



RC 602252

₦5,000,000,000 Commercial Paper Issuance Programme

AG Mortgage Bank Plc ("AGMB" or the "Issuer"), a public limited liability company incorporated under the laws of the Federal Republic of Nigeria has established this ₦5,000,000,000 Commercial Paper Issuance Programme (the "CP Programme"), under which AGMB may from time to time issue Commercial Paper Notes ("CP Notes" or "Notes") denominated in Nigerian Naira ("NGN") in separate series or tranches subject to the terms and conditions ("Terms and Conditions") contained in this Programme Memorandum.

Each Series and each Tranche (as defined under the Terms and Conditions) will be issued in such amounts and will have such discounts, period of maturity and other terms and conditions as set out in the Pricing Supplement applicable to such series or tranche (the "Applicable Pricing Supplement"). The maximum aggregate nominal amount of all CPs from time to time outstanding under the CP Programme shall not exceed ₦5,000,000,000.

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

The CP Notes issued under this Programme shall be issued in dematerialized form, registered, quoted, and traded over the counter via the FMDQ Exchange platform in accordance with the rules, guidelines and such other regulation as may be prescribed by FMDQ Securities Exchange Limited ("FMDQ Exchange") from time to time, or any other recognized trading platform as approved by the Central Bank of Nigeria ("CBN"). The Notes will settle via the FMDQ depository ("CSD") 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 significant factor, material mistake or inaccuracy relating to the information included in the 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.

This Programme memorandum has been prepared in accordance with the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the CBN dated September 11, 2019, and the Commercial Paper Registration and Quotation Rules, of the FMDQ Exchange in force as at the date thereof. This document is important and should be read carefully. If any recipient is in any doubt about its contents or the actions to be taken, such recipient should please consult his/her Banker, Stockbroker, Accountant, Solicitor any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the Members of the Board of Directors of AG Mortgage Bank Plc and they individually and jointly accept full responsibility for the accuracy of all information given.

LEAD ARRANGER AND DEALER



RC:1297664

COLLECTING AND PAYING AGENT



RC: 125384

THIS PROGRAMME MEMORANDUM IS DATED 30TH JANUARY 2024

CONTENTS

DEFINITIONS AND INTERPRETATIONS	[3]
IMPORTANT NOTICES	[6]
INCORPORATION OF DOCUMENTS BY REFERENCE	[7]
SUMMARY OF THE PROGRAMME	[8]
OVERVIEW OF AG MORTGAGE BANK PLC	[10]
USE OF PROCEEDS	[16]
REVISED CBN GUIDELINES ON ISSUANCE OF COMMERCIAL PAPERS	[17]
TERMS AND CONDITIONS OF THE NOTES	[19]
TAX CONSIDERATIONS	[19]
RISK FACTORS	[20]
SETTLEMENT, CLEARING AND TRANSFER OF NOTES	[22]
PRO FORMA APPLICABLE PRICING SUPPLEMENT	[26]
REPORT ON THE SUMMARY FINANCIAL INFORMATION	[30]
HISTORICAL FINANCIAL INFORMATION	[31]
EXTRACT FROM ISSUER'S RATING REPORT	[35]
LEGAL OPINION	[36]
GENERAL INFORMATION	[44]
PARTIES TO THE PROGRAMME	[45]

DEFINITIONS AND INTERPRETATIONS

In this Programme Memorandum, unless a contrary indication appears, the following expressions shall have the meanings indicated in the table below. Words in the singular shall include the plural and vice versa, references to a person shall include references to a body corporate, and reference to a gender includes the other gender.

“Agency Agreement”	The Issuing and Placing Agency Agreement and the Collecting and Paying Agency Agreement dated 30 th January 2024 on or about the date of this Programme Memorandum executed by the Issuer, Issuing and Placing Agent(s) and the Collecting and Paying Agent (s)
“Applicable Pricing Supplement”	The Pricing Supplement applicable to a Series or Tranche.
“Arrangers and Dealers”	Meristem Capital Limited
“Board” or “Directors”	Board of Directors of AG Mortgage Bank PLC
“Business Day”	Any day other than a Saturday, Sunday or public holiday declared by the Federal Government of Nigeria on which commercial banks are open for general business in Lagos, Nigeria.
“Business Hours”	8.00 am to 5.00 pm Nigerian time on any Business Day.
“CAMA”	Companies and Allied Matters 2020
“CBN”	Central Bank of Nigeria.
“CBN Guidelines”	Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper issued by the CBN dated 11 September 2019 and the CBN letter to all deposit money banks and discount houses dated 12 July 2016 on Mandatory Registration and Listing of Commercial Papers, as amended or supplemented from time to time.
“CGT”	Capital Gains Tax as provided for under the Capital Gains Tax Act Chapter C1, LFN 2004 (as amended by the Finance Act, 2019, 2020, 2021).
“CITA”	Companies Income Tax Act Chapter C21, LFN 2004 (as amended by the Companies Income Tax Act No 11 of 2007 and the Finance Act, 2019, 2020, 2021)
“Commercial Paper”, “CP” or “Notes”	Unsecured and unsubordinated commercial paper notes to be issued by the Issuer in form of short-term zero-coupon notes under the CP Programme.
“Conditions” or “Terms and Conditions”	Terms and conditions, in accordance with which the Notes will be issued, set out in the section headed “Terms and Conditions of the Notes” in this Programme Memorandum.
“CP Programme” or “Programme”	The CP Programme described in this Programme Memorandum pursuant to which the Issuer may issue several separate Series of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦5,000,000,000.

DEFINITIONS AND INTERPRETATIONS

“Central Securities Depository” or “CSD”	The FMDQ Depository Limited
“Day Count Fraction”	Such a method of calculating the discount as specified in the Applicable Pricing Supplement.
“Face Value”	The par value of the Notes.
“FGN”	Federal Government of Nigeria.
“FIRS”	Federal Inland Revenue Service.
“FMDQ Exchange” or the “Exchange”	FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organization licensed by the SEC to provide a platform for, inter alia, the listing, quotation, registration, and trading of securities.
“FMDQ Depository Limited” or “FMDQ Depository”	A clearing system approved by the issuer or as may otherwise be specified in the applicable pricing supplement.
“FMDQ Exchange Rules” or “Rules”	The FMDQ Commercial Paper Registration and Quotation Rules, October 2023 (as may be amended, from time to time) and such other regulations with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time.
“Force Majeure”	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, legislation, acts of God, epidemics, pandemics, lockdowns, acts of terrorism and industrial unrest.
“Government”	Any federal, state or local government of the Federal Republic of Nigeria
“FRCN”	Financial Reporting Council of Nigeria.
“Implied Yield”	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement.
“Issuer”	AG Mortgage Bank Plc.
“Issue Date”	The date upon which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement.
“Issue Price”	The price at which the relevant Series/Tranche is issued, as specified in the Applicable Pricing Supplement.
“LFN”	Laws of the Federation of Nigeria.
“Maturity Date”	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due.
“Naira” or “N” or “NGN”	The Nigerian Naira, the lawful currency of Nigeria.
“Nigeria”	The Federal Republic of Nigeria and “Nigerian” shall be construed accordingly.
“Noteholder” or “Holder”	The holder of a Note as recorded in the Register kept by the Issue, Calculation and Paying Agent in accordance with the Terms and Conditions.

DEFINITIONS AND INTERPRETATIONS

“OTC”	Over the Counter.
“Principal Amount”	The nominal amount of each Note, as specified in the Applicable Pricing Supplement.
“PITA”	Personal Income Tax Act (Chapter P8) LFN 2004 (as amended by the Personal Income Tax (Amendment) Act of 2011).
“Programme Memorandum”	This information memorandum dated 30 th January 2024 details the aggregate size and broad terms and conditions of the CP Programme.
“Qualified Institutional Investors” or “QIIs”	Include banks, fund/asset 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 investors as may be determined by the Exchange from time to time.
“Register”	The register of Noteholders is maintained by the Issuing and Paying Agent.
“Relevant Date”	The payment date of any obligation due on the Notes.
“Relevant Last Date”	The date stipulated by CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered.
“SEC”	The Securities and Exchange Commission of 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.
“Tranche”	In relation to a Series, those Notes of that Series are issued on the same date and at the same issue price and are identical in all respects.
“Zero Coupon Note”	A Note which will be offered and sold at a discount to its Face Value and which will not bear interest, other than in the case of late payment.

IMPORTANT NOTICES

This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ₦5,000,000,000 (Five Billion Naira). The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum. The Issuer shall not require the consent of the Noteholders for the issue of Notes under the Programme.

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

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

No person has been 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 evaluation or should be considered as a recommendation by the Issuer or Arranger that any recipient of this Programme Memorandum or any other information supplied in connection with the CP Programme should purchase any Notes.

Any person contemplating purchasing any Commercial Paper should make their own independent investigation of the financial condition and affairs, and their appraisal of the creditworthiness, 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. All currency risks, to the extent applicable, assumed by investors upon purchase of the Notes are borne by the individual investors.

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 Arranger and other professional advisers do not accept any liability in relation to the information in this Programme Memorandum or any other information provided by the issuer in connection with the Programme.

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

INCORPORATION OF DOCUMENTS BY REFERENCE

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

1. Each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under the Programme; and
2. The audited annual financial statements of the Issuer for the financial years prior to each issue of Notes under this Programme.

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

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 on 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 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 office(s) as set out in this Programme Memorandum.

