

This Programme Memorandum has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on 11 September 2019 and the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Papers (together the “**CBN Guidelines**”) and the FMDQ Commercial Paper Registration and Quotation Rules in force as at the date hereof. The document is important and should be read carefully. If you are in any doubt about its content or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor, or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the Executive Management of First City Monument Bank Limited who jointly and individually accepts full responsibility for the accuracy of all information given.



First City Monument Bank Limited RC: 46713

₦100,000,000,000

Commercial Paper Issuance Programme

First City Monument Bank Limited (“**FCMB**” or “**the Issuer**”), a private limited liability company incorporated in Nigeria, has established this **₦100,000,000,000** (One Hundred Billion Naira) Commercial Paper Issuance Programme (the “**CP Programme**”), which shall be a renewal of its previous CP Programme dated 25 October 2017, under which FCMB may from time to time issue Commercial Paper notes (“**CP Notes**” or “**Notes**”), denominated in NGN (“Naira”) as may be agreed between the Issuer and each relevant Dealer and or the Arranger (as defined in the section entitled, “*Summary of the Programme*”, in separate series or tranches subject to the terms and conditions (“**Terms and Conditions**”) contained in this Programme Memorandum.

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

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

The CP Notes will be issued in dematerialised form and may be registered, quoted and traded on the FMDQ Securities Exchange Limited (“**FMDQ Exchange**”) in accordance with the rules, guidelines and such other regulation as may be prescribed by the Central Bank of Nigeria (“**CBN**”) and FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN, and securities will settle via the CSD acting as Registrars and Clearing Agent for the Notes.

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

Dealer/Arranger/Issuing & Placing Agent



FCMB CAPITAL MARKETS LIMITED
A MEMBER OF FCMB GROUP PLC

RC 446561

FCMB Capital Markets Limited

Collecting and Paying Agent



RC 46713

First City Monument Bank Limited

This Programme Memorandum is dated 9 September 2020 and valid from 26 October 2020 to 26 October 2023

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DEFINITIONS

TERMS	DEFINITION
"Agency Agreement"	The Issuing, Placing, Paying and Collecting Agency Agreement dated on or about the date of this Programme Memorandum executed by the Issuer, the Collecting and Paying Agent and the Issuing and Placing Agent.
"Board" or "Directors"	Board of Directors of FCMB
"Business Day"	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which commercial banks are open for general business in Lagos, Nigeria
"CBN"	Central Bank of Nigeria
"CBN Guidelines"	CBN's Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 September 2019 and the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Paper, as amended or supplemented from time to time
"CITA"	Companies Income Tax Act Cap C21, LFN 2004 (as amended by the Companies Income Tax Act No 11 of 2007)
"Collecting and Paying Agent" or "CPA"	First City Monument Bank Limited or any successor collecting and paying agent appointed in accordance with the Agency Agreement
"Commercial Paper", "CP", "CP Notes" or "Notes"	Quoted Commercial Paper Notes to be issued by the Issuer under the CP Programme in form of short-term zero-coupon notes
"Conditions" or "Terms and Conditions"	Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed "Terms and Conditions of the Notes"
"CP Programme" or "Programme"	The CP Programme described in this Programme Memorandum pursuant to which the Issuer may issue several separate Series or Tranches of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦100,000,000,000
"CSD"	Central Securities Clearing System PLC or FMDQ Depository Limited (which expression shall include their successors) or any additional or alternative clearing system approved by the Issuer or any clearing system specified in the Applicable Pricing Supplement;
"Day Count Fraction"	The method of calculating the discount/interest in respect of a Note as specified in the Applicable Pricing Supplement
"Dealers"	FCMB Capital Markets Limited and any other additional Dealer appointed under the Programme from time to

DEFINITIONS

TERMS	DEFINITION
	time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer
"Default Date"	The date on which the written notice of the Event of Default is served to the Issuer
"Eligible Investors"	This means an investor that is not a Qualified Institutional Investor as defined by the FMDQ Exchange Rules, that has executed a declaration attesting to his/her/its eligibility in the manner prescribed in the FMDQ Exchange Rules
"Face Value"	The par value of the Notes
"FCMB", "Issuer" or the "Bank"	First City Monument Bank Limited
"FGN"	Federal Government of Nigeria
"FMDQ Exchange" or "FMDQ Securities Exchange Limited"	A securities exchange and self-regulatory organisation licensed by the SEC, Nigeria to provide an efficient platform for the registration, listing, quotation, trading and reporting of securities and financial products inter alia
"FMDQ Exchange Rules"	The FMDQ Commercial Paper Quotation Rules, August 2019 (as may be amended from time to time) and such other regulations (including but not limited to Market Bulletins) with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
"Holder" or "Noteholder"	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
"Issue Date"	The date upon which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement
"Issue Price"	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
"Issue Rate"	The Discount Rate at Issuance
"Issuing and Placing Agent" or "IPA" or "Arranger" or "FCMB CM"	FCMB Capital Markets Limited or any successor issuing and placing agent appointed in accordance with the Agency Agreement
"LFN"	Laws of the Federation of Nigeria
"Material Adverse Change"	Means a material adverse effect on the ability of the Issuer to perform and comply with its obligation(s) under the CP Programme

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"Naira", "NGN" or "₦"	The Nigerian Naira
"PITA"	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011 and the Finance Act 2019)
"Pricing Supplement" or "Applicable Pricing Supplement"	The Pricing Supplement applicable to a Series or Tranche of Notes issued under the CP Programme
"Principal Amount"	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
"Programme Memorandum"	This information memorandum dated 9 September 2020 which sets out the aggregate size and broad terms and conditions of the CP Programme
"Qualified Institutional Investors"	This include banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms and any other category of investors as may be determined by the Securities and Exchange Commission from time to time
"Redemption Date"	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due
"Register"	A register or such registers as shall be maintained by the CSD in which are recorded details of Note holders
"Relevant Date"	The payment date of any obligation due on the Notes
"Relevant Last Date"	The date stipulated by the CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
"SEC"	The Securities and Exchange Commission, Nigeria
"Series"	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices
"The Group"	First City Monument Bank Limited and Its subsidiary, FCMB UK Limited
"The NSE"	The Nigerian Stock Exchange
"Tranche"	Notes which are identical in all respects
"VAT"	Value Added Tax as provided for in the Value Added Tax Act, CAP VI, LFN 2004 (as amended by the Value Added Tax Act No 12 of 2007 and the Finance Act, 2019)

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TERMS	DEFINITION
"Zero Coupon Note"	A Note which will be offered and sold at a discount to its Face Value and which will not bear interest, other than default interest in the case of late payment

IMPORTANT NOTICES

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

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

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

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

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

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

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

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

The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time 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.

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

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

INCORPORATION OF DOCUMENTS BY REFERENCE

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

1. Each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under the Programme; and
2. The audited financial statements 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 Programme Memorandum registered with the FMDQ on 25 October 2017 has been amended by this Programme Memorandum. As such, any Note that remains outstanding under the previous Programme Memorandum shall be deemed to be issued under this Programme Memorandum.

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

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

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

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

SUMMARY OF THE PROGRAMME

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

1.	Issuer:	First City Monument Bank Limited
2.	Programme:	FCMB Commercial Paper Issuance Programme
3.	Programme Size:	₦100,000,000,000 (One Hundred Billion Naira)
4.	Issued and Outstanding as at the date of this Programme Memorandum	₦29,466,703,000 (Twenty-Nine Billion, Four Hundred and Sixty Six Million, Seven Hundred and Three Thousand Naira)
5.	Estimated Additional Amount to be Issued in the Current Year	₦50,000,000,000 (Fifty Billion Naira)
6.	Arranger:	FCMB Capital Markets Limited
7.	Dealer:	FCMB Capital Markets Limited and any other additional Dealer appointed pursuant to the Dealer Agreement from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer pursuant to the Dealer Agreement.
8.	Issuing and Placing Agent:	FCMB Capital Markets Limited
9.	Collecting and Paying Agent:	First City Monument Bank Limited
10.	Solicitors:	Banwo & Ighodalo
11.	Auditors:	Deloitte & Touché (previously KPMG Professional Services)
12.	Registrars/Custodian:	The CSD stated in the applicable Pricing Supplement
13.	Default Date:	The date on which the written notice of the Event of Default is served to the Issuer
14.	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)
15.	Issuance in Series:	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
16.	Use of Proceeds:	The net proceeds from each issue of Notes under the Programme will be used solely to support the Issuer's short term funding requirements, as part of its asset and liability management strategy, or as may otherwise be specified in the Applicable Pricing Supplement
17.	Sources of Repayment	The proceeds of the Notes issued under the Programme and the interest thereon would be repaid from the operational cash flows of the Issuer

