Business days before Maturity Date. Therefore, the last applicable settlement shall be before close of business on the date which is five (5) Business days before Maturity Date.

Reporting

- i. The CSD will effect the transfer of CPs on the settlement date as advised by the buyer and seller ("Trading Parties") and also keep records of consideration for each transaction.
- ii. The CSD will advise the Authorised Participant or the FMDQ Exchange for onward communication to the Authorised Participant, as applicable, of successful and failed transactions on each settlement day.
- iii. The Authorised Participant and Noteholders can ascertain their CP balances after each day's trade via the CSD's website (<https://www.fmdqgroup.com/fmdqdepository>).

Transfer of Notes

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

Cash Settlement

Trading Parties will be responsible for effecting the payment transfers either via Real Time Gross Settlement, NIBSS Electronic Funds Transfer or any other transfer mode agreed by the Trading Parties and recognised by the CBN.

PROFORMA APPLICABLE PRICING SUPPLEMENT

Credit Direct Limited RC: 657309

**Issue of [Aggregate Nominal Amount of Series] Series [•] Commercial Papers Notes
under its ₦10,000,000,000
Commercial Paper Issuance Programme**

The Pricing Supplement must be read in conjunction with the Programme Memorandum, originally dated 4 October 2023 issued by Credit Direct Limited in connection with ₦10,000,000,000 (Ten Billion Naira) Commercial Paper Issuance Programme, as amended and/or supplemented from time to time the Programme Memorandum”).

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

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

This document has been prepared in accordance with the Central Bank of Nigeria’s Guidelines on the Issuance and Treatment of Bankers’ Acceptance and Commercial Papers issued on 11 September 2019, the CBN letter to all deposit money banks and discount houses dated 12 July 2016 on Mandatory Registration and Listing of Commercial Papers (together the “CBN Guidelines”) and the Commercial Paper Registration and Quotation Rules (the “Rules”) of FMDQ Exchange in force as at the date thereof.

The document is not required to be registered with the Nigerian Exchange Limited or the Securities and Exchange Commission. This document is important and should be read carefully. If any recipient is in any doubt about its contents or actions to be taken, such recipient should consult his/her banker, stockbroker, accountant, solicitor, or any other professional adviser for guidance immediately.

Arranger/Issuing & Placing Agent



CAPITAL MARKETS

RC 446561

FCMB Capital Markets Limited

Collecting and Paying Agent



RC 46713

First City Monument Bank Limited

This Pricing Supplement is dated [•]

PROFORMA APPLICABLE PRICING SUPPLEMENT

Issuer	Credit Direct Limited
Arrangers/Issuing & Placing Agent	FCMB Capital Markets Limited
Collecting and Paying Agent	First City Monument Bank Limited
Sponsor to the Quotation on FMDQ Exchange	[•]
Solicitor	UUBO
Central Securities Depository	FMDQ Depository Limited
Programme Size	₦10,000,000,000 (Ten Billion Naira)
Series Number	[•]
Issued and Outstanding at the date of this Pricing Supplement	₦[•]
Face Value	₦[•]
Discounted Value	₦[•]
Nominal Amount Per Note	₦1,000
Tenor	[•]
Issue Date	[•]
Maturity Date	[•]
Currency of Issue	Nigerian Naira
Final Redemption Amount	[•]
Minimum Subscription	[₦5,000,000] and multiples of [₦1,000] thereafter
Specified Currency	Nigerian Naira, ₦
Status of Notes	Each Note constitutes a senior unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank pari passu among themselves, and save for certain debts mandatorily preferred by law, with other present and future senior unsecured obligations of the Issuer outstanding from time to time
Form of Notes	Dematerialized
Use of Proceeds	[•]
Quotation	Notes may be quoted on the FMDQ Securities Exchange or any other recognized Exchange
Taxation	Please refer to the "Tax Considerations" section in the Programme Memorandum
Method of Offer	[•]
Implied Yield	[•]%

PROFORMA APPLICABLE PRICING SUPPLEMENT

Discount Rate	[•]%
Any Other Formula or basis For Determining Amount(s) Payable	$PV = FV * (1 - (DR * t / \text{Actual number of days in a year}))$
Day Count Fraction	Actual/Actual (actual number of days in a month and actual number of days in a year)
Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria
Redemption/Payment Basis	Redemption at Par
Issuer's Early Redemption	[Not Applicable]
Issuer's Optional Redemption	[Not Applicable]
Other Terms Applicable on Redemption	[Not Applicable]
Offer Opens	[•]
Offer Closes	[•]
Allotment Date	[•]
Notification of Allotment	All applicants will be notified through an email and/or telephone of their allotment by no later than [•]
Payment Date	[•]
Details of Bank Account(s) to which payments are to be made in respect of the Notes	Bank: [•] Account Name: [•] Account Number: [•] Sort Code: [•]
Settlement Procedures and Settlement Instructions	Purchases will be settled via direct debit, electronic funds transfer (NIBBS, NEFT, RTGS, etc.)
Issuer Rating	[•]
Delivery Date	[•]

PROFORMA APPLICABLE PRICING SUPPLEMENT

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this document, there has been no significant change in the financial position of the Issuer since [date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer since the [date of last published annual accounts].

RESPONSIBILITY

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

Signed at _____ on this _____ day of _____ 20[•]

For and on behalf of:
Credit Direct Limited

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

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

DESCRIPTION OF CREDIT DIRECT LIMITED

Introduction

Credit Direct Limited ("Credit Direct", "CDL" or "the Company") is a leading financial services company in Nigeria, specializing in providing unsecured loans to individuals and businesses. Established in 2007, CDL has earned a solid reputation for delivering fast and dependable financing solutions to its customers, positioning them as a prominent player in the financial sector. Credit Direct operates under a finance house license from the Central Bank of Nigeria. The Company is a subsidiary of FCMB Group Plc, a diversified financial services group with more than ₦3 trillion in total assets as at 31 March 2023.

As a frontrunner in the unsecured micro-lending market in Nigeria, the Company has established its dominance with an impressive market share of over 350,000 active customers, impacting over 1.5million Nigerians. CDL has over 500 employees and operates across 26 states in Nigeria. The Company offers a diverse range of loan options designed to be fast, flexible, and affordable and works closely with its clients to ensure their financing needs are met on terms that suit them best. Credit Direct's lending products and services are primarily targeted at salaried workers in both the private and public sectors, as well as non-salaried individuals for our embedded finance solutions.

CDL has achieved remarkable success in terms of profitability, asset quality, and customer experience, solidifying its position as one of Nigeria's foremost microlending organizations.

History and Key Milestones

Credit Direct was incorporated as a private limited liability company in June 2006 and began operations in January 2007, initially as a subsidiary of First City Monument Bank Limited and is now a wholly owned subsidiary of FCMB Group Plc.

In 2006, CDL was incorporated.

In 2007, CDL pioneered the consumer lending industry and became innovators by reducing loan processing time from 5 days to 1 day.

In 2009, CDL became the largest consumer lender by disbursement and became the largest public sector lender.

In 2011, CDL had disbursed over ₦25bn in loans, and became the largest lender by profitability.

In 2013, the Company obtained a licence to operate as a finance company from the Central Bank of Nigeria and First City Monument Bank Limited's ownership interest in Credit Direct was transferred to FCMB Group Plc.

In 2019, the Company wins their first BAFI Awards.

In 2022, the number of customers served crossed the 1 million threshold and with over 200,000 active customer base.

DESCRIPTION OF CREDIT DIRECT LIMITED

Shareholding Structure

The shareholding structure as of the date of this Programme Memorandum is presented below:

Shareholder	Number of shares held	Percentage Holding (%)
FCMB Group Plc	499,999,999	99.9998%
FCMB Trustees Limited	1	0.0002%
Total	500,000,000	100.00%

Corporate Governance

The Board of Credit Direct currently comprises six (6) Directors made up of the Chairman, three (3) Non-Executive Directors, one (1) Independent Non - Executive Director and one (1) Executive Director.