SUMMARY OF THE PROGRAMME

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

TERMS	DESCRIPTION
1. ISSUER:	AG Mortgage Bank Plc
2. PROGRAMME DESCRIPTION:	Commercial Paper Issuance Programme
3. SIZE OF PROGRAMME:	₦5,000,000,000 aggregate principal amount of Notes.
4. LEAD ARRANGER AND DEALER	Meristem Capital Limited
6. COLLECTING AND PAYING AGENT:	First City Monument Bank
7. AUDITORS:	SIAO Partners
8. CSD:	The FMDQ Depository Limited
9. SOLICITORS	TOLG Advisors
10. 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 and Tranche will be specified in the Applicable Pricing Supplement.
11. USE OF PROCEEDS:	Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issue of Notes under the Programme will be used solely to support the Issuer's short-term funding requirements.
12. METHOD OF ISSUE:	The Notes may be offered and sold to QILs by way of a fixed price offer for the subscription or through a book- building process and/or any other methods as described in the Applicable Pricing Supplement.
13. MATURITY DATE:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 days and a maximum of 270 days, including rollover from the date of issue.
14. INTEREST PAYMENTS:	Notes shall be issued at a discount and in the form of Zero-Coupon Notes and will not pay interest prior to final maturity.
15. ISSUE PRICE:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement

SUMMARY OF THE PROGRAMME

16. ISSUE SIZE:	As specified in the Applicable Pricing Supplement.
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. CURRENCY OF ISSUE:	Nigerian Naira
19. DENOMINATION:	The Notes will be issued in such denominations as may be agreed between the Issuer and the Arranger and as specified in the Applicable Pricing Supplement.
20. REDEMPTION:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and the Rules.
21. RATING:	The Issuer has been assigned a rating of "A2" from DataPro Ratings Ltd.
22. STATUS OF THE 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.
23. TAXATION:	The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Noteholders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.
24. GOVERNING LAW:	The Notes issued under the Programme and all related contractual documentation will be governed by and construed in accordance with Nigerian law.
25. QUOTATION:	The Issuer will quote all Series or Tranches on the FMDQ Exchange platform or any other recognized trading platform. All secondary market trading of the Notes shall be done in accordance with the Rules in relation to the quotation or listing of the Series or Tranche quoted or listed on the relevant trading platform.
26. SETTLEMENT PROCEDURES:	The Notes will be settled via Real Time Gross Settlement ("RTGS"), National Electronic Funds Transfer ("NEFT"), Nigeria Inter-Bank Settlement System ("NIBSS"), direct debit or any other transfer mode agreed by the Transaction Parties and recognized by the CBN.
27. SOURCE OF REPAYMENT	The repayment of all obligations under the Programme will be funded from the issuer's cash flow.

OVERVIEW OF AG MORTGAGE BANK PLC

AG Mortgage Bank Plc (“AGMB” or “the Company”) was incorporated on the 21st of July in 2004, as a private limited liability company, with RC Number 602252. It was licensed by the Central Bank of Nigeria (CBN) in December 2004, as a Primary Mortgage bank to carry out mortgage banking services in Nigeria. The Company commenced operations in 2005 with the principal aim of making mortgage facilities available to Nigerians both at home and in diaspora; thereby promoting growth in the real estate industry. Through a private placement exercise which increased the number of shareholders to about 5,000, the company became a public limited liability company as a result in April 2007. It later changed its name from AG Homes Savings & Loans to AG Mortgage Bank Plc in May 2015.

The company’s shares are listed on the NASD platform for shareholders who wish to dematerialize their shares for CSCS registration and OTC trading. In 2016, the company launched a Rights issue to improve the ownership stake of its existing shareholders, protect them against dilution, and potentially increase the future returns of the company, for its shareholders. So far, AGMB has grown its asset base from a mere NGN200 million to NGN 23 billion as of today. The firm aims to make mortgages available to Nigerians, both at home and in the diaspora. It is also duly accredited by the Federal Mortgage Bank of Nigeria to access the National Housing fund (NHF) Scheme and is also a member of the Mortgage Banking Association of Nigeria (MBAN).

Through a shared wealth creation derived from the entire real estate value chain, the company seeks to create wealth for all investors and customers and also drive the reduction of the 20 million housing deficit in Nigeria.

The company’s principal activities involve providing finance solutions in areas relating to:

- Mortgage loans financing.
- Real estate construction finance.
- Accepting mortgage-focused savings and demand deposit
- Offering financial advisory relating to mortgage activities.
- Drawing from mortgage funds such as National Housing Fund (NHF) facility for on-lending.

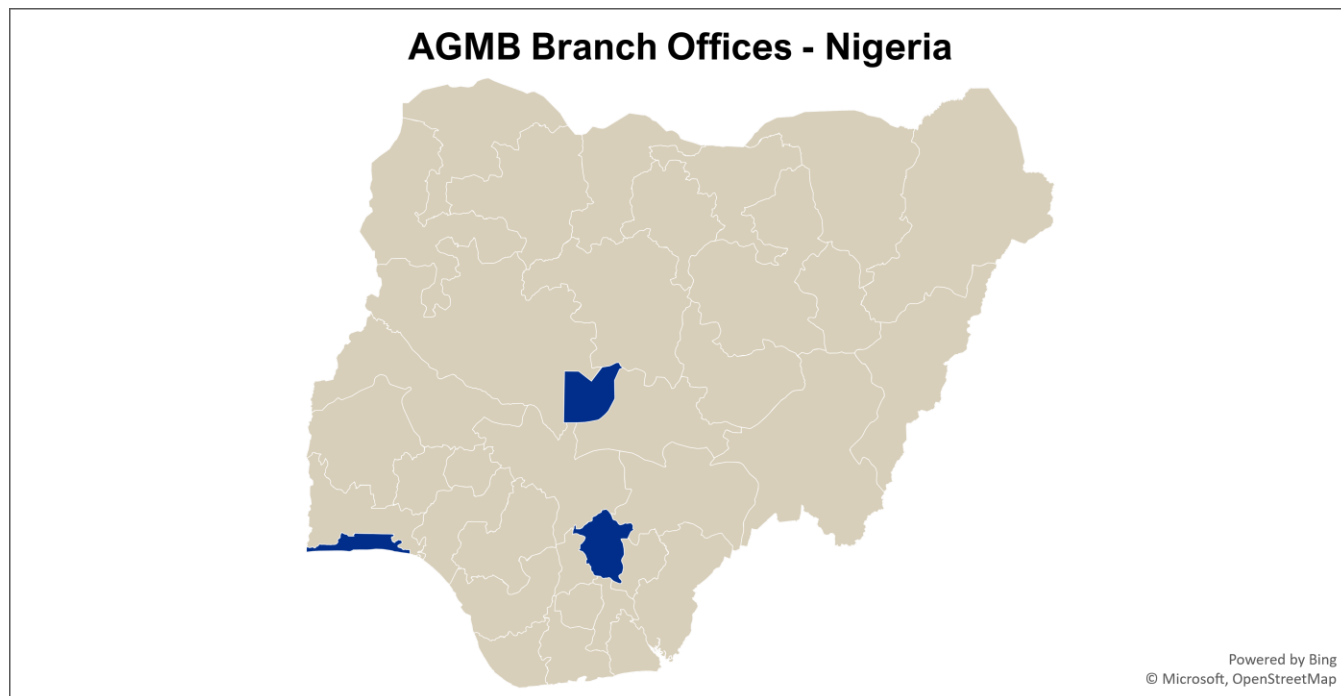
Product Offerings

The firm offers a wide range of products aimed at catering for the housing needs of various customers. Some of these products are:

- Tenant ownership mortgage
- Mortgage focused deposits
- AG-Sprint – an e-banking platform
- FAMSA – Family savings account
- Assetbin – AGMB asset backed investment note
- Low-income mortgage (LIMO),
- Acada – school renovation support facility
- NHF etc.

The Mortgage bank also offers a wide range of premium banking products meant to cater to the immediate banking needs of their customers. These products are offered via the banks E- product platform AG Sprint. AG Sprint is an e- banking platform that aids money receipt, transfers, disbursements through convenient, fast and secure cost saving platforms like quick teller, pay direct, direct debit, point of sales (POS) etc.

FIGURE 1.0: The Company currently operates through its branch offices across different regions in Nigeria.



STRATEGIC PLAN

Organisational Transformation: The bank has a 2020-2024 strategic plan that aims to restructure and reposition the bank for accelerated growth, dynamism, innovation, and market leadership. The plan involves engaging FITC, a technology-driven knowledge institution, to support the bank in its organizational transformation journey and to catalyze its vision. FITC will apply its game changing formula; the 6Ps (Programme, Platform, People, Process, Performance and Positioning) in redesigning and re-engineering the bank towards longevity.

National Coverage: With presence in only few states in the country, AGMB intends to extend its reach to other regions in the country, at the same time ensure its service offering is available to both Nigerians here and in the diaspora. AG Mortgage Bank Plc is also looking to grow its market share to 60%, accessing opportunities within the real estate value chain.

Shared Wealth Creation: AGMB is committed to creating a collaborative platform across the real estate value chain. By doing so, this would generate shared wealth for stakeholders within the real estate value-chain. Such collaborative platform include: The Young Builder's club, Property Mart (real estate projects that customers can invest in or purchase with the help of the bank's mortgage products and services) and establishing a value chain players network.

Product Expansion: The company also aims to improve its product offering to scale up its balance sheet size and increase its customer base. This involves adding more mortgage solutions to its current portfolio. Overall, the company intends to increase the volume of housing units by 1 million before 2030.

PROFILE OF THE BOARD OF DIRECTORS

Interim Chairman – Amb. Felix O. Nwabuko

Amb. Nwabuko is a Chartered Accountant and award-winning business leader with multi-sector experience in agriculture, manufacturing, consultancy, and education sectors. He has a special interest in strategy, corporate governance, and leadership. A Fellow of the Institute of Chartered Accountants of Nigeria, Associate of the Chartered Institute of Taxation Nigeria, Alumni of Manchester Business School, United Kingdom, and the University of Benin, Nigeria, and a member of the Institute of Directors in the United Kingdom. He has been accorded significant professional recognitions over the years including the Pearl Outstanding CEO of the Year, Nigeria Agriculture Award, Achiever in Agriculture Award, and the prestigious “ICAN Merit Award” by the Institute of Charter Accountants of Nigeria awarded to Presco Plc under his leadership as Managing Director/CEO. He sits on the Board of several companies and bodies in the country.

Managing Director/ CEO – Ngozi Onyemuwa Anyogu

Ngozi holds an MSc Degree in Banking and Finance from the prestigious University of Ibadan, in 1989. He is a fellow Chartered Institute of Bankers, London- 1989. Fellow, Nigeria Institute of Bankers 1989. He is a Certified Management trainer with courses both locally and overseas. He is a certified Management Trainer with CMD, ESSEC (Paris), and Institute of Training and Development, I.T.D. He has attended senior management and banking courses in reputable institutions including the Manchester Business School, the University of Pennsylvania, and Lagos Business School. Ngozi leads the team as CEO and helps envision goals, set targets and meet them. His leadership style and knack for constant skill acquisition of his workforce empower the team to be the fastest growing PMI in the country with the potential to develop into the capacity of a leading commercial bank as a Mortgage solutions provider.