SUMMARY OF THE PROGRAMME

18.	Method of Issue:	The Notes may be offered and sold by way of a fixed price offer for subscription or through a book building process and/or any other methods as described in the Applicable Pricing Supplement, within Nigeria or otherwise, in each case as specified in the Applicable Pricing Supplement.
19.	Tenor:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 (Fifteen) days and a maximum of 270 (Two Hundred and Seventy) days, including roll-over from the date of issue. The maturity period of such outstanding CPs shall also be subject to the validity of the Programme.
20.	Interest Payments:	Notes shall be issued at a discount and in the form of zero-coupon notes. Thus, the Notes will not bear interest, other than default interest in the case of late payment
21.	Issue Price:	The Notes shall be issued at a discount. The effective rate of interest will be calculated based on such Day Count Fraction specified in the Applicable Pricing Supplement.
22.	Issue Rate:	The Discount Rate at Issuance
23.	Issue Size:	As specified in the Applicable Pricing Supplement, subject to the minimum level of subscription
24.	Currency of Issue:	Nigerian Naira
25.	Minimum Level of Subscription	₦100,000,000 (One Hundred Million Naira) and multiples of ₦1,000 (One Thousand Naira) thereafter
26.	Issuer Rating:	<p>The Issuer has been assigned a rating of "BBB+" from Global Credit Rating Co.</p> <p>Pursuant to the CBN Guidelines and FMDQ Exchange Rules, either the issuer of a CP or the specific issue itself shall be rated by a rating agency registered in Nigeria or any international rating agency acceptable to the CBN.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.</p>
27.	Redemption:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and the FMDQ Exchange Rules
28.	Payment at Maturity	At maturity, payment will be made to investors only if the Issuer has made the funds available to the CPA
29.	Settlement Procedures:	Purchases will be settled via Direct Debit, Electronic Funds Transfers, NIBBS Instant Payment (NIP), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS")
30.	Registration & Quotation:	<p>In compliance with the CBN circular issued in July 2016, an application has been made to FMDQ Exchange for the Registration of the Programme.</p> <p>The Issuer shall have any Series or Tranche of Notes issued under this Programme quoted on the FMDQ Exchange Platform or any other recognized trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation</p>

SUMMARY OF THE PROGRAMME

		to the quotation or listing of any Series or Tranche of Notes quoted or listed on the relevant trading platform
31.	Sponsor(s) to the Registration & Quotation	FCMB Capital Markets Limited
32.	Status of Notes:	Each Note constitutes a senior unsecured obligation of the Issuer and, the Notes shall rank pari passu among themselves, and save for certain debts/payment mandatorily preferred by law, with other present and future senior unsecured obligations of the Issuer outstanding from time to time
33.	Taxation:	The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Note holders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.
34.	Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with Nigerian law

USE OF PROCEEDS AND SOURCES OF REPAYMENT

Use of Proceeds

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

Sources of Repayment

The proceeds of the Notes issued under the Programme and the interest thereon would be repaid from the operational cash flows of the Issuer.

REGULATION ON THE ISSUANCE, REGISTRATION & QUOTATION OF CP

Background

In July 2009, the CBN suspended the use of Commercial Papers and Bankers Acceptances as off-balance-sheet instruments by Nigerian 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 the CBN Guidelines to facilitate the effective and efficient functioning of the Nigerian money market and provide a regulatory framework for the issuance of CPs and BAs in Nigeria. An updated guideline was subsequently issued on 11 September 2019. The CBN also issued a circular on mandatory registration and listing of commercial papers on 12 July 2016

Regulatory Framework

Issuance, registration, quotation of and investment in CPs by Banks in Nigeria is subject to the provisions of the CBN Guidelines and the FMDQ Exchange Rules as highlighted below:

Size and Tenor

CPs shall be issued at the primary market for a minimum value of ₦100,000,000 and multiples of ₦1,000 thereafter or as otherwise determined.

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

Rating

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

Investors in Commercial Papers

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

Clean CPs (i.e. CPs not backed by a guarantee or such other credit enhancement shall only be sold to Qualified Institutional Investors, and Eligible Investors (i.e. means an investor that is not a QII as defined by the FMDQ Exchange Rules, that has executed a declaration attesting to his/her/its eligibility in the manner prescribed in the FMDQ Exchange Rules).

Forms of Maintaining CPs

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

Calculation and Paying Agent

Only a deposit money bank (licenced by the CBN) that is a registered member of the FMDQ may act as a CPA for the issuance of CP.

General Requirements

- i. CPs are only redeemable at maturity and as such cannot be pre-liquidated.
- ii. Investors may rediscount the paper with the Issuer before maturity at new market terms if the Issuer is willing to purchase the risk.

REGULATION ON THE ISSUANCE, REGISTRATION & QUOTATION OF CP

- iii. Any proposed issue of CPs shall be completed within the period of two (2) weeks from the date of opening of the issue for subscription.
- iv. All CPs issued in Nigeria shall be registered with a depository, which shall serve as the custodian of all issues and central depository for all dematerialised instruments.

Compliance with the CBN Guidelines

The Issuer has complied with all applicable provisions as stated in the CBN Guidelines. A legal opinion confirming adherence to the CBN Guidelines is incorporated on pages 49 - 57 of this Programme Memorandum.

Compliance with Securities Regulations

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

Mandatory Registration and Quotation

The CBN circular on CPs, effective 12 July 2016, require CPs to be registered and quoted on authorised securities exchanges. Accordingly, banks are prohibited from transacting in CPs (that are not quoted or intended for quotation on an authorised securities exchange), in any capacity whatsoever, including but not limited to as Issuer, Guarantor, Issuing, Placing, Paying and Collecting Agent ("IPPCA"), Collecting and Paying Agent ("CPA"); etc.

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

TERMS AND CONDITIONS

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 renewed 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.

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

"Agency Agreement" means the issuing, placing, paying and collecting agency agreement dated 9 September 2020 and entered into between the Issuer, the Issuing and Placing Agent, and the Collecting and Paying Agent;

"Applicable Pricing Supplement" means the pricing supplement relating to each Tranche setting out the applicable and/or such other terms and conditions applicable to that Tranche;

"Business Day" means any day (other than Saturday or Sunday or a public holiday declared by the Federal Government of Nigeria) on which banking institutions are open for business in Lagos, Nigeria;

"CBN Guidelines" means the CBN Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on 11 September 2019 and the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Paper, as amended or supplemented from time to time;

"Collecting and Paying Agent" means the Issuer, acting as the collecting and paying agent and any successor collecting and paying agent appointed in accordance with the Agency Agreement;

"CSD" means the Central Securities Clearing System Plc or the FMDQ Depositary Limited, which expression shall include their successors or any additional or alternative clearing system approved by the Issuer or any clearing system specified in the Applicable Pricing Supplement;

"CSD Rules" means the rules and operating procedures for the transfer of title in securities held with the CSD;

"CSD Securities Account" means a securities account maintained by a Noteholder with the CSD;

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

"Event of Default" means an event of default by the Issuer as set out in Condition 9;

"Face Value" means the par value of the Notes;

"Force Majeure" means any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, pandemic, epidemics, outbreak of infectious disease or any other public health crisis, including quarantine or other restrictions, riot, civil strife, war, embargo, legislation, acts of terrorism, acts of God, industrial unrest or other events beyond the control of the parties which may materially or adversely affect the capabilities of the parties to perform their respective obligations under this Agreement;

"Government" means any federal, state or local government of the Federal Republic of Nigeria;

TERMS AND CONDITIONS

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

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

"Issuer" means First City Monument Bank Limited, a private limited liability company incorporated under the laws of the Federal Republic of Nigeria with RC No 46713 and having its registered office at Primrose Towers, 17A Tinubu Street, Lagos, Nigeria;

"Issuing and Placing Agent" means FCMB Capital Markets Limited and any successor issuing and placing agent appointed in accordance with the Agency Agreement;

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

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

"Notes" means the commercial paper issued by the Issuer from time to time pursuant to this Agreement, the Programme Memorandum and any Applicable Pricing Supplement and held in a dematerialised form by the Noteholders through the CSD and payable in accordance with the provisions of this Agreement, the Programme Memorandum and any Applicable Pricing Supplement;

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

- (i) those Notes which have been redeemed pursuant to these Conditions; and
- (ii) those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption in accordance with the relevant conditions has occurred and the redemption moneys have been duly paid in accordance with the provisions of this Agreement.