The Board of Directors is responsible for the establishment of a transparent and formal process for the selection and appointment of Directors, either independently or through the Human Capital & Governance Committee. Other roles of the board of directors includes reviewing and aligning goals, plans, and budgets with the overall strategy of the company. They oversee the implementation of major initiatives and monitor corporate performance, ensuring adherence to approved budgets. The board ensures the integrity of accounting and financial reporting systems, as well as compliance with laws and regulations. They are responsible for selecting, compensating, and monitoring key executives, as well as overseeing succession planning. Additionally, the board interfaces with management to ensure the smooth execution of the company's strategy. They perform statutory duties and establish board committees to address expenditure and ratify decisions on behalf of the board.

The Non-Executive Directors (including the Independent Director) plays a crucial role in supporting the Chairman in achieving his objectives within the company. Acting as a trusted intermediary for the Directors, the Non-Executive Directors provide a bridge of communication and assistance when necessary. Additionally, they are available to Shareholders who may have concerns that have not been resolved through regular channels of communication with the Chairman or Chief Executive. Furthermore, the Independent Director maintains regular contact with major Shareholders, attending meetings as needed, to understand their issues and concerns. By actively listening to the views of major Shareholders, the Independent Director helps develop a balanced understanding of their perspectives. In terms of expectations, the Independent Director is expected to commit sufficient time to fulfil their functions effectively within the Company. Moreover, they are required to possess significant experience serving on the boards of other major financial institutions.

To enhance corporate governance, the following substantive Board Committees with delegated responsibilities have been established:

- i. Board Audit Committee
- ii. Board Credit and Risk Management Committee
- iii. Board Finance and General-Purpose Committee
- iv. Board Human Capital and Governance Committee
- v. Board Innovation and Technology Committee

The **Board Audit Committee** comprises three (3) board members, all of whom must be Non-Executive Directors (one of whom must be an Independent Director) and meets at least once a year. Their responsibilities include:

- Reviewing and considering the financial statement of the Company.
- Ascertaining whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical principles.
- Reviewing the scope and planning of the Company's audit requirements.

DESCRIPTION OF CREDIT DIRECT LIMITED

- Reviewing the findings on management letters in conjunction with external auditors and management responses thereon.
- Reviewing the financial records of the Company, including external auditors report.
- Keeping under review the effectiveness of the Company's system of accounting and internal control.
- Ensuring the independence and competence of the Company's external auditors.
- Making recommendations to the Board with regard to the appointment, removal, and remuneration of the external auditors to the Company.
- Authorising the internal auditor to carry out investigations into any activities of the Company, which may be of interest or concern to the Committee.
- Approving the annual audit program of the Internal Auditor
- Examining the Auditor's Report and making recommendations thereon to the Annual General Meeting as it may deem fit.
- Engaging in other ancillary duties as may be assigned by the Board from time to time.

The **Board Credit and Risk Management Committee** comprises four (4) members – comprising of at least three Non-Executive Directors (one of whom must be an Independent Director), as well as the Managing Director – and meets at least twice a year. Their responsibilities include:

- Reviewing and approving the credit policy manual
- Considering and approving detailed analysis for credit including contingents of amounts in excess of the limit of the Credit Committee
- Being actively involved in credit risk control processes.
- Using reports on the Company's credit risk profile and capital needs to evaluate the level and trend of the material credit risks and their effects on capital level.
- Reviewing, considering and determining significant related party transactions
- Overseeing Internal Control, Enterprise Risk Management, Internal Audit and Regulatory compliance.
- Ensuring that the Company's Enterprise Risk Management vision, goals and objectives are in line with global best practice.
- Approving the Company's Risk Management framework for the various risk areas (operational, strategic, reputation, compliance risk management).
- Monitoring the Company's risk profile against set targets.
- Approving and periodically reviewing the Company's risk appetite and portfolio strategy.
- Ensuring that appropriate risk management policies, processes and methodologies are in place for managing the various risks to which the Company may be exposed.
- Establishing a management structure that is capable of implementing the Company's Risk Management framework and ensuring that qualified and competent person(s) at senior levels are employed to manage the various risk areas.
- Ascertaining whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical principles.
- Reviewing the scope and planning of the Company's audit requirements.
- Reviewing the findings on management matters in conjunction with external auditors and responses thereon.
- Keeping under review the effectiveness of the Company's system of accounting and internal control.
- Making recommendations to the Board with regard to the appointment, removal and remuneration of the external auditors to the Company; and
- Engaging in other ancillary duties as may be assigned by the Board from time to time.

The **Board Finance and General-Purpose Committee** comprises four (4) members, two of whom must be Non-Executive Directors, that meet annually. Their responsibilities include:

- Reviewing global budgets.
- Reviewing the Company's strategies and financial objectives and monitoring the implementation of those strategies and objectives.
- Reviewing and approving proposals for the allocation of capital and other resources.
- Considering and approving major capital projects proposed by Management.
- Reviewing extraordinary business initiatives of Management on behalf of the Board.

DESCRIPTION OF CREDIT DIRECT LIMITED

- Engaging in other ancillary duties as may be assigned by the Board from time to time

The **Board Human Capital & Governance Committee** comprises of at least three (3) members, all of whom must be Non-Executive Directors, that meet at least **once** in every quarter. The committee has the following responsibilities :

- Nominating new Directors to the Board - Review and continuously assess the size and composition of the Board and Board Committees, and recommend the appropriate Board structure, size, age, skills, competencies, composition, knowledge, experience and background in line with the Company's needs and diversity required to fully discharge the Board's duties.
- Director selection - Guide the Board of Directors to set criteria for selection and appointment of Directors to the Board and Committees.
- Remuneration policy - Set the over-arching principles and parameters of remuneration policy in the Company as well as ensure the existence of an appropriate remuneration policy and philosophy for Executive Directors, Non-Executive Directors and staff.
- Human Resources - Review and make recommendations on the Company's key human capital policies on recruitment, promotion, compensation as well as salary revisions and condition of service for Senior Management staff based on the recommendation of the Executives.
- Corporate Governance - Review and make recommendations for improvement to the Company's Corporate Governance framework while ensuring that adequate Corporate Governance disclosures are made in the Annual Report and to relevant regulatory authorities.
- Performance Management – Oversee Board performance and evaluation by ensuring an annual review or appraisal of the Board as well as peer assessment review of Directors.
- Succession planning and strategy – Review and make recommendations on succession planning for top Executives of the Company in line with challenges and opportunities for the Company, skills and expertise required of the positions in future as well as changes in the long-term goals and objectives of the Company.

The **Innovation and Information Technology Committee** comprises three (3) members, two of whom must be Non-Executive Directors that meet at least every quarter. Their responsibilities include:

- Overseeing and monitoring execution of the company's strategic direction in relation to innovation, digital and information technology.
- Reviewing and accessing the innovation, digital and information technology acquisition process to ensure business growth.
- Reviewing and monitoring the strategies for developing and implementing innovation and information technology.
- Measuring and tracking the efficiency and effectiveness of the innovation and information technology systems.
- Critically considering and making recommendations on emerging risks and opportunities on innovation and information technology and
- Other ancillary duties as may be assigned by the Board from time to time.

Profile of Directors and Management Team

Directors

Ladi Balogun – Chairman

Ladi Balogun is the Chief Executive Officer of FCMB Group Plc. He holds a bachelor's degree in economics from the University of East Anglia, United Kingdom and an MBA from Harvard Business School, United States. He has over 18 years' experience in commercial and investment banking in Europe, the United States of America and Africa. He began his banking career in 1993 at Morgan Grenfell and Co Limited, where he worked in the areas of risk management and corporate finance (debt origination).

DESCRIPTION OF CREDIT DIRECT LIMITED

He was responsible for managing the bank's trading and investment positions in debt instruments in Latin America and Eastern Europe, and part of a team that structured numerous complex debts deals in Latin America, Eastern Europe and the Asian sub-continent. Subsequently he worked at Citibank in New York before returning to Nigeria as an Executive Assistant to the Chairman and Chief Executive in 1996.

He has worked in various areas of the bank, including Treasury, Corporate Banking and Investment Banking. He was appointed an Executive Director in charge of the Institutional Banking Group (IBG) in 1997. In 2000, he was made Executive Director in charge of Strategy and Business Development and in 2001 Deputy Managing Director. He was appointed the Managing Director of FCMB in 2005 and appointed to the CDL board in 2007.