Executive Director/ COO- Simon Ojonimi Ogwu

Mr Ogwu holds a Bachelor’s degree from Ahmadu Bello University Zaria. He is currently a student at the Robert Kennedy College, Zurich (University of Cumbria Campus United Kingdom) studying for his MBA in Finance and Sustainability. He started his Mortgage Banking Career from the then SunTrust Savings & Loans Limited (Now SunTrust Bank Limited) where he rose to the position of Head Mortgage Banking Group before joining the services of Resort Savings & Loans Plc as the Business Development Manager. He later left for Imperial Homes Mortgage Bank Limited as a Group Head Northern Region. He is well knowledgeable in Real Estate Development and Sales, Mortgage, and Mortgage Banking Services with over 13 years of experience in different real estate companies and Mortgage Banks. He is also a Fellow, Chartered Institute of Human Capital Development (FCHCD) and a current Student member of the Association of Chartered and Certified Accountants (ACCA).

Non-Executive Director- Christopher Chukwuma Okenwa

Mr Okenwa was educated at Igbobi College Lagos and holds a 2007 MBA in addition to the ACIS (Associate Chartered Stockbroker) and ACIB (Associate Chartered Bankers) Professional qualifications. His years of experience help add the much-needed depth and insight to Investment finance decisions on the Board of AGMB Plc. While the board leverages his experience as a Chartered Stockbroker to meet the aspirations of the Bank’s investors and all stakeholders’ relations. His working experience has been significant in the Financial Services Sector, spanning the fields of Banking in Magnum Trust Bank Plc, Capital Bancorp Limited, Continental Merchant Bank Nigeria Plc, and Stock Broking in FSL Securities Limited (Formerly Fidelity Securities Ltd.) and Nigerian International Securities Limited. He has also been a Non-Executive Director of Fidelity Pension Managers Limited.

Non-Executive Director- Rev. Surveyor Ugo Chime

Rev. Chime holds a Bachelor of Science Degree in Geography, Surveying, Geodesy, Photogrammetry, Management, and Theology. He has attended numerous Surveying, Management, Real Estate, and Finance Seminars in Nigeria, Australia, Israel, Italy, South Africa, Morocco, Japan, Germany, the UK, and the USA. He was Chairman Board of Directors of Enugu State Housing Development Corporation from 2003 TO 2007. He is the Group Managing Director /CEO of COPEN GROUP of companies. He is a pioneer member of the Real Estate Developers Association of Nigeria, REDAN, and was the South Zonal Coordinator (2002-2009), Deputy President (2009-2012), and Chairman Board of Directors REDAN Capital Ltd (2021-2012). He is a highly respected business process improvement expert. Rev. Chime sits on the board of many companies and organizations within and outside Nigeria, including being Director in FESADEB Communications Abuja International Housing show.

Non- Executive Director- Emmanuel Attah Ocholi

Mr. Emmanuel Attah Ocholi obtained his B. Sc Economics from Ahmadu Bello University in 1976. He has attended various training courses and seminars locally and overseas. He is a fellow Chartered Institute of Stockbrokers, Dealing Member, Nigerian Stock Exchange, Member, Nigerian Economic Summit Group and Fellow Institute of Directors. Mr Ocholi was a Board Member of Bank of Industry, Member, Investment & Securities Tribunal, Council Member, The Nigerian Stock Exchange. He is the Managing & Chief Executive Director of Lighthouse Asset Management Limited.

Non- Executive Director- Justice Theresa Ntong

Justice Theresa Nkiru Ntong is a Chairman of the Court of Akwa Ibom State Judiciary. She holds the degrees of LL.B(Hons)(University of Nigeria, Nsukka) in 1991, BL (Hons) (Nigeria Law School V.I Lagos, 1992), LLM (Institute of Maritime and Commercial Law, LASU, 2007). She has attended various training courses including Unleashing Your Leadership Potentials (Lagos Business School). She is a member of many professional associations including the Member, Nigerian Bar Association, Member, Institute of Chartered Secretaries, and Administrators of Nigeria. Mrs. Ntong is a seasoned Banker with 10 years of working experience in AG Mortgage Bank PLC Bank handling various portfolios. She is currently the Member National Missions Board, Assemblies of God Nigeria.

Non- Executive Director- Sally Biose

Mr. Biose is an HND graduate of the Institute of Management Technology (IMT) Enugu and presently undertaking a postgraduate Diploma from the National Open University (NOUN) in Human resource management. He has experience in the real estate industry and provides meaningful insights on project finance, strategy, execution, monitoring, and evaluation. Mr. Biose is the managing director/chief executive officer of SallyBest Properties Limited, with over a decade of experience in one of Nigeria's leading mortgage firms (Abbey Building Society), Mr. Biose was appointed a director of AG mortgage bank Plc in 2015. He is a seasoned administrator and manager per excellence.

Non- Executive Director- Emmanuel Onuoha

Mr. Onuoha holds a Bachelor of Science Degree in Geography and Planning from Abia State University Uturu. A member of the Real Estate Development Association (REDAN), Mr. Onuoha provides hands-on insights into Real estate project investments and strategic decisions. He is the managing director/CEO of Zeecrest vantage limited a position he has held since 2011.

MANAGEMENT TEAM

Divisional Head, Finance & Investment, Risk Management, and Strategy & Planning - Dr Anderson Nwosu

Dr Nwosu has over 25 years of professional experience in Finance, investment and enterprise solutions. He holds a PhD in Business Management & Administration from Business School, University of Stellenbosch, South Africa and a Master's in business administration. He has worked on numerous Finance and Investment teams in strategy, planning and risk management including Topsy Resource Managers Limited(In charge of Tax & Tax Management Advisory, Financial Advisory, Financial Reporting, Business Research & Advisory, Corporate Restructuring), Tirhani Group Holdings (PTY) Ltd (TGH) (In charge of Group Internal Auditor and Corporate Services Director), Fidelity Bank Plc (Manager and Head, Cost Management and Due Process) and H. Pierson Associates Limited (Head, Finance and Human Resources).

Divisional Head, Shared Services & Board Secretariat – Joan O. David Madukwe

Mrs. Madukwe has over 17 years of Legal, Trust and Administrative experience. She is an Associate Member of the Institute of Chartered Secretaries & Administrators of Nigeria and holds a Master's in law (LL.M) from the University Lagos, Akoka. She also holds a Bachelor of Law (LL.B) from the University of Benin, Benin City, and a Barrister at Law (BL) from the Nigeria Law School. Her work roles over the years span Administrative Processes, Human Capital Management, Regulatory Compliance, Company Secretarial Administration, Corporate Law & Governance, Planning & Scheduling, Trustee Services, and Business Process Improvement. Shas worked with DLM Trust Company Limited, DLM Capital Group Limited, Radix Trustees Limited, Mainstreet Bank Trustees, U.O. Muhammad & Associates and Onum O. Onum & Co.

Group Head Finance and Investment – Mrs. Anthonia Lloyd- Okereafor

Mrs. Anthonia possesses over 17 years of experience in Audit and Accounting. She is an astute professional and a member of the Institute of Chartered Accountants of Nigeria with experience in Financial Reporting, Project

accounting, Tax management, Budget, and budget control amongst others. Before AGMB, she has worked with Onahsons Group as the chief accountant, has attended various trainings at reputable organizations including, IBFC Augusto on negotiation skills, further training from the Institute of Chartered Accountants of Nigeria on Tax management and International Financial Reporting Standards.

Group Head, Shared Services – Comfort Akachi

Mrs. Akachi possesses over 10 years of experience in Leadership and Human Resources Experience. She is an astute professional and a member of the Chartered Institute of Personnel Management, CIPM. She holds a BSc in Public Administration from the University of Nigeria, Nsukka. She has attended numerous trainings in her focus areas including Leadership training from the Lagos Business School (LBS), Regulatory Compliance Training (CBN), Effective Still Negotiation Skill Training (ITF) and the Train the Trainer workshop (ITF). Before assuming the role of Head, Corporate Services, and Shared Services, she was the Head, Human Resources/Admin, and the Personal Assistant to the Managing Director/CEO.

Group Head, Strategy & Planning – Chinyereugo Udo-Obike

Mrs Udo-Obike possesses over 20 years of Leadership and administrative experience. She holds an MBA from Ladoko Akintola University of Technology, (Business Administration and Technology) and a PGD in Finance & Marketing. She is a member of the Chartered Institute of Economics of Nigeria (ICEN), the Chartered Institute of Loans & Risk Management, Nigeria (CILRM) and the Chartered Institute of Bankers Nigeria. She has held numerous positions in the Bank from Head Credit/Recovery, Branch Manager/Head, Branch Manager/Head-Business Development, and Head-Enterprise Risk Management Unit/Marketing. Before working with AG Mortgage Bank, she worked with Union Homes Plc and Afribank Bank Nigeria Plc.

Regional Executive, North – Toluwalase Mosuro

Regional Executive, East – Chidubem Ano

Head, Legal Services – Nathaniel Uchegbue

Group Head, Risk Management– Mrs Gladys Laleye

Mrs Laleye possesses over 20 years in leadership and administrative experience. She is a graduate of Business Administration and has an advanced Diploma in Banking and Finance. She has various experiences working in the banking industry, holding various managerial positions and she has also worked with the Nigerian Deposit Insurance Corporation where she served for 12 years.