"Principal Amount" means the aggregate nominal amount of the Notes Outstanding;

"Programme" means the ₦100,000,000,000 (One Hundred Billion Naira) commercial paper issuance programme renewed by the Issuer which allows for the multiple issuance of Notes in separate Tranches or Series from time to time;

"Programme Memorandum" means then information memorandum in respect of the Programme dated on or about the date hereof providing detailed particulars of the Programme, and includes any supplementary programme memorandum issued by the Issuer from time to time in respect of the Notes;

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

"Redemption Date" means in relation to any Tranche, the date on which redemption monies are due and payable in respect of the Notes as specified in these Conditions and the Applicable Pricing Supplement;

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

"Registrar" means the CSD or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme;

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

"Relevant Date" means, in respect of any payment, the date on which such payment first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the

TERMS AND CONDITIONS

amount outstanding is made or (if earlier) the date seven (7) days after that on which notice is duly given to the Noteholders that such payment will be made;

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

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

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

"Specified Office" means the offices of the Issuing and Placing Agent and the Collecting and Paying Agent as specified under the Agency Agreement and shall include such other office or offices as may be specified from time to time thereunder;

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

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

CONDITION 1 **CURRENCY, FORM, TITLE AND DENOMINATION**

1.1 Issue and Currency

- 1.1.1 The Notes may be issued from time to time by the Issuer in Tranches pursuant to the Programme. A Tranche may, together with a further Tranche or Tranches, form a Series of Notes issued, provided that the aggregate Principal Amount of all Notes Outstanding under the Programme at any one point in time does not exceed the Programme size. The Applicable Pricing Supplement for each Tranche/Series is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Conditions. The Applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of those Notes.
- 1.1.2 The Noteholders are by virtue of their subscription to or purchase of the Notes deemed to have notice of, and are entitled to the benefit of and are subject to all the provisions of the Applicable Pricing Supplement and the Deed of Covenant.
- 1.1.3 The Notes shall be registered electronically and serially numbered.
- 1.1.4 Notes issued under the Programme will be Zero-coupon Notes.
- 1.1.5 The Notes may be issued in the Relevant Currency.

1.2 Form and Title

- 1.2.1 The Notes will be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the CSD.
- 1.2.2 Title to the Notes shall pass upon credit to the CSD Securities Account of the Noteholder.
- 1.2.3 Transfer of title shall be effected in accordance with the CSD Rules.

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- 1.2.4 The CSD statement of account shall be conclusive and binding for all purposes save in the case of manifest error and such Noteholder shall be treated by the Issuer and the Issuing and Placing Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes and no person will be liable for so treating the Noteholder.
- 1.3 **Denomination**
- 1.3.1 Subject to the Applicable Pricing Supplement, the Notes shall be denominated in a minimum amount of ₦100,000,000 (One Hundred Million Naira) and integral multiples of ₦50,000,000 (Fifty Million Naira) thereafter.
- 1.3.2 The minimum denominations of Notes denominated in other currencies will be in accordance with any applicable legal and regulatory requirements.
- 1.4 **Closed Periods**
- No Noteholder may require the transfer of the Notes (i) during the period of ten (10) days ending on the relevant Redemption Date; (ii) following the issuance of default notice to the Issuer pursuant to Condition 9 (*Events of Default*); or (iii) following the Relevant Last Day.

CONDITION 2 **STATUS OF THE NOTES**

- 2.1 Each Note constitutes a direct, unconditional, senior and unsecured obligation of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Notes shall, save for such obligations as may be mandatorily preferred by applicable legislation relating to creditor's rights, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, from time to time.

CONDITION 3 **REDEMPTION**

- 3.1 Unless previously redeemed or purchased and cancelled as specified below, the Notes will be redeemed at the Redemption Amount, specified in or determined in the manner specified in the Applicable Pricing Supplement, on the Redemption Date subject to the provisions contained in Condition 4 (*Payments*).

CONDITION 4 **PAYMENTS**

- 4.1 Only Noteholders named in the Register as at the close of business on the Relevant Last Day shall be entitled to payment of amounts due and payable in respect of the Notes. The Noteholder shall be the only person entitled to receive payments in respect of the Notes and the Issuer will be discharged by payment to, or to the order of, the Noteholder in respect of each amount so paid.
- 4.2 Payments of any outstanding obligation regarding the Notes will be made in the Relevant Currency by credit/electronic funds transfer to the specified bank account of the Noteholder.
- 4.3 In the case of joint Noteholders, payment by electronic transfers will be made to the account of the first-named Noteholder in the Register. Payment by electronic transfer to the first-named Noteholder in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.
- 4.4 In the case of nominees, the nominee shall be paid as the registered Noteholder, who shall in turn transfer such funds to the holders of the beneficial interests.

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- 4.5 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer by reason of a Force Majeure Event, the Issuer shall, to the extent practicable, make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) of any such amounts made payable to the relevant Noteholder. Such payments by cheque shall be sent by post to the address of the Noteholder of registered Notes as set forth in the Register on the Relevant Last Day or, in the case of joint Noteholders of registered Notes, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note.
- 4.6 Cheques shall be posted by registered post, provided that the Issuer shall not be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 4.6.
- 4.7 Where the Issuer is unable to make payment by electronic funds transfer or cheques due to the occurrence of a Force Majeure Event, the Issuer or its Agent shall: (i) hold such funds for payments of amount due in respect of the Notes in trust for the Noteholders until such time as the Issuer is able to make payment; and (ii) notify Noteholders (to the extent possible) of its inability to make payment.
- 4.8 Where the Issuer fails to redeem the Notes on the Redemption Date (and only in this event), provided such failure is not as a result of a Force Majeure Event, interest shall begin to accrue on the Redemption Amount at the Default Rate from the Redemption Date until the date on which all amounts due in respect of such Note have been paid.
- 4.9 Any payment in respect of the Notes shall be made on a Business Day. Where the Redemption Date is not a Business Day, that payment shall be made on or by the next Business Day. The Noteholder shall not be entitled to any interest, return or other payment in respect of any such delay.
- 4.10 On the Redemption Date, payment shall only be made to the Noteholders if the Issuer has made funds available to the Collecting and Paying Agent.
- 4.11 In respect of payments relating to Notes under a Tranche, (notwithstanding that such Notes may have the same Issue Date), where the total Issue Price payable by a Noteholder in respect of the said Notes has not been received by the relevant Issue Date, but is at the discretion of the Issuer accepted within 5 (five) Business Days thereof, the Issue Price payable by the Noteholder in respect of such Notes shall be adjusted to reflect the reduced tenor of the investment as applicable.

CONDITION 5 **TRANSFER OF NOTES**

- 5.1 All Notes issued under the Programme in dematerialized or immobilized (book entry) form may be transferred only in accordance with the CSD Rules.
- 5.2 Transfer of the Notes will only occur by way of electronic book entry in the CSD accounts of the Noteholders in accordance with the CSD Rules.

CONDITION 6 **REGISTER**

- 6.1 The Register shall be maintained by the CSD. The Register shall reflect the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes held by each Noteholder and the Issue Date.

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- 6.2 The Register shall be open for inspection during the normal business hours of the Registrar to any Noteholder or any person authorised by the Noteholder.
- 6.3 Each Tranche or Series shall be registered in the applicable Register.
- 6.4 The Registrar shall alter the Register in respect of any change of name, address or bank account number of any of the registered Noteholders of which it is notified in accordance with these Conditions.

CONDITION 7 **TAXATION**

The Notes issued under the Programme will be Zero-coupon Notes and as such, will be offered and sold at a discount to their Face Value. The Notes will thus not bear interest (save for default interest payable on late payments) 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.

CONDITION 8 **PRESCRIPTION**

- 8.1 The Notes will become void unless presented for payment in respect of the Redemption Amount within three (3) years from the relevant Redemption Date.

CONDITION 9 **EVENTS OF DEFAULT**

9.1 Events of Default

Upon the happening of any of the following events ("**Events of Default**") which is continuing, any Noteholder may, by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer declare the Notes held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of Force Majeure or the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction. In addition, the Noteholders shall have the right to exercise all other remedies available to them under the laws of the Federal Republic of Nigeria.

Upon the occurrence of an Event of Default, the Issuer shall pay Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.

- 9.1.1 **Non-Payment or Part-Payment:** The Issuer fails to make payment or makes part-payment by the Redemption Date in respect of any Tranche or Series of Notes and such failure continues for a period of seven (7) Business Days, save for where its failure to pay is as a result of an administrative or technical error and payment is made within ten (10) Business Days of its due date; or
- 9.1.2 **Breach of Other Obligations:** The Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or where capable of remedy, is not remedied within fifteen (15) days after written notice of such default shall have been given to the Issuer at its specified office; or
- 9.1.3 **Breach of Representation:** any representation, warranty or undertaking made in connection with any documentation supplied by the Issuer pursuant to the Programme is in the reasonable opinion of the Dealer, materially incorrect or misleading; or

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- 9.1.4 **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer applies or petitions for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation on terms approved by the Noteholders; or
- 9.1.5 **Insolvency:** the Issuer is, or is deemed by law or a court to be insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; or
- 9.1.6 **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out, on or against a material or substantial part of the property, assets or revenues of the Issuer, and such distress, attachment, execution or other legal process is not discharged or stayed within ninety (90) days; or
- 9.1.7 **Failure to take action:** any action, condition or thing (including the obtaining of any consent or approval) now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme for the issuance of the Notes is not taken, fulfilled or done, or any such consent or approval is revoked, modified, withdrawn or withheld or ceases to remain in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes or the Programme for the issuance of the Notes.