Yemisi Edun - Non-Executive Director

Yemisi Edun is the Managing Director of First City Monument Bank Limited. She began her career as an auditor with Akitola Williams & Co (member firm of Deloitte Touche Tohmatsu) in 1987, becoming a Senior Manager before joining the bank in 2000 as its Chief Financial Officer. Yemisi holds a Bachelor of Science degree from the University of Ife. A Fellow member of the Institute of Chartered Accountants of Nigeria and a graduate member of the Chartered Institute of Stockbrokers (CIS).

She is also an associate member of the Chartered Institute of Taxation of Nigeria, member of Information Systems Audit and Control Association and a Certified Information Systems Auditor. She was appointed to the CDL board in 2007.

Shiba Ghosh - Non-Executive Director

Shiba Ghosh is a Senior Vice President responsible for Consumer Banking under the retail banking group in FCMB Plc. He has over 19 years' experience in Consumer Banking. In 1990, he joined Citibank India and worked in various departments including Sales, Customer Service, Branch Management, Risk Management & Credit Cards.

He joined Standard Chartered Bank in 1999 in Credit Cards & later move to heading Personal Loans Business in India. He moved to Nigeria with Standard Chartered Bank in 2006 to Head their Retail Assets Department.

In August 2007, Shiba Ghosh joined First City Monument Bank Plc to Head Consumer Banking Group. 'Shiba' is an alumnus of St. Xavier's College (Bachelor of Commerce) and has an MBA from Birla Institute of Technology, India. He was appointed to the board in 2007.

Funmi Adedibu- Non-Executive Director

Mrs. Olufunmilayo Adedibu was recently appointed Non-Executive Director of Credit Direct Limited. She is the Company Secretary and Group Legal Counsel of FCMB Group Plc. A lawyer by profession, she has a wealth of experience in Legal practice and Banking. She started her legal career with the Law firm of Adedipe and Adedipe, Legal Practitioners before joining the prestigious Law firm of Chris Ogunbanjo & Co. Solicitors and Advocates, where she gained knowledge about Copyright and Patent laws. She began her banking career with Magnum Trust Bank and Fidelity Union Merchant Bank before joining First City Monument Bank in 1999 where she has served in various capacities.

She has over 22 years' post-graduation experience and over 18 years of it has been in the banking industry with experience spanning Corporate Banking, Commercial Banking, Risk Management, Banking Operations and Group Legal Services Department in FCMB. She has attended several Leadership and Management trainings from Lagos Business School, Queen's School of Business Canada as well as EuroMoney Loan Documentation and Advanced Loan Documentation training in New York. She is a member of the Nigerian Bar Association and Toastmasters International

Fola Ogunsiakan – Independent Non-Executive Director

DESCRIPTION OF CREDIT DIRECT LIMITED

Fola Ogunsiakan was recently appointed Non-Executive Director of Credit Direct Limited. Fola joined Motorola Networks as Head of Business Operations & Business Development for Sub-Saharan Africa; he oversaw and helped manage transactions and strategic activities for Motorola Networks Division's business development portfolio. During this period, he was also a member of Motorola's Sub-Saharan Africa (SSA) Senior Leaders Strategic Growth committee. Prior to moving to Nigeria, Fola joined McKinsey & Co. in Johannesburg, South Africa where he worked on multi-country engagements in the areas of strategy, capital productivity, process development, operational improvement, and restructuring across various industries including Media, Telecommunications, Manufacturing and Oil and Gas across Africa. Fola's career spans two decades, covering finance, technology, operations and strategy with a particular focus on early-stage companies and start-ups. His experience with companies such as McKinsey & Co., Cummins, and Robertson Stephens & Co, coupled with his entrepreneurial activities has developed him into a well-rounded professional that is able to manage businesses through their full cycles, from inception to steady-state operations or financial exits.

Chukwuma Nwanze - MD/CEO

Chukwuma Nwanze is an experienced board member, transformational leader, versatile and well-rounded business and financial manager with over 20 years' experience in Financial Control, Consumer Finance, Strategy Formulation and Planning, Business Process Development, People and Performance Management and Systems/Development and Integration.

He currently sits as the Managing Director at Credit Direct Ltd, Nigeria's largest non-bank consumer lending company. Chukwuma is an Oxford trained finance expert and business executive. He has facilitated in hundreds of training for finance and non-finance managers on business, finance and strategy related courses in numerous large and medium enterprises in Nigeria and United Kingdom.

He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and holds an MBA from the prestigious Warwick Business School, University of Warwick, Coventry, United Kingdom. He is an alumnus of Said Business School, Oxford University UK, Nanyang Business School, Singapore and the Stellenbosch Business School, Cape Town, South Africa and the Lagos Business School, Lagos, Nigeria.

Chukwuma is a doctoral candidate at Edinburgh Business School and is a big advocate of gender equality and continuous learning.

Management Team (Excluding Managing Director)

Gboyega Adelowore – Chief Risk Officer

Gboyega has an MBA (Finance) from Cardiff Business School, Wales, a bachelor's degree in Geology from the University of Ibadan and has contributed intellectual material to the European Journal of Marketing. He is a highly experienced professional with strengths in product development, risk analytics and collections within the consumer lending space. Gboyega began his outstanding career in 1999 at Standard Trust Bank (now UBA) and since then has held various key roles with Beneficial Finance (HSBC Group), Fidelity Bank and First City Monument Bank.

Prior to joining our team at CDL he was also Executive Director and Chief Operating Officer at One Credit Limited and since then has impacted greatly on improving the quality of our portfolio, boosting service delivery and positioning the Company to better deliver on our service promise.

Abiodun Adigun – Chief Marketing Officer

Abiodun, a graduate of accounting, also holds BSc in Business Administration from Caleb University Lagos. He is an Alumnus of the Prestigious Lagos Business School (SMP) and China Europe International Business School, (CEIBS) Shanghai, China having obtained MBA in General Management. Abiodun has varied professional

DESCRIPTION OF CREDIT DIRECT LIMITED

affiliation which includes Fellow of the Institute of Chartered Accountants of Nigeria, a Chartered Member of the Nigerian Institute of Management and a Member of the Global Association of Risk Professionals (GARP) as well as the Institute of Credit Risk Management.

He started his career with Pharma Deko Plc and then proceeded to Afri-Agricom Traders and Exporters (now Multi-Trex Industry) before entering the banking industry where he has grown and distinguished himself over the last 15 years. In 2005 he joined First City Monument Bank where he rose to Business Manager and deputized in overseeing zonal activities in the Lagos Mainland Region of the Bank. In 2012 he joined CDL and currently heads our outstanding country wide Sales and Marketing team as Country Head, Sales and Marketing.

Muritala Yusuf – Chief Technology Officer

Muritala Yusuf is a graduate of Electronics & Computer Engineering from the Lagos State University (LASU). He also obtained an MBA at University of Lagos (UNILAG) and completed a program on leadership and strategy at Wharton Business School, University of Pennsylvania, Philadelphia, USA.

Muritala has over 17 years' experience across different areas of Information Technology within the financial services industry where he took on significant roles within the technology group of several leading banks such as FCMB, Stanbic IBTC Bank, GTBank and Access Bank. More particularly, he played a critical role in the digital transformation journeys of GTBank and Access Bank. He is a certified Enterprise Architect with over 7 years' experience in the governance of Enterprise IT.

He has been involved in several deliveries of enterprise level deployments and has consistently delivered critical transformational projects across the organizations' which he worked.

Godwin Clark– Head, Personal Loans

Godwin who currently manages the Personal Loans sales division for Credit Direct Limited is an Alumnus of the University of Jos and the Lagos Business School and also a certified Micro Finance expert from the Frankfurt School of Finance and Management. He holds a number of professional affiliations as Fellow, Nigerian Institute of Loan and Risk Management, Member, Nigerian Institute of Management, and Associate, Micro Finance Association (UK) besides nearly 2 decades of experience in professional services, pension funds administration as well as banking and investment.