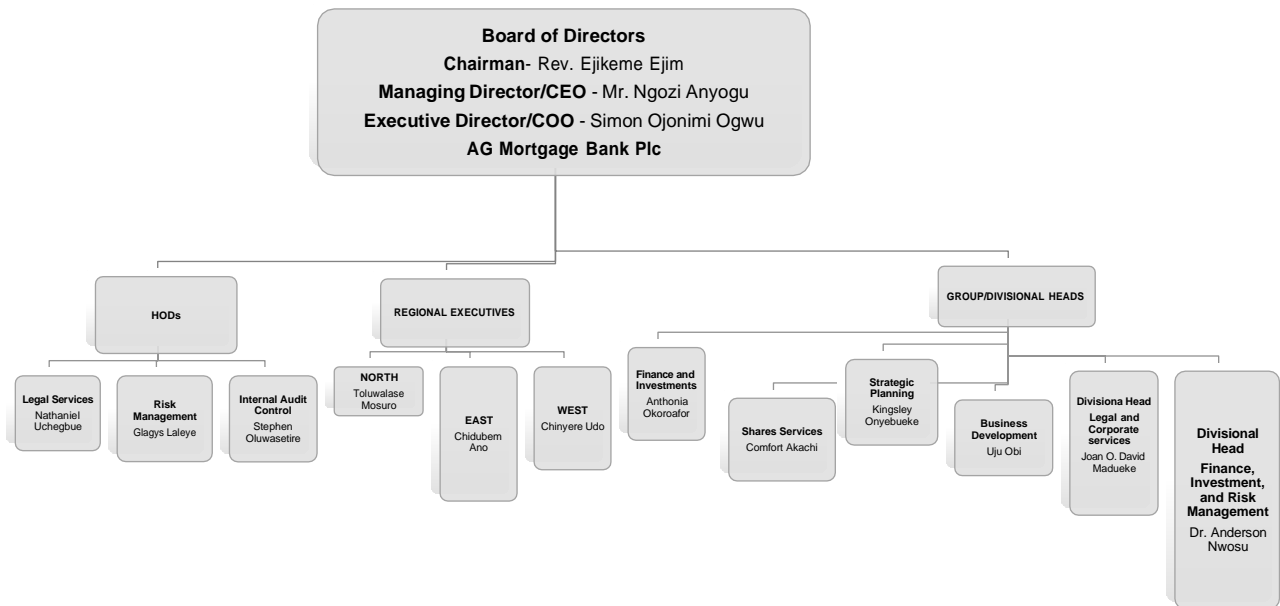
Head, Internal Audit Control - Stephen Oluwasetire

Mr. Oluwasetire is a professional in the Banking Industry, skilled in Internal Audit, Internal Control, Enterprise Risk Management, Compliance, Credit Administration, Account Reconciliation, and Continuous Improvement. He holds the Higher National Diploma in Accountancy from Lagos State Polytechnic and is an Associate of the Chartered Institute of Bankers of Nigeria (ACIB), a Senior Associate of the Association of Enterprise Risk Management Professionals (SAERP) and a Certified Information Systems Auditor (CISA). He is also a member of the Institute of Internal Auditors (IIA). He started his banking career in 1995 serving in various departments and under various managements.

Group Head, Business Development - Uju Obi

Uju holds an MBA from the University of Lagos, a BSc. in Computer Science from Nnamdi Azikiwe University and a Professional Certificate in Forensic Investigation & Criminal Intelligence from the International Academy of Forensic (IAF). Before joining AG Mortgage bank, she worked as the projects head unit of Imperial Homes Mortgage, Heritage bank, as a relationship officer, FCMB and Radac Communications. Uju is a multi-award-winning personality with a strong capacity to multitask and delivering value at each of those points of endeavors.

ORGANOGRAM



SHAREHOLDING STRUCTURE

The shareholding structure of AG Mortgage Bank Plc. as at the date of this Programme Memorandum is presented below:

Name	No of Shares	Shareholding %
Assemblies Of God Minister Benefit Scheme	5,192,363,637	66.32%
FSL Securities Ltd	2,245,605,000	28.68%
AGMBS Nominee	363,000,000	4.64%
Anyogu Ngozi	22,000,000	0.28%
Alaje Vincent	6,000,000	0.08%
Total	7,828,968,637	100%

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used solely to support the Issuer's short-term funding requirements, as part of its asset and liability management strategy for its banking operations or as may otherwise be described in the Applicable Pricing Supplement.

Sources of Repayment

The repayment of all obligations under the Programme will be funded from the operating cash flows of the issuer.

BACKGROUND

In July 2009, CBN suspended the use of Commercial Papers and Bankers Acceptances as off-balance sheet Instruments by banks and discount houses, citing concerns over abuse of their use as financing Instruments. The ban was subsequently lifted on 16 November 2009. On 18 November 2009, the CBN Issued a new circular titled “Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers” (the “Guidelines”), in an attempt to facilitate the effective and efficient functioning of The Nigerian money market and provide a regulatory framework for issuance of CPs and BAs in Nigeria. On 11 September 2019, the CBN issued updated Guidelines.

REGULATORY FRAMEWORK

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

QUALIFICATION

A CP qualifies as a financing vehicle if:

- i. The issuer has three (3) years audited financial statements, the most current not exceeding eighteen (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 or as otherwise determined by the FMDQ Exchange. Furthermore, they shall be issued for maturities of between 15 days and 270 days, from the date of issue. The interest or discount element on maturing CPs may not be capitalized and rolled over.

RATING

Either the issuer of a CP or the specific issue shall have an investment grade rating (minimum of BBB-) by a rating agency registered in Nigeria or any international rating agency acceptable by the CBN. An indicative rating should have been obtained prior to the submission of declarations and information to the CSD.

INVESTORS IN BANKER'S ACCEPTANCES AND COMMERCIAL PAPERS

CPs may be issued to and held by individuals who meet the eligibility criteria set out by the FMDQ Exchange, deposit money banks, other corporate bodies registered or incorporated in Nigeria and unincorporated bodies, non-resident Nigerians and foreign institutional investors.

Clean CPs (i.e., CPs not backed by a guarantee, or such other credit enhancement) shall only be sold to Qualified Institutional Investors.

FORMS OF MAINTAINING CPs

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

ISSUING, CALCULATING AND PAYING AGENT

Only a deposit money bank and discount house (licensed by the CBN) that is a registered member of the FMDQ Exchange may act as an Issuing, Calculating and Paying Agent (“ICPA”) for issuance of CP.

GENERAL REQUIREMENTS

- I. CPs are only redeemable at maturity and as such cannot be pre-liquidated.
- II. The 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 ten (10) business days from the date of opening of the issue for subscription.
- IV. All CPs issued in Nigeria shall be registered with the CSD, which shall serve as the custodian of all issues and central depository for all dematerialized instruments.

COMPLIANCE WITH SECURITIES REGULATIONS

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

MODE OF PAYMENT AND ISSUANCE OF CPs

The initial investor in a CP may pay the discounted value of the CP through the issuing and placing agent (where applicable). However, when the CP is held in dematerialized form, the holder shall have it redeemed through a licensed Securities Depository and receive payment from the IPA.

MANDATORY REGISTRATION AND QUOTATION OF CPs

CPs are required by law 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 authorized securities exchange, in any capacity whatsoever, including to act as issuer, guarantor, issuing, placing, paying and collecting agent.

The CBN has cleared FMDQ Exchange for the registration and quotation of CPs in Nigeria.

COMPLIANCE WITH THE CBN GUIDELINES AND FMDQ EXCHANGE RULES

The Issuer has complied with all applicable provisions as stated in the CBN Guidelines and FMDQ Rules. A legal opinion confirming adherence to the CBN Guidelines and FMDQ Rules is incorporated on pages 36 to 43 of this Programme Memorandum.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of 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.

TAX CONSIDERATIONS

The notes issued under this programme will be zero-coupon notes and as such, will be offered and sold at a discount to face value. As a result, the Notes won't pay interest, and the issuer won't have to withhold or deduct tax on payments made to Note holders in relation to the Notes. However, the discount on the Notes, and/or any accrued interest on the redemption monies to be paid to Noteholders in the case of late payment, can be subject to taxation in line with the relevant Nigerian tax regulations.

The aforementioned summary is not meant to be and should not be regarded as tax advice for any specific subscriber. Any actual or potential buyer of the Notes who wants to determine their tax position should get expert advice from their preferred professional advisers on the tax repercussions of subscribing to or buying the Notes, taking into account their unique circumstances. The tax ramifications that may apply to a choice to purchase, hold, or sell Notes issued under the Programme as well as the tax factors that may be relevant to each actual or potential purchaser of the Notes may differ.

Investors who rely on the information in this section are not subject to any liability from the Issuer or its advisers.

RISK FACTORS

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

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

RISK FACTORS RELATING TO THE COUNTRY

Political Risk

Political and economic stability in Nigeria have historically been volatile, driven by religious conflicts, terrorism, security issues, civil unrest, socio-economic, ethnic and sectional/regional based agitations. The just concluded 2023 general election has led to economic uncertainty. The result announced by the Independent National Electoral Commission is being challenged by the opposition parties in court and political tensions persist in the country. Sustained efforts are necessary to address underlying issues and establish a conducive environment for sustainable political stability in the country.

Furthermore, the Kidnapping and killing insurgence of herdsmen and unknown gunmen in various part of Nigeria remains a major contributor to the security challenges. More so, if the Federal Government is unable to address key causal factors such as poverty, low levels of education, religious intolerance, and weak enforcement of law and order, these security risks may persist.

Economic Risk

The Nigerian economy faces a significant economic risk, including high inflation, rising debt, and a heavy reliance on imported refined petroleum products which has taken a toll on Nigerians household and businesses. According to Statista, year-over-year inflation is projected at 20.13% in 2023 compared to 18.85% in 2022. Nigeria double-digit inflation can be attributed to foreign exchange access. Most Businesses don't have adequate foreign exchange from banks, as a result they go through the parallel market. The economy is still recovering, with an annual gross domestic product (GDP) growth rate at 3.10% in 2022, owing largely to the service sector contribution of 56.27% to the aggregate GDP.

Furthermore, concerns have been raised over Nigeria debt sustainability and transparency. Yields on government bonds have trended higher, compared to 8% in February 2022. Navigating these risks requires proactive measures from the Nigerian government and Central Bank. It is crucial to address inflationary pressures through appropriate monetary and fiscal policies, including controlling money supply, enhancing price stability, and fostering sustainable economic growth.

Foreign Exchange Risk

Foreign Exchange Risk is the chance that the settlement value of a transaction entered in a currency other than the base currency (domestic currency) may change negatively. Changes in the base currency rate or the denominated currency rate are the cause of this risk. With the current state of our foreign reserves, low oil production due to theft and non-operational terminals, Low productivity in various other sectors to export, it is hard to tell, if the naira will gain a considerable amount to the dollar. Hence, the continuous weakening of the Naira to the dollar.