CONDITION 10 **NOTICES**

10.1 Notices to the Noteholders

- 10.1.1 All notices to the Noteholders will be valid if mailed to them at their respective addresses of record in the relevant Register. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the CBN Guidelines, the CSD Rules and the FMDQ Exchange Rules or such other regulatory authority as may be applicable to the Notes.
- 10.1.2 Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication.

10.2 Notices from the Noteholders

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

CONDITION 11 **CHANGE OF AN AGENT**

- 11.1 The Issuer is entitled to vary or terminate the appointment of the Issuing and Placing Agent and /or the Collecting and Paying Agent and /or appoint additional or other agents and/or approve any change in the Specified Office through which any agent acts, provided that there will at all times during the subsistence of the Programme, be an agent with Specified Offices.

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- 11.2 The Agents act solely as agents of the Issuer and do not assume any obligation towards or any relationship of agency or trust for or with any Noteholder.

CONDITION 12 **MODIFICATION**

- 12.1 The Dealer may agree with the Issuer, without the consent of the Noteholders to any modification of any of these Conditions which is in the opinion of the Dealer of a minor or technical nature or is made to correct a manifest error, or to comply with the mandatory provisions of any law in Nigeria and which, in the opinion of the Dealer, is not materially prejudicial to the interests of the Noteholders.
- 12.2 Save as provided in Condition 12.1 above, no amendment of the Conditions may be effected unless;
- (i) such amendment is in writing and signed by or on behalf of the Issuer; and
 - (ii) such amendment:
 - (a) If it affects the rights, under the Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% (seventy-five percent) of the outstanding Principal Amount of all the Notes; or
 - (b) If it affects only the rights, under the Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy-five percent) of the outstanding Principal Amount of all the Notes held by that group.
- 12.3 Any such modification, authorisation or waiver shall be binding on the Noteholders and, shall be notified to the Noteholders, as soon as practicable in accordance with Condition 10 (*Notices*).

CONDITION 13 **MEETINGS OF NOTEHOLDERS**

- 13.1 The Issuer may at any time convene a meeting of all Noteholders upon at least twenty-one (21) days prior written notice to such Noteholders. The notice is required to be given in accordance with Condition 10 (*Notices*). Such Notice shall specify the date, place and time of the meeting to be held, which place shall be in Nigeria.
- 13.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 13.3 Two (2) or more Noteholders holding or representing by proxy a simple majority of the Principal Amount of the Notes that are Outstanding for the time being, shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within ten (10) days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.
- 13.4 A Noteholder may by an instrument in writing (a "**Form of Proxy**") signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a "**Proxy**") to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 13.5 Any Noteholder, which is a corporation, may by resolution of its directors or other governing body, authorise any person to act as its representative (a "**Representative**") in connection with any meeting or proposed meeting of the Noteholders.

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- 13.6 Any Proxy or Representative so appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.
- 13.7 The chairman of the meeting of the Noteholders shall be appointed by a majority of Noteholders present in person or proxy. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 13.
- 13.8 At any such meeting, two (2) or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third ($\frac{1}{3}$ rd) of the Principal Amount of Notes shall form a quorum. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 13.9 If within thirty (30) minutes after the time appointed for any such meeting, a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than fourteen (14) days nor more than twenty-one (21) days thereafter and at the same time and place. At such adjourned meeting, one or more Noteholders present or represented by proxy shall form a quorum and shall have power to pass any Special Resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.
- 13.10 A resolution in writing duly signed by 75% (seventy-five percent) of the Noteholders for the time being Outstanding, shall be as effective for all purposes as a Special Resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all of the Noteholders.

CONDITION 14 **FURTHER ISSUES**

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

CONDITION 15 **GOVERNING LAW**

- 15.1 The provisions of these Conditions and the Notes are governed by, and shall be construed in accordance with, the laws of the Federal Republic of Nigeria.

TAX CONSIDERATIONS

The Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2012 ("Order"), grants exemption to income and interest earned, by corporate bodies for a period of 10 years with effect from the commencement date of 2nd January 2012. The Order applies to all categories of bonds, but in relation to short term securities, the Order only refers to income from FGN short term securities and therefore, it is not clear whether it extends to those issued by corporates.

In addition to the Order, the Personal Income Tax Act exempts all forms of taxes on income earned from investment made by individuals or other bodies liable to tax under the PITA. This exemption applies to all corporate bonds and short term securities, including interest earned on bonds and short term securities issued by corporates and there is no limitation period for the exemption.

The Notes issued under the Programme will be Zero Coupon Notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Note holders. This is based on section 78 of the CITA and section 70 of the PITA, which require companies to withhold tax only on interest payments. However, the discount on the Notes may be construed as income and taxed in accordance with applicable Nigerian tax laws.

The above summary is not intended to be and should not be construed to be tax advice to any investor. Any prospective investor who is in any doubt as to his/her tax position or who is subject to taxation in any jurisdiction other than Nigeria should consult his/her own professional advisers without delay as to the consequences of an investment in the Notes in view of his/her own personal circumstances. Neither the Issuer nor its tax advisers shall be liable to any subscriber in any manner for placing reliance upon the contents of this section.

RISK FACTORS

RISKS RELATING TO THE COMMERCIAL PAPER NOTES

The Bank believes that the following factors may affect the Issuer's ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Bank is not able to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the CP Notes are also described below.

Risks Related to the Group's Business

The Bank faces intense competition in an increasingly competitive Nigerian banking industry

The Nigerian banking and financial services market is highly competitive and the Bank faces severe competition from a number of banks in each of the segments and regions where it operates. The Bank competes principally with a number of other nationwide and international banks, some of which have a broader geographic reach and greater capital resources than the Bank. At the date of this Memorandum, there are a total of 29 Deposit Money Banks ("DMBs") registered in Nigeria. 22 of these DMBs are Commercial Banks, 5 are Merchant Banks whilst 2 are Non-interest Banks. In the past year, two commercial banks, Access Bank and Diamond Bank Plc were consolidated, with the former being the resultant company and the largest bank in Nigeria. The Bank's most significant competitors are other Tier II banks, including Fidelity Bank Plc and Stanbic IBTC Bank Plc.

Additionally, international banks, including Ecobank Nigeria Limited (a subsidiary of Ecobank Transnational Incorporated), Standard Chartered Nigeria Limited (a wholly owned subsidiary of Standard Chartered Bank U.K.), Stanbic IBTC Bank Plc and Citibank Nigeria Limited (a subsidiary of Citigroup) are growing their presence in Nigeria and compete with the Bank for its high net worth individual (HNI), corporate and multinational clients.

In the past 3 years, the CBN has registered 2 Commercial banks (Globus Bank Limited and Titan Trust Bank) and 1 Merchant Bank (Nova Merchant Bank Limited). The Merchant banks also compete with the Bank for its HNIs and corporate clients.

Against this background, the Bank expects the Nigerian corporate and commercial banking market to become even more competitive, which is likely to result in a further narrowing of spreads between deposit and loan rates and have an adverse impact on the Bank's profitability. The Bank may also experience additional competitive pressure as it continues to expand its presence in retail lending.

The Bank believes that to compete successfully in a more concentrated Nigerian banking industry, it will be critical for the Bank to distinguish itself in terms of service quality and customer experience, grow its retail banking franchise (in particular lending to individuals) and be able to offer its greater reach and financial capacity effectively. The Bank's growth depends on its ability to retain and grow its market share, extend its distribution network, manage its cost base, access low cost deposits and grow quality risk assets, so that it can maintain strong levels of profitability and returns despite being required by the CBN to hold higher levels of capital. If the Bank is not able to generate the profitability, economies of scale and financial capacity to enable it to compete with larger Nigerian banks, the Bank's business, results of operations and financial condition may be adversely affected.

A substantial part of the Bank's operations and assets are based in Nigeria; a sustained slowdown in economic growth in Nigeria could materially adversely affect the Bank's profitability

A substantial part of the Bank's business operations and assets are based in Nigeria. 96% of the Bank's 2019 operating income and 94% of its 2019 total assets emanated from Nigeria. As a result, the Bank's operating income and growth of its assets depend, to a large extent, on the *health* of the Nigerian economy. In the recent past, Nigeria has experienced periods of slow or negative real growth, high inflation, significant devaluation of the Naira and the imposition of exchange controls.

Any deterioration in economic conditions in Nigeria as a result of these or other factors, including a significant depreciation of the Naira or increase in interest rates, could adversely impact the Bank's borrowers and contractual counterparties. This, in turn, could materially adversely affect the Bank's business, results of

RISK FACTORS

operations and financial condition, including the Bank's ability to grow its loan portfolio, the quality of its assets and its ability to implement its business strategy.