During this time, he has worked variously in Audit and Accounting at Adetona Isichei (now part of Deloitte), International energy and Insurance Plc, VAF Consulting, First Guarantee Pension and GTBank. Godwin joined CDL in 2011 as Executive Assistant to the MD/CEO and in transitioning to his current role has helped strengthen our corporate governance structures and greatly enhanced the Company's overall control and regulatory compliance.

Olufemi Peluola – Head, Internal Audit and Compliance

Olufemi Peluola had HND in Accountancy, Bachelor of Science in Finance and a master's degree in business administration. He is a qualified member of ANAN, an Associate member of CITN and a Fellow, Chartered Accountant (FCA) of the Institute of Chartered Accountants of Nigeria (ICAN). He started his professional career with the Lion of Africa Insurance Company in 1997.

He worked in various capacity and in different departments before he left in 2005 and joined Investments and Allied Assurance Plc where he worked as the Head of Finance and Accounts Department and played a pivotal role in helping the company to scale the hurdle of re-capitalization. In December 2006, he resigned his appointment and joined NICON Insurance Plc and helped straighten the payroll system. In January 2008 he

DESCRIPTION OF CREDIT DIRECT LIMITED

resigned and joined EU-PRIMEs as the Head, SPT Account and Admin. A position he held briefly before he Joined Credit Direct has the Head of Risk and Control in June 2008.

In 2018 he was redeployed to Head the Finance Department as the Financial Controller and maintained position until December 31, 2022. Olufemi is currently the Head of Internal Audit and Compliance and has distinguished himself since he joined the company in 2008.

Kolawole Omoniyi – Chief Finance Officer (Finance and Admin)

Kolawole Omoniyi is a seasoned finance leader with over 13 years' experience in Audit & Consulting, Consumer Finance, and Financial/Capital Market Infrastructure. In his current role as Divisional Head, Finance and Admin at Credit Direct Limited (CDL), he is responsible for providing financial oversight over the implementation of the Company's strategy, corporate decisions, managing the Company's financial resources and is accountable to the Executive Management and Board of Directors for the financial performance of the business.

Prior to joining to CDL in October 2022, he served as the pioneer Chief Financial Officer of NG Clearing Limited (Nigeria's premier CCP, providing clearing & settlement of exchange-traded derivative instruments in the Nigerian Capital Market). Before then, he spent 5 years at KPMG Professional Services where he rose to the role of Assistant Manager before leaving to serve as the Group Financial Controller at RenMoney MFB for another 5 years. He also had a brief stint at PriceWaterhouse Coopers.

Kolawole holds a B.Sc. in Banking and Finance from the University of Lagos and is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN).

Faith Ojeiku – Head, Integrated Channels

Faith is an experienced business manager with over 15 years of experience in operations, business development, customer success, growth and product management in retail banking and Fintech organizations—a proven record of leading diverse teams, working closely with C-Suite executives, and managing multi-vendor teams. Faith is process-driven and loves to work with data in driving decisions. Her previous organizations include BankPHB, One Finance, Transnet Finance Ltd., Bankly, and most recently, Credit Direct as the Head of Integrated Channels.

Gbadebo Adeleke – Head, Corporate Execution

Gbadebo has over 17 years' experience in Change Management, Process Re-engineering, Business Strategy Development and Execution Management, Communication, as well as People and Enterprise Transformation.

He has led business advisory and capacity development projects across Financial Institutions, Oil & Gas companies, Power Sector players, Self-regulatory organisations and other Not-for-profit institutions. He is adept at driving for value and meeting target objectives (strategic and operational) with a track record in developing, driving, managing, improving, and optimizing resources to meet complex customer and organization's needs.

Gbadebo drives required collaborations to harness capabilities in people, process and technology to birth solutions that have lasting organization and industry effects. His experience spans multiple sectors and industries as a Business Consultant and Industry Practitioner, which has strengthened his strong sense and balance perspectives to commercial acumen.

Gbadebo's experience include 7 years in financial services and a decade as a Management Consultant working for Management Transformation, FDHL and Phillips Consulting where he led varying business transformation projects and facilitated C-suite discussions and strategic planning sessions - Strategy & Execution, Change Management, Process Reengineering, Business Intelligence, Corporate & Policy Advisory, Governance & Risk Management, Financial Markets Support, Organizational Design and Project Management.

DESCRIPTION OF CREDIT DIRECT LIMITED

Gbadebo holds a Bachelor of Science in Economics from the University of Ilorin and a Master of Science in Economics from the University of Lagos. He is also a certified project management professional and PHD candidate in Development Economics.

Nifemi Oluboyede – Head, Growth and Partnership

Nifemi is a Certified Digital Finance Practitioner from Tufts University and holds a Bachelor's degree in Economics from the Obafemi Awolowo University, Ile-Ife.

Over the last 10 years of working, his experience has cut across Operations, Partnerships and Product roles in the Traditional Banking and Financial Technology space while working for Zenith Bank, SystemSpecs (Remita), Moniepoint (formerly TeamApt), Carbon (formerly One Finance), Fairmoney and Kuda. He joined Credit Direct in 2023 where he now drives Product, Growth and Partnership initiatives at the company.

He currently serves as the General Secretary of the Association of Digital Finance Practitioners (ADFP).

Edwina Olanipekun – Head, People Management

Edwina is the Head, People Management Division at Credit Direct Limited. She leads the people function, overseeing talent acquisition, employee engagement, learning & development, compensation and benefits, performance management, and culture initiatives.

Edwina has over 10 years of experience in Human Resources Management, having worked with prominent organizations across different industries, including Workforce Group, JNC International and Imagine Concepts. She also has a solid academic background in Business Administration and Management from reputable institutions, including her Bachelor's Degree from Redeemer's University and an MSc in Management from Cranfield School of Management in the UK. She also holds certifications in Lean Six Sigma (Yellow Belt) and HR Certification Institute's PHRI and SPHRI.

Edwina is a strategic thinker who aligns HR strategies with broader business goals. She is also an empathetic leader who fosters a positive and inclusive work environment for all employees. She is skilled at facilitating organizational change, resolving conflicts, and coaching leaders. She is passionate about continuous improvement and staying updated with the latest industry best practices.



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22 August 2023

The Directors
Credit Direct Limited
48/50, Isaac John Street,
Ikeja GRA, Lagos

Arranger, Issuing and Placing Agent
FCMB Capital Markets Limited
First City Plaza (6h floor)
44 Marina, Lagos

Dear Sirs,

INDEPENDENT AUDITOR'S COMFORT LETTER ON THE SUMMARY FINANCIAL INFORMATION

The accompanying summary financial information which comprise the summary of the statement of financial position as at 31 December 2020, 31 December 2021 and 31 December 2022, the summary statement of profit or loss and summary statement of cash flows for the years then ended as contained in pages 45 to 47 of the N10 billion Commercial Paper Issuance Programme, are consistent with information in the audited financial statements of Credit Direct Limited for the years ended 31 December 2020, 31 December 2021 and 31 December 2022. We expressed unmodified audit opinion on those financial statements as at 31 December 2020, 31 December 2021 and 31 December 2022 in our reports dated 18 March 2021, 12 July 2022, and 31 March 2023.

The summary financial information do not contain all disclosures required by the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, 2011 and the International Financial Reporting Standards applied in the preparation of the financial statements. Reading the summary financial information, therefore, is not a substitute for reading the financial statements. The summary financial information do not reflect the effects of events that occurred subsequent to the date of the report on the financial statements.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of an appropriate summary of the financial information in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, and the Financial Reporting Council of Nigeria Act.

Auditors' Responsibility

This letter therefore provides a confirmation that the accompanying summary financial information are consistent in all material respects with information in the audited financial statements of Credit Direct Limited for the years ended 31 December 2020, 31 December 2021 and 31 December 2022.

Yours faithfully

Joshua Ojo

Partner

FRCN/2013/ICAN/00000000849



MAKING AN
IMPACT THAT
MATTERS
since 1845

List of partners and partner equivalents available on the website

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

HISTORICAL FINANCIAL INFORMATION

The financial information set out on pages 45 to 47 of this Programme Memorandum has been extracted from the audited annual financial statements of the Issuer and is available at the specified office of the Issuer. This section should be read and construed in conjunction with the audited financial statements for the years ended 31 December 2020, 2021, and 2022 and with any audited interim financial statements published subsequently, for the financial periods prior to each issue of Notes under this Programme.