RISK FACTORS

RISK FACTOR RELATING TO THE ISSUER

Credit risk

The possibility of AG Mortgage Bank incurring financial losses if a borrower or counterparty fails to meet their contractual obligations is referred to as credit risk. Customers may face financial difficulties as a result of poor economic conditions, macroeconomic policies such as monetary policy and rising inflation, which increases their chances of default, so to reduce this credit risk, AG Mortgage Bank Plc's management frequently examines the creditworthiness ratings of its existing borrowers and conducts regular reviews of its loan portfolio's analysis. Borrowers are also classified by the bank based on their credit characteristics, and those with high credit risk face greater scrutiny and may be required to produce additional collateral or guarantees.

Market Risk

The issuer is exposed to market risk, which is the risk of changes in market conditions and its operating environment, affecting the value of its assets and liabilities. For example, if housing prices fall, the value of the bank's mortgage loans will fall, as will the value of its mortgage-backed securities. However, AG Mortgage Bank's management takes steps to mitigate this by diversifying its investment portfolio, monitoring the financial market to stay abreast of information regarding the financial market, and conducting regular stress tests on its investment portfolio.

Liquidity Risk

Liquidity risk for AG Mortgage Bank Plc refers to the danger that the bank will not have enough funds to satisfy its short-term obligations as they fall due. The issuer, like other financial organizations, is vulnerable to liquidity risk since it relies on the availability of capital to carry out its operations which include lending to homebuyers and refinancing existing mortgages. The focus of the liquidity review is on the net financing capacity such as free cash plus available credit facilities in relation to the financial liabilities. To manage this risk, the bank carries out routine checks to maintain an adequate liquidity position and monitor/ manage its cashflows. In addition, the bank will need to look for longer-term funding sources, conduct stress tests to assess the impact of liquidity shocks, and implement appropriate risk-mitigation measures.

Regulatory Risk

AG Mortgage Bank Plc is lawfully incorporated and established under Nigerian legislation and is exposed to risks arising from a change in regulations in any legal, taxation, accounting pronouncements and specific industry regulations, which continues to be effective as of the date of this Programme Memorandum; however, no assurance can be made as to the impact of any potential judicial decision or change in Nigerian legislation after the date of this Programme Memorandum. Regulatory and political choices made by the Federal Government and the Issuer's regulators will continue to have an impact on the Issuer's operations.

Operational Risk

The Issuer defines operational risk as the likelihood of incurring a loss as a result of ineffective internal systems, people, or processes, as well as external occurrences such as third-party fraud. It excludes strategic and reputational risks but includes legal hazards. Rogue trading, fraud/forgery, penalties, or expenses incurred, settlement delays and regulatory infractions, inappropriate sales practices, poor accounting processes, lapses in financial control, and legal settlements involving significant payments for losses alleged to have been caused by the Company and/or its employees are examples of these risks and their associated losses.

RISK FACTORS

RISK FACTOR RELATING TO THE ISSUE

General Fixed Income Related Risks

When the CPs are issued, there may not be a vibrant two-way quotation trading market, which could limit their liquidity. As a result, it's possible that Investors will not be able to sell their CPs in a way that is efficient and transparent. However, there is a thriving OTC market for Treasury Bills and other fixed income instruments, and the ongoing growth and diversification of the fixed income market will contribute to enhanced CP liquidity. The short-term nature of the CP notes means that investors will typically hold the securities till maturity.

Interest Rate Risk

The notes may vary inversely with changes in prevailing interest rates as the Notes could be offered at a fixed rate benchmarked against treasury bills. In this instance, where the interest rates rise, the price of fixed rate securities fall and when interest rates drop, the prices increase. Therefore, the extent of the fall or rise in prices is a function of the existing interest, days to maturity and the increase or decrease in the level of the prevailing interest 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.

Ranking

The notes will constitute senior unsecured obligations of the Issuer. Therefore, holders of secured indebtedness, if any, will have claims that are prior to the claims of the holders of the Notes, to the extent of the assets securing such indebtedness. Thus, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding, the pledged assets would be available to satisfy obligations on the secured indebtedness before any payment could be made on the Notes.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

CLEARING SYSTEM

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

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

AUTHORISED PARTICIPANTS

The CSD will maintain a Central Securities Account for collecting & paying agents / issuing & placing agent and Dealing Members (Authorised Participants) and each beneficial owner of the Notes is required to have a sub-account under the Authorised Participants. Noteholders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorised Participants.

For purposes of Notes issued under this Programme, the Authorised Participant is AG Mortgage Bank Plc, acting through its Global Markets Operations Unit and any other Bank or dealer appointed by the Issuer.

The CSD and procedure for securities settlement will be specified in the Applicable Pricing Supplement

ONBOARDING

All Authorised Participants are required to register on the CSD in line with applicable onboarding requirements for the appointed CSD for the notes.

REGISTRATION

- I. The Authorized Participants shall complete the required registration form or other applicable document(s) and shall be required to submit proof of appropriate FMDQ membership along with the completed form
- II. Noteholders are requested to route their account opening applications and transactions through the authorized participants who will officially notify the CSD to create the sub-accounts for these Noteholders and attach Noteholders mandates to this effect.
- III. The CSD will assign a unique identification number (the trade member code) to the authorized participants and also provide an account number and sub accounts numbers for the noteholders after creation as requested by the authorized participants to enable them trade the CPs
- IV. FMDQ exchange shall request for the CP to be registered with the CSD who shall in turn furnish FMDQ exchange and the Authorized Participant with the CP symbol and ISIN codes for the registered CP, subject to receipt the CP registration fees from the Authorized participant.
- V. The CSD will reopen the existing ISIN code for all tranches with the same maturity dates, however new ISIN codes will be issued for tranches with different maturity dates.

LODGMET

- I. The Authorised Participants shall provide the schedule of all the subscribers and their expected holding to the CSD for distribution.
- II. CSD shall process submitted instruction and subsequently credit investors accordingly and advise all relevant participants.
- III. For CPs that involve consortium/consortia, Authorised Participants shall advise CSD after lodgment to transfer CPs to beneficiaries account at CSD before trading commences.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

REDEMPTION

- I. No transactions or trades may be effected for any CPs ten (10) Business Days prior to its maturity date as the register closes two (2) Business Days before the Maturity Date.
- II. CSD shall expunge (knock-off) matured CPs on the Maturity Date or redemption date of the CP.
- III. The Maturity Date shall be on a Payment Business Day

ROLL-OVER

- I. All CPs, including rollovers shall not exceed 270 days (tenor) from the date of issue.
- II. Every roll-over/renewal shall be treated or classified as a new CP issue.
- III. CSD shall expunge the existing CP Symbol and International Securities Identification Number (ISIN) Codes from the system and replace with the new codes.

DEFAULT

I. Event of Default

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

- a. If the Issuer fails to make payment by the Maturity Date; or
- b. If the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for a period of 7 (seven) days following the service on the Issuer of a written notice requiring that breach to be remedied; or
- c. Should any representation or warranty made in connection with any documentation supplied by the Issuer be materially incorrect; or

- d. Failure to notify FMDQ Exchange by 5:00 PM in writing that the CP has been liquidated and that funds have been transferred to all CP holders on the maturity date of the CP and failure to provide evidence of settlement of all investors to the Exchange on the maturity date
- e. Part-payment or non-payment of the CP value to investors (in the case of a proposed Rollover, if any investor objects to a proposed Rollover, the Issuer/Promoter shall effect the payment of the value of the investors' CP holding on the maturity date, based on the initial terms of the Issue)
- f. If the Issuer initiates bankruptcy or insolvency proceedings or becomes insolvent, or is provisionally or finally sequestered, 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; or
- g. Should the members of the Issuer pass a resolution for the winding up of the Issuer; or
- h. If an attachment, execution or other legal process is levied, enforced upon, issued on or against a material or substantial part of any assets of the Issuer and is not discharged or stayed within 30 (thirty) days of service by the relevant officer of the court of such attachment, execution or other legal process; or
- i. If a writ of execution is issued by any competent court attaching any material or substantial part of assets belonging to the Issuer and such remains unsatisfied for more than 7 (Seven) days after the date on which it is issued.
- j. If a distress, attachment, execution or other legal process is levied on, or enforced against the whole or a material part of the property, assets or revenues of the Issuer, where the value of such property, assets or revenues is in excess of NGN2.5billion and such distress, attachment, execution or other legal process is not discharged or stayed within 30 (thirty) days of service by the relevant officer of the court of such attachment, execution or other legal process, or if there is an encumbrance or a Receiver is appointed over any material assets of the Issuer and such event is materially prejudicial to the interests of the Noteholders. Provided that the Issuer has filed good faith legal proceedings in the relevant court for application for dismissal within 10 Business Days of becoming aware of the order or action.

II. Action upon Event of Default

- a. Upon the occurrence of an Event of Default and such Event of Default is continuing, any Noteholder may, by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer, declare the Notes held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of a Force Majeure event or if the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction.
- b. Upon the occurrence of an Event of Default which results in the inability of the Issuer to make a payment on the Maturity Date, the Issuer shall pay the Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.
- c. In addition, each Noteholder shall have the right to exercise all other remedies available to it/him/her under the laws of the Federal Republic of Nigeria
- d. Where the Issuer is unable to repay the Noteholders and the CP will be in default status, the Authorised Participant shall notify CSD, FMDQ Exchange, immediately it is identified that a default is imminent or there is a strong possibility of default. FMDQ Exchange shall make public the default status to the market accordingly
- e. In case of (d) above, the CP holdings must remain with the CSD until the ICPA pays off the Noteholders and notifies CSD and the FMDQ Exchange (if applicable, in the event of a quoted CP) with written evidence of such payment
- f. In the event of any default, the ICPA 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 transactions/details to the CSD via the authorized 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 account number where the CP(s) should be traded from or deposited into. Dealers (Banks) submit CP transaction instructions/details in a specified format through Exchange/ Clearing System for onward transmission to the CSD.
- III. The CSD shall deliver securities and send confirmation of transfers via the authorized platform by 2.00p.m. on the settlement date to the Nigeria Inter-Bank Settlement System ("NIBSS") and to the FMDQ Exchange simultaneously.
- 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 the Maturity Date. Therefore, the last applicable settlement shall be before close of business on the date which is five Business Days before the Maturity Date.