Interest Rate Risks

FCMB is exposed to vagaries of interest rate fluctuations through the interest-bearing assets and liabilities in its banking and trading books. Fluctuations in interest rates could adversely affect the Bank's operations and financial condition in different ways.

For instance, an increase in general or policy interest rates may decrease the value of the Bank's fixed rate loans or fixed rate debt securities (like Nigerian Government treasury bills or bonds, and other Government/corporate Bonds) on one hand, and simultaneously raise the Bank's funding costs.

Furthermore, an increase in interest rates may reduce overall demand for new loans and increase the risk of borrowing customers' default, while general volatility in interest rates may result in a gap between the Bank's interest rate sensitive assets and liabilities.

Interest rates are sensitive to many factors beyond the Bank's control, including the policies of central banks, such as the CBN, domestic and international economic conditions and political factors. The Bank may not be able to protect itself from the adverse effects of future interest rate fluctuations. Any fluctuations in market interest rates, and the Bank's inability to monitor such fluctuations so as to respond in a timely and cost effective manner, could lead to a reduction in net interest income and adversely affect the Group's business, results of operations and financial condition.

The Bank's objective for management of interest rate risk is to ensure a higher degree of interest rate margin stability and lower interest rate risk over an interest rate cycle. The Bank tries to achieve this by actively managing the interest rates on its assets and liabilities, including using interest rate swaps. However, the Bank's operations remain subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. These risks impact both the earnings and the economic value of the Bank which, if material, could have a material adverse effect on the Bank's financial condition, liquidity, and results of operations.

Foreign Exchange Risks

The Bank is subject to foreign exchange risk and are affected by changes in the value of the Naira against other currencies.

The Group is exposed to foreign exchange risk because of adverse movements in exchange rates, primarily through its assets, customers' deposits and through acting as an intermediary in foreign exchange transactions between central and commercial banks. Such risk could have a material adverse effect on the Bank's business, operations, financial condition, and liquidity.

The Group's functional and presentation currency is the Naira. As at 31 December 2019, 2018 and 2017, 43.9%, 40.4% and 40.2% of the Group's total assets, respectively, and 38.4%, 37.4% and 33.5% of the Group's total liabilities, respectively, were denominated in foreign currencies, principally the U.S. dollar. Monetary assets and liabilities originally denominated in foreign currencies are translated into Naira at the relevant balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Group's income statement.

As a result, the Group's reported income is affected by changes in the value of the Naira with respect to foreign currencies (primarily the U.S. dollar). Furthermore, the Bank's customers may be subject to substantial foreign exchange risk, which indirectly affects the Bank's credit risk profile.

As at 31 December 2019, 57.8% of the Group's loans and advances (net) to customers were denominated in foreign currencies, mainly the U.S dollar, primarily due to its lending to companies in the oil and gas and power sectors and in connection with its trade finance business.

RISK FACTORS

Any significant decline in the value of the Naira may result in the Bank's borrowers' inability to repay foreign currency denominated loans, and other fluctuations in the value of the Naira against foreign currencies may have a material adverse effect on the Group's business, results of operations and financial condition.

Risk related to the liquidity of the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities, general economic conditions, and the financial condition of the Bank. Although applications will be made for Notes issued under the Programme to be admitted and traded on the FMDQ platform, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development of a liquid secondary market for any particular issue of the Notes.

Risks related to the change in price of the Notes

Changes in market price of Commercial Paper in the regulated market depends on supply and demand for Commercial Paper and changes in interest rates in the market. Excess demand for Commercial Paper could lead to a higher price, and excess supply could lead to a decrease in the price of Commercial Paper. In case of higher interest rates in the market, Commercial Paper holders could request higher return for Commercial Paper, which in turn could lead to a lower price of Commercial Paper in the regulated market. In case of lower interest rates in the market, Commercial Paper holders could expect lower return for Commercial Paper, which in turn could lead to a higher price of Commercial Paper in the regulated market.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

Clearing System

The Notes will be issued in dematerialised form and will not be represented by any certificate or written instrument. As stipulated by the CBN Guidelines, each Series or Tranche 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 (as defined below) who will follow the electronic settlement procedures prescribed by the CSD.

Authorised Participants

The CSD will maintain a central securities account for Issuing & Placing Agent, Collecting & Paying Agent and Dealing Members ("Authorised Participants") and each beneficial owner of the Notes is required to have a sub-account under the Authorised Participants. Note holders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorised Participants. For purposes of Notes issued under this Programme, the Authorised Participants are FCMB Capital Markets Limited, First City Monument Bank Limited and any other Issuing and Placing Agent appointed by the Issuer.

Registration

- i. The Authorized Participant is required to register with the CSD before dealing in CPs.
- ii. Note holders are required to route their account opening applications and transactions through the Authorized Participant, who would then notify the CSD to create a relevant sub-account for the Noteholder.
- iii. The CSD will assign a unique identification number ("Trade Member Code") to the Authorized Participant and also open the account(s) requested by the Authorized Participant.
- iv. The CSD will furnish the Authorized Participant with the following information:
 - a. Trade Member code;
 - b. Account Number(s), including sub-accounts for clients; and
 - c. CP Symbol and ISIN Codes (the CSD will re-open the existing ISIN code for all tranches with same maturity dates, however new ISIN codes will be issued for tranches with different maturity dates).

Lodgement

- i. The Authorized Participant will electronically lodge CPs with the CSD and advise the CSD after lodgement to transfer the CPs to the sub-accounts, individual accounts, or custodians accounts of the beneficial owners of the Notes.
- ii. The CSD shall process same within 24 hours of receipt.

Redemption

- i. No transactions or trades may be effected for any CP five (5) working days prior to its maturity date as the Register closes two (2) working days before maturity date.
- ii. The Authorized Participant must notify the CSD to expunge (knock-off) matured CPs not later than 3.00pm on the maturity/redemption date of the CP.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- iii. The CSD shall expunge matured CPs on the maturity date of the CPs.
- iv. Maturity must be on a business day, however, where this falls on a public holiday, the ensuing working day shall be the maturity date of the CP.

Roll-Over

- i. Every roll-over of a CP shall be treated or classified as a fresh/ separate CP and shall be registered with the CSD who in turn shall furnish Issuing and Placing Agent and the Collecting and Paying Agent with the new CP Symbol and ISIN Codes, subject to the receipt of CP rollover fees.
- ii. The new codes shall replace the existing CP Symbol and ISIN Codes in the system.

Default

- i. In case of a default, the Authorised Participants shall notify the CSD, investors and FMDQ no later than 3.00pm, two (2) business days before the maturity date.
- ii. The CSD shall make public the default status latest one (1) day before the maturity date. In this event, the CP holdings must remain with the CSD until the CPA pays off the CP holders and notifies the CSD with evidence.
- iii. The CPA shall pay off the Note holders and notify the CSD with the evidence.
- iv. Thereafter, the CSD shall notify the public and expunge the CP from the depository accordingly.

Secondary Market Trading (OTC) Guidelines

- i. Standard settlement cycle is T + 2.
- ii. The Authorized Participant shall submit Dealing Members' confirmed CP trade details on trade day in the specified format via the CSD's authorized platform, based on the following settlement timelines:
 - a. Same Day Settlement - 12.30pm
 - b. T+1 or T+2 Settlements - 3.00pm
- iii. The CSD shall deliver securities and send confirmation of transfers via the CSD's authorized platform by 2pm on settlement day to the FMDQ Exchange and Nigeria Inter-Bank Settlement System (NIBSS) simultaneously. Authorized participants shall state the particular account number where the CP(s) will be settled.
- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the FMDQ Exchange and the CSD simultaneously.
- v. Transactions for standard settlement (T + 2) shall stop five (5) working days before maturity date, therefore the last applicable settlement shall be before close of business (3) working days before maturity date.

Reporting

- i. The CSD will effect the transfer of CPs on the settlement date as advised by the buyer and seller (the "Transaction Parties") and also keep records of consideration for each transaction.
- ii. The CSD will advise the Dealers of their position, successful and failed transactions on each settlement day.
- iii. The Authorized Participant and Note holders can ascertain their CP balances after each day's trade via the CSD website (<https://www.fmdqgroup.com/fmdqdepository/www.cscsnigeriaplc.com>).

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

Cash Settlement

The Transaction Parties will be responsible for effecting the payment transfers either via Real Time Gross Settlement ("RTGS"), NIBSS Electronic Funds Transfer ("NEFT") or any other transfer mode agreed by the Transaction Parties and recognised by the CBN.