Statement of Financial Position

	2020 N'000	2021 N'000	2022 N'000
ASSETS			
Cash and cash equivalents	2,001,212	2,839,216	6,558,023
Loans and advances	20,786,004	23,390,721	28,458,799
Other assets	509,813	457,922	724,428
Intangible assets	201,246	248,860	423,373
Property, plant and equipment	2,553,403	2,486,660	2,137,200
Total assets	26,051,678	29,423,379	38,301,823
LIABILITIES			
Borrowings	14,893,096	17,264,470	24,609,551
Other liabilities	1,070,912	1,142,216	1,332,765
Employee benefits	8,276	7,091	18,690
Dividend payable	1,300,000	1,560,000	1,767,685
Current income tax liabilities	999,863	1,178,022	1,480,966
Deferred tax liabilities	95,440	139,757	191,005
Total liabilities	18,367,587	21,291,556	29,400,662
CAPITAL AND RESERVES			
Share capital	500,000	500,000	500,000
Retained earnings	4,899,163	5,095,436	5,341,775
Regulatory risk reserve	0	50,686	319,983
Statutory reserve	2,284,928	2,485,701	2,739,403
Total equity	7,684,091	8,131,823	8,901,161
Total liabilities and equity	26,051,678	29,423,379	38,301,823

HISTORICAL FINANCIAL INFORMATION

Statement of Profit or Loss and Other Comprehensive Income

	2020	2021	2022
	N'000	N'000	N'000
Interest revenue calculated using the effective interest method	11,518,042	11,729,711	13,431,607
Interest expense calculated using the effective interest method	(2,147,936)	(1,982,407)	(2,947,443)
Net Interest Income	9,370,106	9,747,304	10,484,164
Other income	704,728	686,889	926,783
	10,074,834	10,434,193	11,410,947
Net Income	11,518,042	11,729,711	13,431,607
Impairment credit for financial assets	(1,691,784)	(1,320,378)	(1,089,037)
Personnel Expenses	(3,012,510)	(2,617,572)	(2,907,171)
Depreciation and amortization	(611,109)	(552,885)	(610,501)
Other operating expenses	(2,360,920)	(2,753,927)	(2,798,332)
Profit before Tax	2,398,511	3,189,431	4,005,906
Income tax expense	(871,332)	(1,181,700)	(1,468,883)
Profit for the year	1,527,179	2,007,731	2,537,023
Total comprehensive income for the year	1,527,179	2,007,731	2,537,023
Earnings per share (kobo)	3 kobo	4 kobo	5 kobo

HISTORICAL FINANCIAL INFORMATION

Statement of Cashflows

	2020 N'000	2021 N'000	2022 N'000
Operating activities			
Profit before tax	1,527,179	2,007,731	2,537,023
Adjustments for:			
Income tax expense	871,332	1,181,700	1,468,883
Loss/(Gain) on disposal of property and equipment	2,813	(36,280)	29,372
Impairment loss on financial assets	1,691,784	1,320,378	1,089,037
Credit balance no longer required	-	-	-
Provision written off	-	(2,843,571)	-
Foreign exchange loss	-	-	26,702
Interest expense	2,138,327	1,979,877	2,944,940
Interest income	(11,518,042)	(11,729,711)	(13,431,607)
Depreciation and amortisation	611,109	552,885	452,631
Cashflows generated before changes in operating assets and liabilities	(4,675,498)	(7,566,991)	(4,883,020)
Changes in operating assets and liabilities	-	-	-
Change in loans and advances	(260,445)	(1,081,524)	(6,146,939)
Change in other assets	45,226	51,891	(266,506)
Change in other liabilities	(62,050)	71,303	190,549
Change in employee benefits	(7,044)	(1,184)	11,599
Cashflows generated from operating activities	(4,959,811)	(8,526,505)	(11,094,316)
Interest received	11,518,042	11,729,711	13,431,607
Income taxes paid	(1,103,036)	(959,225)	(1,114,692)
Net cashflows generated from operating activities	5,455,195	2,243,981	1,222,599
Investing activities			
Acquisition of property and equipment	(258,565)	(398,675)	(19,676)
Acquisition of intangible asset	(29,736)	(144,254)	(299,832)
Proceeds from sale of property and equipment	17,496	45,453	12,459
Net cashflows used in investing activities	(270,805)	(497,476)	(307,049)
Financing activities			
Dividend paid	(2,000,000)	(1,300,000)	(1,560,000)
Additions to borrowings	4,189,172	9,896,957	15,079,385
Repayment of borrowings	(8,506,384)	(8,025,581)	(8,899,375)
Interest paid on borrowings	(1,988,113)	(1,457,676)	(1,779,869)
Interest paid on overdraft	(12,500)	(22,201)	-
Net cashflows from/(used) in financing activities	(8,317,825)	(908,501)	2,840,141
Foreign exchange rate changes	-	-	(26,702)
Net increase in cash and cash equivalents	(3,133,435)	838,004	3,728,989
Cash and cash equivalents, beginning of year	5,134,647	2,001,212	2,839,216
Cash and cash equivalents, end of year	2,001,212	2,839,216	6,568,205



Private credit rating report | Nigerian Non-Bank Financial Institutions | March 2023*

Credit Direct Limited

Rated Entity	Rating class	Rating scale	Rating	Outlook/Watch
Credit Direct Limited	Long Term Issuer	National	BBB(NG)	Stable
	Short Term Issuer		A3(NG)	--

Strengths

- Strong capitalisation, supported by the company's sound earnings profile
- Credit Direct has a good market position within its niche and a strong distribution network across the country

Weaknesses

- High funding concentration, with reliance on short-term market funding
- Inherent sectorial concentration in the loan book, with non-performing loans registering slightly above the 10% regulatory benchmark

Rating Rationale

The ratings assigned to Credit Direct Limited ("Credit Direct" or "the company") reflect its market position as a highly profitable consumer lender with a strong capitalisation as well as benefits from its membership of the FCB Group Plc ("the Group"), a financial service holding company in the Nigerian market. Counterbalancing these strengths are the company's relatively elevated risk position and limited funding and liquidity profile.

Credit Direct is a non-deposit-taking financial institution, licensed to operate as a finance company by the Central Bank of Nigeria ("CBN"). The company has a track record of over a decade, serving primarily retail clients with a historically strong focus on payroll lending to employees of public-sector organisations, albeit with increasing diversification into other market segments. Credit Direct's distribution network is considered relatively good, supported by its national footprint, with 24 branches as well as increased digitalisation of platforms, enabling greater customer reach and market penetration. The company's revenue is driven by stable sources, and profitability is sound. Net interest margins averaged a high c.45% over the review period, providing a comfortable buffer to the relatively elevated credit losses and funding costs associated with the consumer lending business.

Capitalisation is a strong positive ratings factor. Credit Direct has demonstrated prudent capital management over the review period, with the capital adequacy ratio consistently maintained at over 2x the regulatory minimum of 12.5% (FY21: 28.3%; FY20: 29.4%). The capital base is comprised mainly of core equity capital, and GCR-computed core capital and leverage ratios are expected to remain in the high band (>25%) over the next 12-18 months, notwithstanding the expected scaling of the loan book and upstreaming of dividends to the Group.

Risk is negative to the ratings, largely reflecting the inherently higher credit losses and default rates associated with consumer loans. The company conducts due diligence on partner organisations to assess financial viability and places

*The last rating notification was in August 2022. Rating reports are updated at least once a year from the date of the last announcement.



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4th October 2023

FCMB CAPITAL MARKETS LIMITED

6th Floor,
First City Plaza,
44 Marina,
Lagos State.