REPORTING

- I. CSD will effect the transfer of CPs on settlement date as advised.
- 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. Dealing Members can visit the CSD's website (www.fmdqgroup.com/fmdqdepository) to ascertain its CP balances after each day's trade (if applicable).

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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 CSD and may be transferred only in accordance with rules and operating procedures of CSD.

CASH SETTLEMENT

Transaction parties will be responsible for effecting the payment transfers either via Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT), or NIBSS, approvals to initiate direct debits or any other transfer mode agreed by the Transaction Parties and recognized by the CBN.



RC602252

ISSUE OF UP [AGGREGATE NOMINAL AMOUNT OF SERIES/TRANCHE] [TITLE OF NOTES] UNDER ITS ₦5,000,000,000.00 COMMERCIAL PAPER ISSUANCE PROGRAMME

This Pricing Supplement must be read in conjunction with the Programme Memorandum, dated [*], prepared by Meristem Capital Limited on behalf of AG Mortgage Bank Plc in connection with its ₦5,000,000,000 Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (“The Programme Memorandum”).

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

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

This document has been prepared in accordance with the Central Bank of Nigeria (“CBN”) guidelines on the issuance and treatment of bankers acceptances and commercial paper, issued on September 11, 2019, the CBN letter to all deposit money banks and discount houses dated July 12, 2016 on mandatory registration and quotation of commercial papers (together the “CBN guidelines”) and the Commercial Paper registration and quotation rules (the “rules”) of FMDQ Securities Exchange in force from time to time.

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

LEAD ARRANGER AND DEALER



RC:1297664

COLLECTING AND PAYING AGENT



RC: 125384

PRO FORMA APPLICABLE PRICING SUPPLEMENT

PARTIES	
Issuer	AG Mortgage Bank Plc
Lead Arranger and Dealer	Meristem Capital Limited
Collecting and Paying Agent	First City Monument Bank
Sponsor(s) to the Quotation on FMDQ Exchange	Meristem Capital Limited
Auditors	SIAO
Custodian/Depository	FMDQ Depository
Solicitor	TOLG Advisors
PROVISIONS RELATING TO THE NOTES	
Series Number	[*]
Tranche	[*]
Programme Size	₦5,000,000,000.00
Issued and Outstanding at the Date of the Pricing Supplement	[*]
Face Value	[*]
Discounted Value	[*]
Nominal Amount per Note	₦1,000
Tenor	[*] days
Issue Date	[*]
Maturity Date	[*]
Final Redemption Amount	[*]
Minimum Subscription	[*]
Specified Currency	Nigerian Naira (₦)
Status of Notes	Each Note constitutes a direct, unconditional, unsubordinated, senior 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
Form of Notes	Dematerialized
Quotation	Notes may be quoted on the FMDQ Securities Exchange or any other recognized exchange
Taxation	Applicable Taxes shall apply on the instrument except otherwise exempt
Method of Offer	[*]
Book Closed Period	The Register will be closed from [*] to [*] until the Maturity Date

ZERO COUPON NOTES	
Implied Yield	[*]
Discount Rate	[*]
Any other Formula or Basis For Determining Amount(s) Payable	$PV = FV * (1 - DR * t/\text{no. of days in the year})$
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 other than a Saturday, Sunday or a public holiday declared by the Federal Government of Nigeria, on which the banks are open for business in Nigeria
PROVISIONS REGARDING REDEMPTION	
Redemption Basis	Redemption at par.
Source of Repayment	The repayment of all obligations under the Programme will be funded from the issuer's cash flow.
Issuer's Early Redemption	Not applicable
Issuer's Optional Redemption	Not applicable
Other Terms Applicable on Redemption	Not applicable
GENERAL	
Offer Opens	[*]
Offer Closes	[*]
Issuer Rating	[*]
Allotment Date	[*]
Notification of Allotment	All applicants will be notified through an email and/or telephone of their allotment no later than [*]
Settlement 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.)
Delivery Date	The CP Notes will be lodged with [*] no later than [*] after the settlement date

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this document, there has been no significant change in the financial position of the Issuer since [insert 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 [insert date of last published annual accounts.]

RESPONSIBILITY

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

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

For and on behalf of
AG Mortgage Bank Plc

Name
Capacity: Director
Who warrants his/her authority hereto

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



Lagos: 18b, Olu Holloway Road, Ikoyi, Lagos.
Tel: +234 8021810043

Abuja: 1st Floor, Bank of Industry Building
Central District Area, FCT, Abuja.
Tel: 09-291 2462-3
Email: enquiries@siao.ng.com
Website: www.siao-ng.com

SIAO/AU/AA/171802/23

26 May, 2023

The Managing Director •
Meristem Capital Limited
20A Gerrard Road,
Ikoyi,
Lagos.

Dear Sirs,

AG MORTGAGE BANK PLC INDEPENDENT AUDITOR'S COMFORT LETTER ON THE SUMMARY FINANCIAL INFORMATION

The accompanying summary financial information in the Commercial Paper Issuance Programme which comprise the summary of the statement of financial position as at 31 December 2022, 31 December 2021, 31 December 2020 and 31 December 2019, the summary statement of profit or loss and summary statement of cash flows for the years then ended as contained in the report pages of the Commercial Paper Issuance Programme, are consistent with information in the audited financial statements of **AG Mortgage Bank Plc.** for the year ended 31 December 2022 in our report dated 25 May 2023.

The summary financial information does not contain all disclosures required by the Companies and Allied Matters Act 2020, 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 does 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 2020, and the Financial Reporting Council of Nigeria Act 2011.

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 **AG Mortgage Bank Plc.** for the year ended 31 December 2022.

Yours faithfully,

For: SIAO (Chartered Accountants)

Abiodun Ariyibi
Managing Partner



HISTORICAL FINANCIAL INFORMATION OF AG MORTGAGE BANK PLC

STATEMENT OF PROFIT/LOSS	2019	2020	2021	2022
	₦'000	₦'000	₦'000	₦'000
	Audited	Audited	Audited	Audited
Interest income	833,230	1,036,474	1,335,527	1,898,552
Interest Expenses	(349,118)	(428,276)	(519,357)	(598,176)
Net interest income	484,112	608,198	816,170	1,300,376
Impairment allowance	(72,452)	(92,382)	(35,403)	(74,147)
Net interest income after impairment loss	411,660	515,816	780,767	1,226,229
Net income on fees and commission	26,804	81,979	134,843	77,164
Other operating income	34,724	32,982	58,450	51,728
Other operating gain\ (loss)	-	530	53,260	-
Employee costs	-	(192,785)	(276,786)	(381,970)
Depreciation and amortisation expenses	(24,261)	(31,248)	(37,338)	(76,633)
Other operating expenses	(383,241)	(224,167)	(428,061)	(522,822)
Operating profit	65,686	183,107	285,135	373,697
Income from equity accounted investments	382	878	1,211	777
Other non-operating gains (losses)	-	(3,667)	(5,133)	5,284
Profit before taxation	66,068	180,318	281,213	379,758
Information Technology Development Levy	(661)			
Income tax expense	(30,129)	(68,830)	(78,677)	(122,016)
Deferred tax	(13,118)	-	1,377	(33,466)
Profit for the year	22,160	111,488	203,913	224,276

HISTORICAL FINANCIAL INFORMATION OF AG MORTGAGE BANK PLC

STATEMENT OF FINANCIAL POSITION	2019	2020	2021	2022
	₦'000	₦'000	₦'000	₦'000
	Audited	Audited	Audited	Audited
Assets:				
Central Bank of Nigeria	70,000	-	-	-
Cash and cash equivalents	1,064,595	3,028,430	2,317,283	1,673,440
Due from other banks	644,521	39,965	71,051	71,051
Loans and advances	6,910,259	9,096,625	12,913,301	12,109,028
Financial assets through profit or loss	42,750	39,083	33,950	289,234
Other assets	129,421	114,695	434,911	325,380
Investment in associate	35,296	36,174	37,385	38,162
Non-current assets held for sale	3,093,324	3,080,824	2,914,302	2,914,302
Property, plant and equipment	558,958	576,790	634,968	729,573
Intangible assets	3,169	3,139	44,336	56,269
Deferred tax asset	30,622	30,622	30,622	30,622
Total Assets	12,582,915	16,046,347	19,432,109	18,237,061
Liabilities				
Customer deposits	3,408,716	4,791,497	5,800,433	6,332,677
Borrowings from FMBN	2,472,728	4,191,948	6,134,078	5,818,250
Income tax payable	78,069	111,695	143,173	149,647
Deferred tax liability	110,256	126,121	124,744	158,210
Other liabilities	1,358,769	343,241	543,923	560,616
Total Liabilities	7,428,538	9,564,502	12,746,351	13,019,400
Share Capital	3,877,197	5,000,000	5,000,000	5,000,000
Share premium	619,694	713	712,871	712,871
Statutory reserve	112,560	112,560	112,560	112,560
Regulatory Risk Reserve	2,592,672	2,641,116	2,007,133	205,763
General reserve	(2,047,746)	(1,985)	(1,146,806)	(813,533)
Total Equity	5,154,377	7,752,404	6,685,758	5,217,661
Total Equity and Liabilities	12,582,915	16,046,347	19,432,109	18,237,061