First City Monument Bank Limited RC: 46713

**Issue of Series [•] Commercial Papers Notes
Under its ₦100,000,000,000
Commercial Paper Issuance Programme**

The Pricing Supplement must be read in conjunction with the Programme Memorandum, originally dated 9 September 2020 prepared by FCMB Capital Markets Limited on behalf of First City Monument Bank Limited in connection with its ₦100,000,000,000 (One Hundred Billion Naira) Commercial Paper Issuance Programme, as amended and/ or supplemented from time to time ("the Programme Memorandum").

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

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

This document has been prepared in accordance with the Central Bank of Nigeria's Guidelines on the Issuance and Treatment of Bankers' Acceptance and Commercial Papers issued on 11 September 2019 and the FMDQ Exchange Rules. The document is not required to be registered with the Nigerian Stock Exchange ("NSE") 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 actions to be taken, such recipient should consult his/her Banker, Stockbroker, Accountant, Solicitor, or any other professional adviser for guidance immediately.

Dealer/Arranger/Issuing & Placing Agent



FCMB CAPITAL MARKETS LIMITED
A MEMBER OF FCMB GROUP PLC

RC 446561

FCMB Capital Markets Limited

Collecting and Paying Agent



RC 46713

First City Monument Bank Limited

This Pricing Supplement Is Dated [•]

PROFORMA APPLICABLE PRICING SUPPLEMENT

Issuer	First City Monument Bank Limited
Arranger & Dealer	FCMB Capital Markets Limited
Collecting and Paying Agent	First City Monument Bank Limited
Custodian	FMDQ Depository Limited
Programme Size	₦100,000,000,000
Series Number	[•]
Issued and Outstanding at the date of this Pricing Supplement	[•]
Face Value	[•]
Discounted Value	[•]
Nominal Amount Per Note	[•]
Tenor	[•]
Issue Date	[•]
Maturity Date	[•]
Final Redemption	[•]
Minimum Subscription Amount	[•]
Specified Currency	Nigerian Naira (₦)
Status of Notes	Each Note constitutes a senior unsecured obligation of the Issuer and the Notes rank pari passu among themselves, and save for certain debts mandatorily preferred by law, with other present and future senior unsecured obligations of the Issuer outstanding from time to time
Form of Notes	Dematerialised
Use of Proceeds	[•]
Quotation	Notes may be quoted on the FMDQ Securities Exchange or any other recognized Exchange
Taxation	Please refer to the 'Tax Considerations' section in the Programme Memorandum
Method of Offer	Fixed Price Offer
Implied Yield	[•]
Discount Rate	[•]
Any Other Formula or basis For Determining Amount(S) Payable	$PV = FV * (1 - (DR * t / \text{Actual number of days in a year}))$
Day Count Fraction	Actual/Actual
Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria
Redemption/Payment Basis	Redemption at par
Issuer's Early Redemption	Not Applicable
Issuer's Optional Redemption	Not Applicable
Other Terms Applicable on Redemption	Not Applicable
Offer Opens	[•]
Offer Closes	[•]
Allotment Date	[•]
Notification of Allotment	All applicants will be notified through an email and/or telephone of their allotment by no later than [•]
Payment Date	[•]

PROFORMA APPLICABLE PRICING SUPPLEMENT

Details of Bank Account(s) to which payments are to be made in respect of the Notes	[•]
Settlement Procedures and Settlement Instructions	Purchases will be settled via direct debit, electronic funds transfer (NIBBS, NEFT, RTGS, etc.)
Issuer Rating	[•]
Delivery Date	[•]

MATERIAL ADVERSE CHANGE STATEMENT

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

RESPONSIBILITY

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

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

For and on behalf of:
First City Monument Bank Limited

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

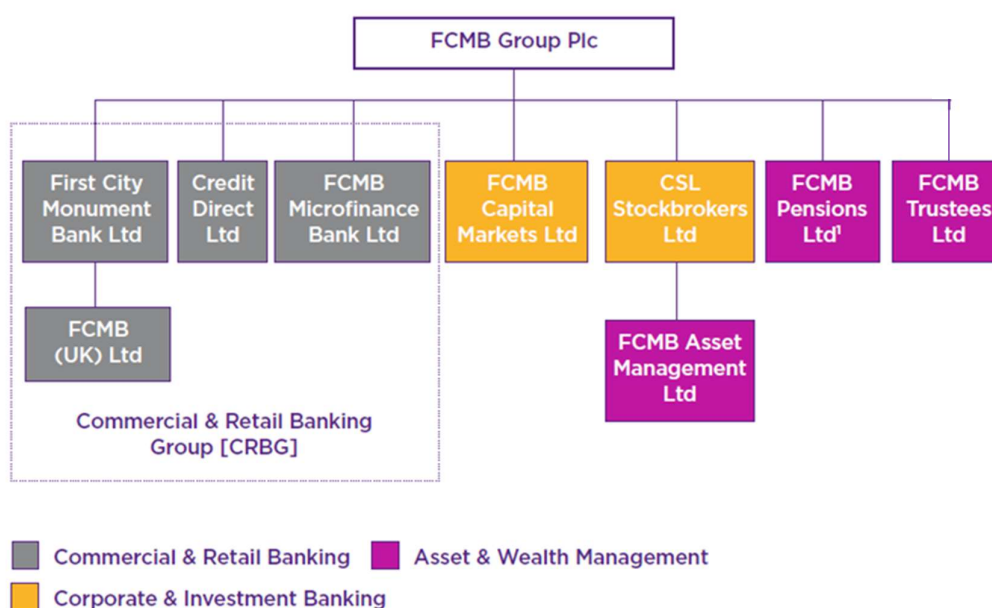
Name:
Capacity: Director
Who warrants his/her authority hereto

DESCRIPTION OF FIRST CITY MONUMENT BANK LIMITED

Introduction

First City Monument Bank Limited is a Nigerian full-service commercial bank with total assets of ₦1.6trillion as at 31 December 2019 and profit before tax of ₦14.8 billion in 2019. As at 31 December 2019, the Bank had 206 branches, 11 cash centres; 803 ATM terminals; 22,199 POS terminals and 3,258,986 cards issued to its customers. Headquartered in Lagos, Nigeria, the Bank also has a presence in the United Kingdom through its subsidiary, FCMB UK which is regulated by the Financial Conduct Authority and Prudential Regulation Authority.

The Bank is a key operating wholly-owned subsidiary of FCMB Group Plc ("FCMB Group"), a Nigerian-based, non-operating financial holding company listed on the NSE, which was incorporated in November 2012 as part of the 2012 reorganisation as a result of the CBN's repeal of the universal banking model. The Bank constituted 90.7% of FCMB Group's consolidated assets as at 31 December 2019. The following chart sets forth FCMB Group's corporate structure as at December 2019.



1. All subsidiaries are wholly owned except FCMB Pensions Limited, which is owned 91.6%.

The Bank is a commercial bank and a parent company to FCMB UK Limited, its wholly-owned subsidiary. FCMB UK is a company that provides both commercial and investment banking services to the Bank's clients in the United Kingdom.

The Bank's operations are organised along the following six reporting segments:

SME Banking - it caters to individuals as well as SMEs with annual revenues of less than ₦2.5 billion through deposit, lending (primarily consumer loans and mortgages) and debit and credit card products, complemented by internet and mobile banking services.

Commercial Banking – it services businesses with annual revenues between ₦2.5 billion and ₦5 billion with products such as credit facilities, foreign currency and derivative products, cash management solutions and trade services provided through various electronic platforms.

Corporate Banking provides direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency, and derivative products. This business unit caters for the specific needs of companies and financial institutions with an annual turnover in excess of ₦5billion.

DESCRIPTION OF FIRST CITY MONUMENT BANK LIMITED

Personal Banking provides private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages. This segment also includes the retail banking business unit that caters for needs of individuals.

Institutional Banking provides cash management and financing solutions to government entities, financial institutions, and multilateral agencies.

Treasury and Financial Markets provides funding support to various business segments while ensuring that the liquidity of the Bank is not compromised. Through its treasury, the Bank is also involved in currency trading, financial instruments trading and structured financing.

History

The Bank was incorporated as First City Merchant Bank Limited on 20 April 1982, licensed as a merchant bank by the CBN in August 1983 and began operations in September 1983.

Until 2001, the Bank functioned primarily as an investment bank and a wholesale bank. In 2001, the Bank surrendered its Merchant Banking license and was granted a Universal Banking license by the CBN. The Bank also obtained approval from the CBN to change its name to First City Monument Bank Limited.

In July 2004, the Bank became a public company and was listed on the NSE as First City Monument Bank Plc in December 2004. The Bank began to expand into retail banking, and in addition to the significant organic growth, the Bank acquired erstwhile Cooperative Development Bank Plc, Nigerian American Bank Limited and Midas Bank Limited, between October 2005 and February 2006.