(For and on behalf of the IPA)

Dear Sirs,

**RE: ESTABLISHMENT OF A NGN10,000,000,000.00 COMMERCIAL PAPER
ISSUANCE PROGRAMME BY CREDIT DIRECT FINANCE COMPANY
LIMITED**

We have been retained as legal counsel in connection with the establishment of the ₦10,000,000,000.00 (ten billion Naira) Commercial Paper Issuance Programme (the "Programme") by Credit Direct Finance Company Limited (formerly known as Credit Direct Limited) (the "Issuer"). The Programme is for the issuance of discounted and/or zero-coupon commercial paper notes with a minimum tenor of 15 days and a maximum tenor of 270 days (the "Notes") in series and/or tranches and in an aggregate amount of up to ₦10,000,000,000.00 (ten billion Naira) (across all tenors), being the maximum size of the Programme.

This opinion is issued pursuant to the Issuing and Placing Agency Agreement dated 4th October 2023 between the Issuer and the Issuing and Placing Agent.

1. DEFINITIONS

- 1.1 Words and expressions used in this opinion ("Opinion") and not otherwise defined herein shall have the same meanings attributed to those terms in the Issuing and Placing Agency Agreement.
- 1.2 The following terms, where used in this Opinion, shall have the meaning set out beside them below:

"Authorised Dealer" means a Nigerian bank licensed by the CBN to deal in foreign exchange;

"BFA" means the Business Facilitation (Miscellaneous Provisions) Act 2022;

"Board" means the Board of Directors of the Issuer;

PARTNERS: DAN AGBOR • ANIEKAN UKPANAH • JUMOKE LAMBO • UZOMA AZIKIWE • FOLAKE ELIAS ADEBOWALE • YINKA EDU • NICHOLAS OKAFOR • OZOFU LATUNDE OGIEJUDIA
LOLADE OSOSAMI • MENA AJAKPOVI • FESTUS ONYIA • ADEOLA SUNMOLA • JOSEPH EIMUNJEZE • ONYINYE OKAFOR • OLUKAYODE DADA • AMINA IBRAHIM
OF COUNSEL: UDOMA UDO UDOMA • MYMA BELO-OSAGIE
CONSULTANTS: OLUGBENGA OJO • ANIOLA DUROSINMI-ETTI • SALLY UDOMA
OFFICES: LAGOS • ABUJA • PORT-HARCOURT

“**CAC**” means the Corporate Affairs Commission - Nigeria’s companies’ registry;

“**CAMA**” means the Companies and Allied Matters Act, No.3 2020 (as amended by the BFA);

“**CBN**” means the Central Bank of Nigeria;

“**CBN Guidelines**” means:

- (a) the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the CBN on 11th September 2019: and
- (b) the Letter from the CBN to all Deposit Money Banks and Discount Houses dated 12th July 2016 with respect to the Mandatory Registration and Listing of Commercial Paper;

“**CCI**” means a Certificate of Capital Importation issued by an Authorised Dealer in electronic form;

“**CITA**” means the Companies Income Tax Act (Chapter C21) LFN 2004 (as amended by the Companies Income Tax (Amendment) Act, No.11, 2007 and the Finance Act 2019, Finance Act 2020, Finance Act 2021, and Finance Act 2023);

“**Collecting and Paying Agency Agreement**” means the Collecting and Paying Agency Agreement entered into between the Issuer and First City Monument Bank Limited;

“**Commissioner**” means the Commissioner for Stamp Duties of the FIRS;

“**Court**” means the Federal High Court;

“**CP Rules**” means the Commercial Paper Registration and Quotation Rules issued by the FMDQ Exchange in April 2021 (as may be amended from time to time) or such other regulations with respect to the issuance, registration and quotation of commercial paper as may be prescribed by FMDQ Exchange from time to time;

“**FCMB**” means First City Monument Bank Limited, 17A, Tinubu Street, Lagos State;

“FEMM Act” means the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act Chapter F34 LFN 2004 (as amended by the BFA);

“FIRS” means the Federal Inland Revenue Service;

“FMDQ Exchange” means FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licenced by the SEC to provide a platform for, *inter alia*, the listing, quotation, registration and trading of securities;

“Issuing and Placing Agent or “IPA”” means FCMB Capital Markets Limited, and any other additional IPA appointed pursuant to the Issuing and Placing Agency Agreement from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of an IPA pursuant to the Issuing and Placing Agency Agreement;

“Issuing and Placing Agency Agreement” means the issuing and placing agency agreement entered into between the Issuer and the IPA;

“ISA” means the Investments and Securities Act No. 29, 2007 (as amended by the BFA);

“LFN 2004” means the Laws of the Federation of Nigeria, 2004;

“NGN” means the Naira, the official currency of Nigeria;

“Nigeria” means the Federal Republic of Nigeria;

“Opinion Documents” mean the documents listed in paragraphs (a) to (l) of paragraph 3.1 below;

“PITA” means the Personal Income Tax Act (Chapter P8) LFN 2004 (as amended by the Personal Income Tax (Amendment) Act, No.20, 2011, the Finance Act 2019, Finance Act 2020, Finance Act 2021, and Finance Act 2023);

“SEC” means the Securities and Exchange Commission;

“SEC Rules” mean the SEC Rules and Regulations 2013 (as amended from time to time) issued pursuant to the ISA;

“Stamp Duties Act” means the Stamp Duties Act (Chapter S8) LFN 2004 (as amended by the Finance Act 2019, Finance Act 2020, Finance Act 2021, and Finance Act 2023);

“Transaction Documents” means the documents listed in paragraphs (e) to (l) of paragraph 3.1 below; and

“VAT Act” means the Value Added Tax Act (Chapter V1) LFN 2004 (as amended by the Value Added Tax (Amendment) Act No. 12 of 2007 and the Finance Act 2019, Finance Act 2020, Finance Act 2021, and Finance Act 2023).

2. SCOPE OF OPINION

- 2.1 This Opinion is limited to Nigerian law applicable in Nigeria as at the date of this Opinion and is provided on the basis that the Opinion will itself be governed by, and construed in accordance with, Nigerian law. We express no opinion on any laws, procedures, matters, or other circumstances relating to jurisdictions other than Nigeria. This Opinion is given on the best of our knowledge and is given as at the date of this Opinion based on the information and documents set out in paragraph 3 below.
- 2.2 Except for the searches: (a) on the corporate records of the Issuer at the CAC on 27th July, 2023; and (b) at the Lagos Division of the Court in Ikoyi on 19th July, 2023 with respect to whether any insolvency processes, proceedings, petitions or resolutions have been filed against the Issuer, we have not carried out any investigation or verification of the facts, or the reasonableness of any assumption or statement of opinion (including as to the solvency of any other person expressed to be a party to the Transaction Documents or any other person), contained in the Transaction Documents or in determining whether any material fact has been omitted therefrom.
- 2.3 In providing this Opinion, we assume no obligation to update or supplement the Opinion to reflect any facts or circumstances which may come to our attention after the date of this Opinion or changes in law and regulations which may occur or take effect after the date of this Opinion.
- 2.4 We have made no searches or enquiries concerning any person at the Court or at the CAC (other than the Issuer) or on any corporate records of a person (other than that of the Issuer) nor have we examined any other documents other than the Opinion Documents.

3. DOCUMENTS EXAMINED

- 3.1 In arriving at the opinions expressed below, we have reviewed and relied on the following documents:

CRDL0123004 - Solicitor Legal Opinion

4

- (a) a copy of the amended memorandum and articles of association of the Issuer certified by the CAC on 2nd August, 2017;
- (b) a copy of the Certificate of Incorporation of the Issuer dated 4th June, 2006;
- (c) a copy of the Issuer's most recent Status Report certified by the CAC dated 28th July, 2023;
- (d) an extract of the resolution of the Board which was passed at a meeting of the Board held on 13th April, 2023 by which the Board approved the establishment of the Programme and the issuance and offering of the Notes;
- (e) the executed IPA Agreement dated 4th October 2023;
- (f) the executed Collecting and Paying Agency Agreement dated 4th October 2023;
- (g) the Programme Memorandum dated 4th October, 2023;
- (h) the pro-forma final terms; and
- (i) the executed Deed of Covenant dated 4th October, 2023.

3.2 We have also reviewed and relied on such laws, rules, and regulations as we have deemed necessary as a basis for the opinions expressed herein.