HISTORICAL FINANCIAL INFORMATION OF AG MORTGAGE BANK PLC

	2019	2020	2021	2022
STATEMENT OF CASH FLOWS	₦'000	₦'000	₦'000	₦'000
Cash flows from operating activities				
Profit before taxation		180,318	281,213	379,758
Adjustments for:				
Depreciation and amortization		31,248	37,338	76,633
Gains on disposals of non-current assets		(530)	(53,260)	-
Income from equity accounted investments		(878)	(1,211)	(777)
Fair value (gains) losses		3,667	5,133	(5,284)
Impairment losses and reversals		92,382	35,403	74,147
Bad debt written-off		-	57,858	-
Loans written off already provided for in the prior years				(1 692,373)
Changes in working capital:				
Other assets		14,726	(324,609)	110,223
Loans and advances		(2,279,192)	(3,905,517)	729,434
Customer deposits		1,382,781	1,008,936	532,245
Other liabilities		(1,015,529)	200,682	16,692
Cash generated from operations		(1,589,685)	(2,658,034)	220,698
Tax paid		(20,661)	(45,396)	(115,542)
Net cash from operating activities		(1,610,346)	(2,705,233)	105,156
Cash flows from investing activities				
Purchase of property, plant and equipment		(46,569)	(93,067)	(158,781)
Sale of investment property		12,500	219,782	-
Purchase of other intangible assets		(1,950)	(43,646)	(24,390)
Purchase of investments at fair value		605,000		(250,000)
Net cash from investing activities		568,981	51,956	(433,171)
Cash flows from financing activities				
Borrowing from FMBN		1,719,220	1,942,130	(315,828)
Proceeds from share issue		1,215,980		
Net cash from financing activities		2,935,200	1,942,130	(315,828)
Total cash movement for the year		1,893,835	(711,147)	(643,843)

Cash and cash equivalents at the beginning of the year	1,134,595	3,028,430	2,317,283
Total cash and cash equivalents at the end of the year	3,028,430	2,317,283	1,673,440

AG MORTGAGE BANK PLC

Long-Term Rating:

BBB

Short Term Rating: A2

Previous Rating: BBB-

Rating Outlook: Negative

Trend: UP

Currency: Naira

Date Issued: 9 Oct., 2023

Valid Till: 8 Oct., 2024

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

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

EXECUTIVE SUMMARY

	2022	2021	2020	2019	2018
	₦'000	₦'000	₦'000	₦'000	₦'000
Gross Earnings	2,027,444	1,528,820	1,088,725	944,758	882,975
Profit Before Tax	379,758	281,213	180,319	66,068	137,930
Shareholders' Funds	5,217,661	6,685,758	6,481,846	5,125,558	5,237,499
Deposit Liability	6,332,677	5,800,433	4,791,498	3,408,716	2,966,438
Loans & Advances	12,109,028	12,913,301	9,096,625	6,910,259	6,117,344
Total Assets	18,206,439	19,432,109	16,046,347	12,582,915	10,746,755

Rating Explanation

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

The Long-Term Rating of **BBB** indicates *Slight Risk*. It shows Fair Financial Strength, Operating Performance and Business Profile when compared to the standard established by *DataPro*. This Bank, in our opinion, has an ability to meet its ongoing obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

RATING SYNOPSIS

The Rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used were based on industry and market intelligence including public information. The quantitative information was obtained from the Company's Audited and Management Accounts.

The risk factors were assessed using the Company's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Compliance and Sustainability of its current healthy profile in the medium to long term period.

Overall, the following were observed:

Positive Rating Factors

- Strong Revenue Growth
- Experienced Management Team
- Good Liquidity Profile

Negative Rating Factors

- High Non-Performing Loan Ratio
- Weak Qualifying Capital

MEMORANDUM

FROM: TOLG ADVISORS

TO: THE MANAGING DIRECTOR / CEO, MERISTEM CAPITAL LIMITED

DATE: JULY 7, 2023

RE: ESTABLISHMENT OF A ₦5,000,000,000.00 (FIVE BILLION NAIRA) COMMERCIAL PAPER ISSUANCE PROGRAMME BY AG MORTGAGE BANK PLC

TRANSACTION DYNAMICS

We have acted as Transaction Counsel in relation to the above-captioned transaction (the “**Transaction**”) under which AG Mortgage Bank PLC (the “**Issuer**”) may from time to time issue Commercial Paper (“**CP**” or “**Notes**”), denominated in Nigerian Naira, in separate series or tranches subject to the terms and conditions (the “**Terms and Conditions**”) contained in the programme memorandum (the “**Programme Memorandum**”) and the applicable Pricing Supplement; and in connection with the review, negotiation, execution and delivery of the Transaction Documents listed in Clause 1.1 below, and all the transactions contemplated therein (the “**Contemplated Transactions**”).

This Transaction Legal Opinion (this “**Opinion**”) is rendered pursuant to the Dealer Agreement (the “**Dealer Agreement**”) dated the 30th day of January, 2024 between the Issuer and Meristem Capital Limited (the “**Dealer**”).

The Notes issued will be constituted by, subject to, and have the benefit of, a Deed of Covenant dated the 30th day of January, 2024 which shall take effect as a deed poll (the “**Deed of Covenant**”), for the benefit of the holders of the Notes.

For avoidance of doubt, all capitalised terms used but not defined herein shall have the meanings assigned to such terms in the Programme Memorandum, or any Pricing Supplement, as applicable.

This Opinion is rendered in relation to the Transaction and at the request of the Issuer and the Dealer.

1. DOCUMENTS REVIEWED

- 1.1 In rendering this Opinion, we have reviewed such documents as we have considered necessary for the opinions expressed in this Opinion and principally, the following documents:

- (a) the Deed of Covenant dated the 30th day of January, 2024;
- (b) the Dealer Agreement dated the 30th day of January, 2024;
- (c) the Issuing and Placing Agency Agreement dated the 30th day of January, 2024;
- (d) the Collecting and Paying Agency Agreement dated the 30th day of January, 2024;
- (e) a copy of the Certificate of Incorporation of the Issuer dated 21st July, 2004¹;
- (f) a copy of the Memorandum and Articles of Association of the Issuer certified by the Corporate Affairs Commission 21st July, 2004;
- (g) a copy of the resolution of the meeting of the Board of Directors and Shareholders of the Issuer passed on 14th March, 2023, authorising the establishment of the Programme;
- (h) a copy of the Form CAC 7A Notice of Change of Directors, or in the Name, Residential Address or Postal Address of Director certified by the Corporate Affairs Commission on 3rd September, 2019; and
- (i) a copy of the Form CAC 2A Return of Allotment (Post Incorporation) certified by the Corporate Affairs Commission in 2019.

The documents specified in paragraphs (a) – (d) are collectively referred to as the “**Transaction Documents**”, the documents specified in paragraphs (e) – (i) are referred to as the “**Constitutional Documents**”, while the documents referred to in paragraphs (a) – (i) are collectively referred to as the “**Documents**”.

1.2 Assumptions

For the purpose of this Opinion, we have assumed, without our own independent verification, each of the following:

- (a) the authenticity of all signatures on all Transaction Documents and the completeness and conformity to original documents, of all copies made available to us by courier or e-mail and that any document so submitted to us continues to be in full force and effect;
- (b) the absence of fraud, coercion, duress, undue influence or other vitiating factor on the part of any party to the Transaction Documents, including their respective representatives, directors, employees, agents and advisers;

¹ The Issuer was incorporated on 21st July, 2004 as “*AG Savings and Loans Limited*” and subsequently changed its name, twice. We were also provided with the two Certificates of Change of Name issued by the Corporate Affairs Commission dated 23rd April, 2007 and 8th September, 2015, evincing the changes.

- (c) the Transaction Documents which are governed by the laws of the Federal Republic of Nigeria are, or will be, legal, valid, binding and enforceable against all relevant parties (other than the Issuer), in accordance with their respective terms under the laws of the Federal Republic of Nigeria;
- (d) the due compliance with all matters (including without limitation, the obtaining of necessary consents, authorisations and approvals and the making of necessary filings and registrations) required in connection with the Transaction Documents to render them enforceable in all relevant jurisdictions (other than the Federal Republic of Nigeria) has been effected and such compliance remains in full force and effect and will continue to be effected where required for the validity and enforceability, under such laws as applicable (other than the laws of the Federal Republic of Nigeria), of the Transaction Documents (or any document in connection therewith); and
- (e) the power, authority and legal right of all parties under all the relevant laws and regulations (other than the laws of the Federal Republic of Nigeria) to enter into, execute and perform their respective obligations under the Transaction Documents.

2. **OUR OPINION**

Based on the assumptions above and subject to the qualifications below and to any matters not disclosed to us, we are of the opinion that:

2.1 **Status, Power and Authority, Legal Validity**

- 2.1.1 the Issuer (i) is a public limited company duly incorporated and validly existing under the laws of the Federal Republic of Nigeria; (ii) has perpetual corporate existence and the capacity to sue or be sued in its own name; (iii) has the corporate power and authority to enter into and perform the obligations expressed and assumed by it under the Transaction Documents to which it is a party and any Notes; (iv) has taken all necessary corporate and other action to authorise the entry into, execution of and performance of its obligations under the Transaction Documents to which it is a party and the Notes; and (v) has duly complied with all extant laws, regulations, circulars and guidelines;
- 2.1.2 the Transaction Documents have been duly executed and delivered, and the Transaction Documents and the Notes have been duly authorised by the Issuer in accordance with the laws of the Federal Republic of Nigeria and the Constitutional Documents of the Issuer;

- 2.1.3 the Transaction Documents constitute valid, legal, binding and enforceable obligations of the Issuer and are enforceable against it in accordance with their terms;
- 2.1.4 the holders of the Notes shall be entitled, severally, to enforce the Deed of Covenant against the Issuer;
- 2.1.5 the Notes, when issued, would constitute valid, legal, binding and enforceable obligations of the Issuer; and
- 2.1.6 the issuance of the Notes in dematerialised form is valid and legal under Nigerian law.

2.2 Consents, Filings and Form

- 2.2.1 No consent, approval, registration or filing with any court or governmental authority in the Federal Republic of Nigeria (including the Central Bank of Nigeria and the Securities and Exchange Commission of Nigeria) is required in connection with the execution, delivery and performance of the Transaction Documents, including the issue of the Notes.
- 2.2.2 the Notes, when issued, would be issued in compliance with the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the Central Bank of Nigeria.
- 2.2.3 The Transaction Documents are in the proper form for their admissibility in evidence and their enforcement (save for payment of stamp duty as described in paragraph 2.8 below) against the Issuer in the courts of the Federal Republic of Nigeria.

2.3 Non conflict with laws

The execution of and the performance by the Issuer of its obligations under the Transaction Documents and the Notes, and the compliance with the provisions of the Transaction Documents to which it is a party and the Notes will not contravene, violate or conflict with any law, statute, rule or regulation of the Federal Republic of Nigeria or the Constitutional Documents of the Issuer.