In February 2012, the Bank completed the acquisition of FinBank and subsequently merged with it in October 2012. Prior to the merger, the Bank focused on corporate and commercial banking while FinBank had strong retail banking capabilities. As a result, the merger provided the Bank with the opportunity to significantly expand its retail banking business. In addition, the Bank strengthened its commercial banking business through the combination of commercial customers of both banks.

Pursuant to the CBN's Regulation on Scope of Banking Activities & Ancillary Matters No. 03, 2010, the Bank was reorganized in 2012 and was granted a commercial banking license with international authorisation in May 2013, in exchange for the repealed Universal Banking License. In June 2013, the Bank applied to be delisted from the NSE and became a wholly-owned subsidiary of FCMB Group Plc. The Bank was re-registered as a private limited liability company in September 2013.

In 2014, the Bank incorporated FCMB UK Limited and obtained a commercial banking license to operate in the United Kingdom. In 2018, the Bank transferred its ownership in Credit Direct limited to FCMB Group.

Corporate Governance

The Board of the Bank currently comprises nine Directors made up of five (5) Non - Executive Directors and four (4) Executive Directors.

The Bank's Board is led by a Non-Executive Chairman and is composed of individuals with enviable records of achievement in their respective fields. These individuals bring on board high levels of competencies and experience. The Board meets regularly to set broad policies for the Bank's business and operations and ensures that an objective and professional relationship is maintained with the Bank's auditors to promote transparency in financial and non-financial reporting. Directors' emoluments, as well as their shareholding information are disclosed in the Bank's Annual Report and Accounts.

The Guiding Principles of the Bank's Code of Corporate Governance remain as follows:

- All power belongs to the shareholders;

DESCRIPTION OF FIRST CITY MONUMENT BANK LIMITED

- Delegation of authority by the owners to the Board and subsequently to Board Committees and executives is clearly defined and agreed;
- Institutionalized individual accountability and responsibility through empowerment and relevant authority;
- Clear terms of reference and accountability for committees at Board and executive levels;
- Effective communication and information sharing outside of meetings;
- Actions are taken on a fully informed basis, in good faith with due diligence and care and in the best interest of the Bank and shareholders;
- Enhancing compliance with applicable laws and regulations and the interest of the stakeholders. Where there is any conflict between the Bank's rules and applicable laws and regulations, the applicable laws and legislation supersede;
- Conformity with overall Bank strategy and direction;
- Transparency and full disclosure of accurate, adequate, and timely information regarding the personal interest of directors in any area of potential conflict regarding the Bank's business.

Roles of the Board

- Reviewing alignment of goals, major plans of action, annual budgets and business plans with overall strategy; setting performance objectives; monitoring implementation and corporate performance and overseeing major capital expenditure in line with approved budget;
- Ensuring the integrity of the Bank's accounting and financial reporting systems (including the independent audit) and that appropriate systems are in place for monitoring risk, financial control and compliance with the law;
- Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning;
- Interfacing with the management of the Bank to ensure harmony in implementing FCMB Group strategy;
- Performing all statutory roles as required by law;
- Through the establishment of Board Committees, making recommendations and taking decisions on behalf of the Board on issues of expenditure that may arise outside the normal meeting schedule of the full Board; and
- Ratifying duly approved recommendations and decisions of the Board Committees.

The Board of Directors' oversight functions are performed through its Audit and Risk Management Committee, Credit Committee, Finance and General Purpose Committee and Human Capital and Remuneration Committee.

Profile of Directors and Management Team

Directors

Otunba Olutola Senbore (Chairman)

Otunba Senbore was born on March 17, 1943. He holds a bachelor's degree in Economics from the University of Ibadan. He is a fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and the Business Recovery and Insolvency Practitioners Association of Nigeria (BRIPAN). He began his career in 1967 with Coopers & Lybrand (now PricewaterhouseCoopers) where he was a Partner from 1975 to 1991. He subsequently worked with FCMB as an Executive Director from 1991 to 1994 before joining IFAMS Limited (Financial & Management Consultants) in 1994. He served on the Board of First Bank of Nigeria Plc as a Non-Executive Director (1990 to 1991), and on the Board of UBA as a non - Executive Director (1992 to 1993). He has over 40 years' experience in the financial services industry. Otunba Senbore is currently the Chairman of Olutola Senbore & Co. (Chartered Accountants).

DESCRIPTION OF FIRST CITY MONUMENT BANK LIMITED

Mrs. Mfon Usoro – Non Executive Director, Independent

Mrs. Usoro was born on June 12, 1960. She holds a bachelor's degree in Sociology from the University of Calabar, an LLB from the University of Buckingham, B.L from the Nigerian Law School and an LL.M from University College London. She was the pioneer Director-General and Chief Executive Officer of Nigerian Maritime Administration and Safety Agency, NIMASA from August 2006 to May 2007. She is the Managing Partner of Paul Usoro & Co., a leading law firm in Nigeria. Mrs. Usoro has served on several presidential and ministerial committees and was chairperson of the ministerial sub-committee of the Maritime Organisation of West and Central Africa (MOWCA) regional Maritime Development Bank in 2009. She is a recipient of several national and international honours and was conferred with the Officier de L'Ord de Mono, a national honour of the Republic of Togo in 2002.

Mr. Olusegun Odubogun - Non Executive Director

Mr. Olusegun Odubogun was born on August 21, 1951. He is a Fellow of the Institute of Chartered Accountants of Nigeria and Chartered Association of Certified Accountants UK. He retired as the Chief Executive Officer of Deloitte West and Central Africa in 2008. Under his watch, he led the consolidation of Akintola Williams Deloitte in Nigeria with other Deloitte offices in West and Central Africa. Over the course of his career, he led the Consulting, Advisory, Audit and Tax divisions of the firm, serving clients and creating shareholder value in numerous sectors including companies in the public, financial, consumer and oil and gas space. He also served as a member of the African Regional Board of Deloitte. He is currently on the Boards of Poly Products Nigeria Limited and Bemil Nigeria Limited.

Mr. Olutola Olusemi Mobolurin – Non Executive Director

Mr. Olutola Mobolurin was born on October 31, 1951. He holds a bachelor's degree in Finance and Accounting from the State University of New York in 1975 and a Master of Business Administration degree from York University, Toronto, in 1977. He is a Fellow of the Chartered Institute of Stockbrokers. He began his career as an Investment Executive at Plateau Investments Company in 1977, before joining City Securities Limited in 1978. He joined Continental Merchant Bank in 1979, rising to Head of Corporate Finance until 1988. Subsequently, he worked with Capital Bancorp Ltd as Managing Director from 1988 to 2006. He joined Crusader (Nigeria) Plc as Vice Chairman and Group Chief Executive Officer in 2007. He is currently the Chairman of Capital Bancorp Plc. He has over 30 years of varied exposure and experience in the financial services industry.

Mr. Roger M. Ellender - Non Executive Director

Mr. Roger Ellender was born on September 23, 1950. He holds a BA (Hons) History & Politics from the University of Liverpool, England and MA in Latin American Government & Politics from the University of Essex, England. His Financial skills span across Risk Management (Design and Implementation of Risk Management Policies within an Enterprise Risk Management Framework), Remedial debt restructuring, Portfolio Management, Corporate Governance, Compliance, Operations and Board Director Functions, applied to a Pan African environment. He commenced his career in 1978 with Bank of America NT & SA as Assistant Manager Middle East & Africa Office where he rose to the position of Vice President, Credit Administration, International Division. He subsequently worked with Banque Nationale de Paris (BNP – now BNP Paribas), Standard Chartered Bank Plc (SCB), Credit Suisse, Union Bank of Switzerland (UBS) as Executive Director & Head of Structured Export Financing, Singapore. Between 1999-2004, he was Executive Director, Operations & Risk Management, First City Monument Bank. He subsequently worked with Travelex as Head of their representative office in Nigeria and in 2008 worked with Afrinvest (West Africa) Limited as Head of Risk & Quality Assurance. He joined Africa Finance Corporation (AFC), Lagos in 2009 as Chief Risk Officer and rose to the position of Senior Vice President, Risk Assurance. He left AFC in 2018 to work as Chief Executive Officer of Ellender Enterprises (Mauritius) Limited.

Mr. Adam Nuru - Managing Director

Mr. Adam Nuru holds a bachelor's degree in Business Administration with a specialisation in Finance from the Ahmadu Bello University. He has over 20 years' experience covering Corporate Finance, Consumer Banking, Public Sector, Treasury, Commercial/Retail Banking and Human Resources Management. Mr. Nuru began his career at the Nigerian Agricultural & Cooperative Bank. He also worked at Oceanic Bank and FSB International Bank (Now Fidelity Bank), where he headed Public Sector, later Retail Banking (Lagos), and eventually Human

DESCRIPTION OF FIRST CITY MONUMENT BANK LIMITED

Resources Management Group. He joined FCMB in 2005 as Head of Enterprise Management overseeing Human Resources, Administration & Logistics and Branch Development. He joined FinBank Plc in 2009 as Executive Director, North Nigeria and re-joined FCMB as Executive Director Abuja & North Nigeria, following the merger of FCMB and FinBank in 2012.