4. ASSUMPTIONS

In rendering the opinion below, we have assumed that:

- (a) in our examination of the Opinion Documents, the documents submitted to us as originals are authentic, that all signatures are genuine and that all documents submitted to us as copies are complete, correct and conform to the originals;
- (b) there are no contractual or similar restrictions binding on the Issuer which would affect the conclusions arrived at in this Opinion or affect the Issuer's ability to establish the Programme and to issue the Notes;

- (c) there are no contractual or similar restrictions contained in any agreement or arrangement (other than those in the Transaction Documents) that are binding on any party to such Transaction Document which would affect the opinions expressed herein;
- (d) all resolutions provided have been validly passed in accordance with the requirements of the law and the memorandum and articles of association of the Issuer and are in full force and effect and have not been amended, modified, or superseded as at the date of this Opinion;
- (e) no party has entered into any Transaction Documents in consequence of bad faith, fraud, coercion, duress misrepresentation or undue influence or on the basis of a mistake of fact or law or believing it to be fundamentally different in substance or in kind from what it is;
- (f) all approvals, consents, and authorisations provided to us are genuine and authentic;
- (g) all statements as to matters of fact contained in the Transaction Documents are correct and not misleading other than to the extent that such statements relate to matters that we have specifically opined on in this Opinion and that all representations of facts expressed in or implied by the documents that we have examined are accurate;
- (h) no Notes will be issued with a tenor of more than 270 days or on the basis that the Notes may be rolled over after 270 days;
- (i) the Issuer has been rated in the manner required by, and in compliance with, the CBN Guidelines and the CP Rules;
- (j) the documents in the file of the Issuer held at the CAC are the most recent and up to date records of the Issuer;
- (k) no steps have been taken for the administration, bankruptcy, liquidation, dissolution or similar procedure of or in respect of the Issuer, and the Issuer is not insolvent within the meaning of the CAMA, after the dates of the searches referred to in paragraph 5.10(a) below;
- (l) the copies of the Issuer's corporate documents which we have relied on are in full force and effect and have not been amended, modified, or superseded as at the date of this Opinion;

- (m) the proceeds realised from the issuance of the Notes under the Programme will not cause any borrowing or similar limit binding on the Issuer from time to time to be exceeded or breached; and
- (n) there are no facts not disclosed to us by the Issuer which would affect the conclusions that we have arrived at in this Opinion.

5. OPINION

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

5.1 Status

- (a) Subject to the qualification in paragraph 6.2 below, the Issuer is a private limited liability company, duly incorporated and validly existing under the laws of Nigeria with corporate authority, perpetual succession, capacity to own moveable and immovable properties and the ability to sue and be sued in its corporate name.
- (b) The Issuer is empowered by Article 3(d) of its articles of association to issue the Notes and to perform its obligations under the Transaction Documents.

5.2 Due Authorisation

- (a) The Transaction Documents and the performance of the Issuer's obligations thereunder, and the issue of the Notes, have been duly authorised by the Board, and the Transaction Documents have been duly executed and delivered, in each case, by the Issuer.
- (b) The Transaction Documents constitute, and the Notes (when issued) will constitute, legal, valid, and binding obligations of the Issuer and are enforceable against the Issuer in accordance with their respective terms subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law and / or in equity).
- (c) The holders of the Notes that will be issued under the Programme will each be entitled to enforce the terms of the Deed of Covenant against the Issuer.

5.3 No Conflict

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

- (a) the memorandum and articles of association of the Issuer; or
- (b) any law or regulation in force in Nigeria and applicable to the Issuer.

5.4 Filings, Registrations, or Consents

- (a) Save for the requirement to pay stamp duty on the Transaction Documents at the Stamp Duties Office of the FIRS and to file the Transaction Documents with FMDQ Exchange, it is not necessary under the laws of Nigeria that any document be filed, registered, recorded or notarised before or with any court, public office or other authority in Nigeria in order to ensure the legality, validity, enforceability, and the admissibility in evidence of any of the Transaction Documents or the performance by the Issuer of its obligations under the Transaction Documents (including the issuance of the Notes).
- (b) Subject to the qualification in paragraph 6.3 below, it is permissible for the Issuer to issue the Notes and invite investors to invest in the Notes pursuant to Section 67(1)(b) of the ISA.
- (c) The issuance of the Notes by the Issuer does not require SEC approval or registration with the SEC.
- (d) The Notes have been issued in compliance with the requirements of the CBN Guidelines and the CP Rules.

5.5 Taxation

- (a) The Issuer is incorporated in Nigeria. Under the respective provisions of the CITA and the PITA, the Issuer has an obligation to withhold tax on interest payments to residents and non-resident companies and individuals and to remit the tax withheld to the FIRS (in the case of corporate Noteholders), and to the relevant State Internal Revenue Service (in the case of individual Noteholders) except where such interest is specifically exempted from tax. The Notes issued under the Programme will be zero-coupon/discounted notes and, as such, will be

offered and sold at discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Noteholders.

- (b) Other than value added tax payable on the fees due to a selling or buying agent, the Noteholders will have no obligation under the VAT Act to pay value added tax on the buying or selling of the Notes as the VAT Act exempt securities from the payment of value added tax.
- (c) Any sale of Notes by a Noteholder (whether resident in Nigeria or non-resident unless an exemption applies) will give rise to a capital gains tax obligation at the rate of 10 per cent on the gain realised from a disposal of such Notes.
- (d) The Stamp Duties Act requires stamp duty to be paid, at the rates specified therein, on instruments executed in Nigeria "or relating, wheresoever executed, to any property situate or to any matter or thing done or to be done in Nigeria", failing which payment on such instruments shall not be admissible in evidence in any civil proceedings.
 - (i) The Transaction Documents, being instruments executed in Nigeria or that relate to a matter or thing done or to be done in Nigeria, will be subject to the payment of stamp duty at the applicable rate and to be stamped by the Commissioner. The applicable rate of stamp duty can only be confirmed following an assessment of the Transaction Documents by the Commissioner.
 - (ii) Stamp duty must be paid within 30 (thirty) days after the execution of the Transaction Documents except where they are executed outside Nigeria, in which case stamp duty must be paid within 30 (thirty) days after the date that physical or electronic copies of the documents are first brought into or received in Nigeria.
 - (iii) The Notes, when issued, will be liable to ad valorem stamp duty at the rate of NGN00.05 (five kobo) on every NGN50.00.

5.6 Foreign Currency Regulations

- (a) Under Nigerian law, residents and non-residents of Nigeria may invest in, acquire, deal in, or dispose of the Notes.
- (b) Pursuant to Section 15 of the FEMM Act, an investor is permitted to bring foreign exchange into Nigeria to invest in the Notes and such an

investor is entitled to obtain a CCI from the relevant Authorised Dealer through which such foreign capital was brought into Nigeria. A CCI will only be issued by the relevant Authorised Dealer when the foreign capital has been received in Nigeria and converted into Naira.

- (c) A CCI serves as evidence that foreign currency has been inflowed into Nigeria through an Authorised Dealer and converted into Naira to invest in securities, such as the Notes. A CCI will permit a Noteholder in whose favour it is issued to have access to the official foreign exchange market to repatriate proceeds from the Notes, subject to providing appropriate documentation to the relevant Authorised Dealer. Based on the CCI, such money may be repatriated out of Nigeria without restriction and without the need to obtain any consent, approval, licence, or permission of any person or authority other than the routine approval of the Authorised Dealer through which the foreign currency will be repatriated.
- (d) Where an investor brought foreign capital into Nigeria to invest in the Notes and does not obtain a CCI, such an investor will not be permitted to access the official foreign exchange market to repatriate the proceeds from that investment.

5.7 Ranking of Claims

Subject to the qualification in paragraph 6.4 below, the obligations of the Issuer under the Transaction Documents rank at least *pari passu* with all other present unsecured and unsubordinated obligations of the Issuer subject to the effect of applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5.8 Governing law and Dispute Resolution

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

5.8.2 The submission to arbitration by the parties would be upheld by a Nigerian court because parties are permitted under Nigerian law to choose arbitration as a means of settling their disputes. Nigerian law also permits parties to choose the seat and governing rules of the arbitration.