2.4 Insolvency

To the best of our knowledge, no procedure has been commenced in the Federal Republic of Nigeria with a view to the winding up, reorganisation, or dissolution (or similar procedure) of the Issuer or with a view to the appointment of a liquidator, receiver, receiver/manager or similar officer in respect of the Issuer or any of its properties, assets or interest.

2.5 Immunity

The Issuer is not entitled to claim in relation to itself or any of its assets, any form of immunity on the grounds of sovereignty, diplomacy or otherwise from any legal action or proceeding or from execution of a judgement against it, instituted or initiated before a competent jurisdiction or any arbitral panel.

2.6 Licensing and Qualifications etc.

2.6.1 Under the laws of the Federal Republic of Nigeria, no party which is not registered in Nigeria will, by reason of its purchase of the Notes, and enforcing its rights thereunder, (i) be required to be registered, qualified, licensed or otherwise entitled to do business in the Federal Republic of Nigeria or be required to comply with any requirement as to foreign registration or qualification in the Federal Republic of Nigeria; or (ii) be required to make any filing with any court or other agency in the Federal Republic of Nigeria prior to any enforcement of the Transaction Documents (including the Notes); or (iii) be deemed to be resident, domiciled or carrying on business in the Federal Republic of Nigeria for tax or any other purpose.

2.6.2 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 the Federal Republic of Nigeria.

2.7 Taxes and Stamp Duty/Registration

2.7.1 The provisions of the Stamp Duties Act² require any instrument executed in the Federal Republic of Nigeria, or relating, wheresoever executed, to any property situated or any matter or thing done or to be done in the Federal Republic of Nigeria to be stamped and the appropriate stamp duty paid in respect of the said instrument. Unstamped or insufficiently stamped instruments are not admissible in evidence (except in criminal proceedings) in the courts of the Federal Republic of Nigeria.

2.7.2 Stamp duty is payable in the Federal Republic of Nigeria either at a flat rate or an ad valorem rate. Based on the Stamp Duties Act, the rate of stamp duty payable in the Federal Republic of Nigeria in respect of the Note is 0.1% levied on an ad valorem basis on the value of the underlying transaction.

2.7.3 Prior to the amendment of the Stamp Duties Act by the Finance Act 2019, dematerialised Notes were not subject to stamp duty as the Notes being in uncertificated form did not qualify as “instruments” as was previously defined under the Stamp Duties Act.

2.7.4 The Finance Act amends the definition of “instruments” in the Stamp Duties Act to include

² Cap S8 Laws of the Federation of Nigeria 2004

electronic instruments, as such, it is not clear whether the electronic form of the dematerialised Notes would qualify the Notes as an electronic instrument which would be subject to stamp duty.

- 2.7.5 Where the Federal Inland Revenue Service takes the view that the dematerialised Notes qualify as “electronic instruments”, the Notes would be subject to stamp duty as stated in Paragraph 2.7.2 above.
- 2.7.6 It is unclear whether the Deed of Covenant, the Dealer Agreement, the Collecting and Paying Agency Agreement and the Issuing and Placing Agency Agreement will be assessed for stamp duties at a flat rate or an ad valorem rate. Historically, the Deed of Covenant, the Collecting and Paying Agency Agreement, the Dealer Agreement, and the Issuing and Placing Agency Agreement have each attracted a nominal stamp duty of N500.00 (Five Hundred Naira) for an original copy and N50.00 (Fifty Naira) for each counterpart. The Deed of Covenant, the Issuing and Placing Agency Agreement, the Dealer Agreement, and the Collecting and Paying Agency Agreement will be assessed and stamped at the prevailing stamp duties rate as of the time of stamping. No other stamp, registration fees or other tax is payable, and no filing or registration is required in connection with the execution, delivery, performance or enforcement of any of the foregoing documents.
- 2.7.7 Each of the Transaction Documents are required to be stamped in Nigeria within a period of 30 (thirty) days after their execution (where they are executed in the Federal Republic of Nigeria) or within a period of 40 (forty) days after they are first brought into the Federal Republic of Nigeria (in the event that they are executed outside the Federal Republic of Nigeria).
- 2.7.8 No other stamp duty is payable, and no filing or registration is required in connection with the execution, delivery, issue, performance and enforcement of the Transaction Documents and the Notes.
- 2.7.9 The Issuer is not required to make any withholding or deduction from any payment due to the Noteholders on the Notes. However, the discount on any of the Notes may be taxed in accordance with applicable Nigerian tax laws.

2.8 Forum of Dispute Resolution

- 2.8.1 The submission to arbitration by the parties would be upheld in Nigeria as parties are permitted under Nigerian law to choose arbitration as a means of settling their disputes. Parties are also permitted to choose the seat and governing rules of the arbitration.
- 2.8.2 The courts of the Federal Republic of Nigeria will accept jurisdiction in any suit, action or

proceedings against the Issuer arising out of or in connection with the Transaction Documents and the Notes and can give judgement in a currency other than the legal tender/lawful currency of the Federal Republic of Nigeria for the payment of any sum due under the Transaction Documents or the Notes.

2.9 **Pari Passu**

2.9.1 The obligations of the Issuer under the Transaction Documents and the Notes will rank at least pari passu as to priority of payment with the claims of all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time.

3. **QUALIFICATIONS**

This Opinion is subject to the following qualifications:

- (a) this Opinion is limited in all respects to the laws of the Federal Republic of Nigeria, as at the date hereof. We have not made any investigations of, and we do not express any opinion as to the laws of any other jurisdiction;
- (b) this Opinion is expressed as of the date hereof and we assume no obligation to update or supplement any opinion contained herein to reflect any fact or circumstance that may hereafter come to our attention or any changes in law that may hereafter occur or become effective;
- (c) our opinion that an obligation or document is enforceable means that the obligation or document is of a type and form which the courts in the Federal Republic of Nigeria will enforce. It does not mean that the obligation or document can necessarily be enforced in all circumstances as the validity, enforceability and/or binding nature of such obligations or documents under the laws of the Federal Republic of Nigeria will be subject to, amongst other things, the laws of bankruptcy, insolvency, receivership, reorganisation, liquidation, moratorium and other like laws. In particular, equitable remedies such as injunctions and specific performance are discretionary and are not generally available in circumstances where damages are considered by the courts in the Federal Republic of Nigeria to be an adequate remedy;
- (d) save for paragraph 2.7 above, we express no opinion as to the tax treatment or consequences of the Transaction Documents or the transactions contemplated therein; and

-
- (e) where any obligation is to be performed or observed in a jurisdiction outside the Federal Republic of Nigeria, it may not be enforceable under Nigerian law if and to the extent that such performance or observance would be unlawful, unenforceable or contrary to public policy of the Federal Republic of Nigeria or under the laws of such jurisdiction.

4. **RELIANCE**

This Opinion is issued at the request of the Issuer and the Dealer for the purpose of the Programme and any Note issuances thereunder. This Opinion may be relied upon only by the Issuer, Dealer and persons seeking to invest in the Notes, in connection with the matters dealt with herein and may not without our prior written consent be relied upon by any other person. Neither its contents nor its existence may be disclosed to any other person unless we have given our prior written consent.

This Opinion may be disclosed (a) if required by law or regulation; (b) to the officers, directors, employees, affiliates, professional advisers (including legal advisers), auditors or regulators of the Dealer; and (c) in connection with any actual or potential dispute or claim in respect of the Note issuance provided that such persons may not rely on the Opinion.

Signed –

TOLG

TOLG ADVISORS

STATUTORY AND GENERAL INFORMATION

Authorization

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of AG Mortgage Bank Limited dated 14th March 2023.

Auditors

SIAO Partners acted as auditors of the annual financial statements of the Issuer for the financial years ended December 31, 2019, December 31, 2020, December 31, 2021, and December 31, 2022 and was responsible for the audit, and issued unqualified reports.

Commercial Paper Outstanding

The Issuer has no Commercial Papers outstanding as at the date of this Programme Memorandum.

Going Concern

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

Litigation

As at the date of this Memorandum, the company is involved in ten (10) pending cases - eight (8) of which were instituted by the Issuer, and two (2) of which were against the Issuer. The total amount claimed in the eight (8) cases by the Issuer is N210,752,865.68 (Two Hundred and Ten Million, Seven Hundred and Fifty-Two Thousand, Eight Hundred and Sixty-Five Naira, Sixty Eight Kobo) only. Please note that these figures do not include interest claims by the Issuer. The total amount claimed in the two (2) cases against the Issuer is N650,000,000.00 (Six Hundred and Fifty Million Naira) only.

Based on review, the solicitors are of the opinion that the claims and litigation are not likely to have any material adverse effect on the Issuer and/or the Issue and are not aware of any pending or threatened claims or litigation involving the Issuer other than those disclosed above.

Material Contracts

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

- I. The Deed of Covenant dated 30th January 2024 executed by the Issuer as a deed poll in favour of the Noteholders.
- II. The Issuing and Placing Agency Agreement dated 30th January 2024 executed by the Issuer and the Issuing and Placing Agent; and
- III. The Collecting and Paying Agency Agreement dated 30th January 2024 executed by the Issuer and the Collecting and Paying Agent
- IV. The Dealer Agreement dated 30th January 2024 executed by the Issuer and the Dealer/Arranger

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

Ultimate Borrower

The Issuer is the borrower in respect of the Notes.

PARTIES TO THE PROGRAMME

Issuer:

AG Mortgage Bank Plc
96 Opebi Road, Ikeja, Lagos

John Saint Mboluwa
~~*[Signature]*~~

Lead Arranger/Issuing and Placing Agent:

Meristem Capital Limited
20A Gerrard Road, Ikoyi, Lagos

WOLE ADEGUNDE
WOLE ADEGUNDE

Solicitors to the Transaction:

TOLG Advisors
15A Remi Olowude St, Lekki Phase 1, Lagos

ADENIKE AJAYI
Ajayi

Auditors to the Issuer:

SIAO PARTNERS
18B Olu Holloway Rd, Ikoyi, Lagos

Abiodun Ariyibi
[Signature]

Collecting and Paying Agent:

First City Monument Bank
17A, Tinubu Street, Lagos

CHUKMURAH ALEX
[Signature]