5.9 Immunity and Set Off

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

5.10 Winding Up

- (a) Subject to the qualification in paragraph 6.4 below, based on our searches at the registries (i) of the CAC on 27th July, 2023 and (ii) at the Lagos Division of the Court in Ikoyi on 19th July, 2023, we confirm that as at those dates, no documents had been filed at the CAC, and no proceedings or petition has been initiated at the Lagos Division of the Court, for the administration, winding up, bankruptcy, liquidation, dissolution, or similar procedure of or in respect of the Issuer.
- (b) Subject to bankruptcy and insolvency laws generally applicable to Nigerian companies, in bankruptcy or insolvency proceedings involving the Issuer, the obligations of the Issuer under the Transaction Documents will remain valid, binding, and enforceable. Upon the commencement of winding-up proceedings against the Issuer at the Court, no attachment or execution can be levied against its assets that are not subject to any security interest.
- (c) Subject to bankruptcy and insolvency laws generally applicable to the Issuer, upon the maturity of the Notes, in the event that the Issuer is unable to discharge all of its obligations to the Noteholders, the Noteholders (as creditors of the Issuer) are entitled to apply for the winding up of the Issuer on the ground of the Issuer's inability to pay its debts.
- (d) The Notes are neither secured nor guaranteed and the Issuer has created no security interests in favour of the Noteholders by the Transaction Documents. As a result, in the insolvency of the Issuer, Nigerian law would regard the Noteholders as unsecured creditors of the Issuer for all purposes.

5.11 Domicile, Residence

Under Nigerian law, an entity that is not incorporated in Nigeria will not, by reason of its purchase of the Notes, and enforcing its rights thereunder be:

- (a) required to be incorporated in Nigeria or be required to comply with any requirement as to foreign registration or qualification in Nigeria;

- (b) required to make any filing with any court or other agency in Nigeria prior to any enforcement of the Transaction Documents (including the Notes); or
- (c) deemed to be resident, domiciled, or carrying on business in Nigeria for tax or any other purpose and the performance by any party of any of its rights, duties, obligations, or representations under the Transaction Documents (including the Notes) will not violate any existing applicable law or regulation in Nigeria

6. QUALIFICATION

6.1 Enforceable

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

6.2 Status at the CAC

The most recent Status Report certified by the CAC dated 28th July, 2023 on the Issuer currently indicates that the Issuer is inactive at the CAC. Which means that the Issuer is currently not up to date in the filing of its statutory returns with the CAC. This is because the Issuer has not filed its statutory returns with the CAC up to date. The Issuer has only filed its annual returns with the CAC up to 2020.

6.3 Exemption from Registration with the SEC

Section 313(1) (h) of the ISA provides that the SEC may, from time to time, make rules and regulations for the purpose of giving effect to the ISA and may, in particular, make rules and regulations, among other things, prescribing that the provisions of the ISA shall not apply or shall apply with such modifications, if any, as may be specified in the regulations to any person or any securities or to any transaction. The SEC has on this basis,

and by virtue of Rule 8 of the SEC Rules provided that the provisions of the ISA and the SEC Rules requiring registration shall not apply to, among other things, any note, bill of exchange or banker's acceptance which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions and which has a maturity, at the time of issuance, not exceeding 9 (nine) months exclusive of days of grace, or the maturity of which is likewise limited. This means that commercial papers which have a maximum tenor of 270 (two hundred and seventy) days (such as the Notes) are not required to be registered with the SEC.

6.4 Existing Security

By virtue of a certificate of registration of a deed of debenture dated 14th April, 2014 and a Form CAC 8 (Particulars of mortgage or charge created) dated 11th April, 2014, a Deed of Debenture dated 6th April, 2014 created by the Issuer securing the sum of NGN500,000,000 (Five Hundred Million Naira) in favour of FCMB was registered with the CAC. There is no evidence on the Issuer's record at the CAC that this security has been discharged or released. This means that there is a current security interest over the assets of the Issuer in favour of FCMB. In the event of the Issuer's insolvency, the interest of FCMB will rank in priority to that of the Noteholders to the extent of the amount secured which is NGN500,000,000 (Five Hundred Million Naira).

6.5 Searches at the Federal High Court

6.5.1 There is no independent registry at which to confirm whether any steps have been taken to wind up the Issuer. Under Nigerian law, the Court has exclusive jurisdiction in matters relating to the insolvency of a Nigerian company. The CAMA provides that the division of the Court within whose area of jurisdiction the registered office or head office of a company is situated shall have the jurisdiction to wind up that company. That notwithstanding, there is a possibility for an action for the winding up of the Issuer to be commenced in any of the divisions of the Court across Nigeria. Consequently, unless an exhaustive search is conducted in each division of the Court, it cannot be confirmed conclusively that no winding up petitions have been filed against the Issuer. The information regarding the commencement of matters in the Court are kept in physical files which are sometimes imperfectly kept.

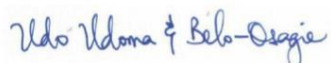
6.5.2 Online searches are not available. Therefore, in order to ascertain that no such action has been instituted, it would be necessary to travel to each State and the Federal Capital Territory (many of which are between one and two hours flying distance from Lagos) to carry out a physical search of the hard

copies of the Court's files in all the divisions. Accordingly, such physical searches are prone to errors and provide no guarantee that no such matters have in fact been commenced. The usual practice is to conduct a search in the division of the Court in which the company's registered office is located and this is the approach that has been adopted with respect to the Issuer because the Issuer has its registered office in Lagos State. Being the commercial centre of the country, a search in the Lagos State division of the Court does provide some level of comfort.

7. BENEFIT OF OPINION

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

Yours faithfully,



UDO UDOMA & BELO-OSAGIE

GENERAL INFORMATION

Authorisation

This establishment of this CP Programme and the issuance of Notes thereunder were approved by the resolution of the Board of Directors of Credit Direct Limited dated 13 April 2023.

Auditors

Deloitte & Touché acted as auditors of the annual financial statements of the Issuer for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022. Deloitte & Touché, has in respect of those years for which it was responsible for the audit, issued unqualified reports.

Going Concern

The Directors have assessed the Issuer's ability to continue as a going concern and have no reason to believe the Issuer will not remain a going concern in the year ahead. If any event occurs as a result of which the above statement is no longer true and accurate, the Issuer will give notice thereof to the Noteholders in accordance with the Conditions.

Litigation

The Issuer is involved in eleven (11) litigation matters as of 29 August 2023.

The total value of monetary claims against the Issuer in the cases instituted against the Issuer is ₦51,563,233.5 (fifty-one million, five hundred and sixty-three thousand, two hundred and thirty-three Naira and fifty kobo). This amount does not include interest and costs which can only be ascertained after final resolution of the cases. Ultimately, the Issuer's actual liability in these cases, including final awards for costs, will be as determined by the courts upon conclusion of the relevant suits.

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

Material Contracts

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

- i. The Issuing and Placing Agency Agreement dated 4 October 2023 executed by the Issuer and FCMB Capital Markets Limited;
- ii. The Collecting and Paying Agency Agreement dated 4 October 2023 executed by the Issuer and First City Monument Bank Limited; and
- iii. The Deed of Covenant dated 4 October 2023 executed by the Issuer as a deed poll in favour of the Noteholders.


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

Ultimate Borrower


The Issuer is the ultimate borrower in respect of the Notes

PARTIES TO THE TRANSACTION

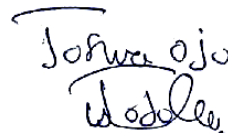
Issuer
Credit Direct Limited
48/50 Isaac John Street
Ikeja GRA
Lagos

Chukwuma Mwanze


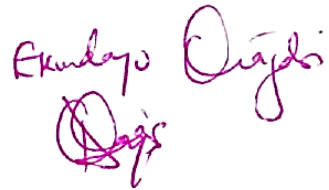
Arranger, Issuing and Placing Agent
FCMB Capital Markets Limited
First City Plaza (6th floor)
44 Marina
Lagos


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Victoria Island
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Joshua Ojo
Woddele


Solicitors
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Catholic Mission Street
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Ekundayo Osagie
Osagie


Collecting and Paying Agent
First City Monument Bank Limited
Primrose Tower
17A, Tinubu Street
Lagos

Osaro Odeshe