Mrs. Yemisi Edun - Executive Director, Finance/ Executive Compliance Officer

Yemisi Edun holds a bachelor's degree in Chemistry from the University of Ife, Ile-Ife and a master's degree in International Accounting and Finance from the University of Liverpool, United Kingdom. She is a Fellow of the Institute of Chartered Accountants of Nigeria and a CFA® Charter holder. She is also an Associate Member of the Chartered Institute of Stockbrokers; an Associate Member of the Institute of Taxation of Nigeria; a Member of Information Systems Audit and Control, U.S.A; and a Certified Information Systems Auditor. She began her career with Akintola Williams Deloitte (member firm of Deloitte Touché Tohmatsu) in 1987, with main focus in Corporate Finance activities. She was also involved in audit of Banks and Other Financial Institutions. She joined FCMB in year 2000 as Divisional Head of Internal Audit and Control before assuming the role of Chief Financial Officer of the Bank.

Mr. Olu Akanmu - Executive Director, Retail Banking

Mr. Akanmu has over 25 years of experience across the Banking, Telecommunications, Advertising and Healthcare industries. His most recent experience was as the Chief Marketing Officer at Airtel Networks Nigeria. Prior to that, he headed the Retail and Consumer Banking Division of Bank PHB. He has also worked in various leadership positions in MTN Nigeria, Insight Communications and Glaxo Nigeria Limited. Mr. Akanmu holds a bachelor's degree in Pharmacy from Obafemi Awolowo University Ile-Ife, as well as an MBA from Lagos State University. He has attended various managerial courses, including The Management Advancement Program, University of Witwatersrand, Johannesburg.

Mrs. Bukola Smith - Executive Director, Business Development

Bukola began her banking career in 1993 with FSB International Bank Plc where she worked in funds transfer, international trade, treasury, and private banking. She joined Fidelity Bank in 2000, becoming Divisional Head of Treasury and Institutional Banking in 2004. In 2006, she then joined FCMB and has worked in various capacities as Divisional Head, Group Internal Audit, Divisional Head, Investment Banking & Financial Markets Group Head Treasury & Financial Institution, and Regional Head, Lagos. She holds a bachelor's degree in Economics from the University of Lagos. She is an associate of Institute of Chartered Accountants of Nigeria (1998) and Chartered Institute of Pension Management (2005).

Management Team

Mrs. Oluwatoyin Olaiya - Chief Risk Officer/Divisional Head Risk Management

Toyin joined the Bank with 26 years of experience, the most recent being the position of Acting Chief Risk Officer at Sterling Bank. She started her career as an auditor with KPMG, moved to Abacus Merchant Bank, Magnum Trust Bank, and later Sterling Bank. She has also occupied positions in domestic operations, internal audit, business development, financial control as well as different enterprise risk management roles in the industry. Toyin is an Accounting graduate of the Obafemi Awolowo University, and a fellow of the Institute of Chartered Accountants of Nigeria. She is the Chief Risk Officer of the Bank overseeing Risk Policy & Credit Administration, Market & Operational Risk, Underwriting, Monitoring & MIS.

Ms. Felicia Obozuwa - Divisional Head, Corporate Services

Felicia Obozuwa is the Divisional Head, Corporate Services Division. Before her appointment as the Divisional Head of Human Resources and Change Management (HRCM), she was Vice President and Group Head of Premium Banking. Felicia graduated in 1995 with a honours degree in Law from the Obafemi Awolowo University, Ile-Ife, Nigeria. She joined FCMB as a management trainee in 1998. After six years of successful service in Corporate Banking, she transitioned into Commercial Banking as manager of Ikeja Branch. Following her MBA at the University of Exeter (United Kingdom) in 2006, she was appointed Head of Product

DESCRIPTION OF FIRST CITY MONUMENT BANK LIMITED

Development for Consumer Banking, and subsequently launched the Wealth Management Business, which evolved into the Premium Banking Segment of Retail Banking.

Mrs. Folake Fajemisin - Divisional Head, Corporate Banking

Mrs Folake Fajemisin holds a bachelor's and masters' degree in Economics from University of Lagos. She is a member of various professional bodies amongst which are: Global Association of Risk Professionals (GARP) and Institute of Chartered Economists of Nigeria (ICEN). She is also an Associate of Chartered Institute of Economist (ACE). Folake started her banking career with Gulf Bank in 1991 as a lending officer in Corporate Banking and later joined Nigerian American Merchant Bank (Bank Boston) where she held several roles in Corporate Banking, amongst which are; Head Multi-nationals, Head Export and Syndicated Loan Management. Today, she boasts of over 24-years' experience in the banking sector. In 1998, Folake joined FCMB as Corporate Banking Group Analyst and later became the Head of Risk Appraisal in the Credit Risk Management department. She joined the Commercial Banking Group in 2002, where she rose to the level of the regional head of South-West. In 2005, she steered the leadership of the Food, Beverage and Building Materials group in Corporate Banking and in 2015, she was appointed Divisional Head, Corporate and Commercial Banking.

Mr. Oluwakayode Adigun - Divisional Head, Service Management and Technology

Mr. Oluwakayode Adigun holds a bachelor's degree in Agriculture from University of Ibadan, Oyo, and an MBA from ESUT Business School, Lagos. He is a seasoned Banker with over 25 years' experience which spans through Retail Banking, Operations, and various service roles. He began his banking career at Savannah Bank Plc but has also worked in other banks which include Citibank. He joined FCMB on 1 March 2006 as the Regional Operations Head and Head of Central Cash Management Operations. He is currently the Divisional Head, Service Management and Technology.

Mr. Gerald Ikem - Divisional Head, Treasury, and International Banking

Gerald began his banking career in 1997 with Chartered Bank Limited as a Relationship Manager with the Financial Institution Department. He left to join the Treasury Group of Universal Trust Bank Plc and in 2000, was employed by Continental Trust Bank Limited as the Head, Currency Trading & Liquidity Management. By 2003, he joined MBC International Bank Limited as Head, Currency Trading / ALM and rose to become the Treasurer. He left MBC International Bank Limited and joined FCMB in 2005 as the Head, Treasury Dealing Department. He holds bachelor's and master's degrees in Economics, both from the University of Lagos.

Mr. Diran Olojo - Group Head, Corporate Affairs.

Diran joined the bank with 24 years of experience across Advertising and Banking. His most recent experience was as the Regional Head, Brand & Marketing Nigeria, and West Africa – Standard Chartered Bank, where he was also a member of the Executive Committee. Prior to that, he headed the Corporate Affairs and Public Affairs desks of Standard Chartered and Citibank Nigeria. He also worked in various positions in Leadbank Plc, Merchant Banking Corporation Nigeria Limited, Multi-Media Limited, and Insight Communications Limited. Diran holds a bachelor's degree in English Language from Obafemi Awolowo University Ile Ife, as well as Masters in Communications and Language Arts from University of Ibadan. He is a member of the Nigerian Economic Summit Group, Nigerian Institute of Public Relations, and the Chartered Institute of Bankers of Nigeria. As the Group Head, Corporate Communications & Brand Management, Diran oversees the CSR & Sustainability unit, Brand Management & Events/Sponsorship unit, Corporate Affairs & Media Relations unit, as well as the Communications unit.

Mr. Adesoji Adeniyi – Chief Compliance Officer.

Mr. Adesoji is a result oriented Chartered Accountant with more than 25 years of progressive experience in accounting practice and financial services. His banking experience spans over a period 23 years covering a number of areas in banking including general banking operations, business relationship management, finance, value change management, project management and internal audit at team member, team lead, management and executive management levels. He possesses great ability in policy formulation in areas of financial planning, financial control, general banking operations whilst creating valuable long-term business alliances and identifying new business opportunities.

DESCRIPTION OF FIRST CITY MONUMENT BANK LIMITED

Mrs. Olufunmilayo Adedibu – Company Secretary /Group Legal Counsel

Mrs. Olufunmilayo Adedibu was appointed as the Company Secretary and Group Legal Counsel of FCMB Group Plc, effective 1 January 2014. A lawyer by profession, she has a wealth of experience in Legal practice and Banking. She started her legal career with the Law firm of Adedipe and Adedipe, Legal Practitioners before joining the prestigious law firm of Chris Ogunbanjo & Co. Solicitors and Advocates, where she gained knowledge about Copyright and Patent laws. She began her banking career with Magnum Trust Bank and Fidelity Union Merchant Bank before joining FCMB in 1999 where she has served in various capacities. She has over 25 years' post-graduation experience and over 21 years of it has been in the banking industry with experience spanning Corporate Banking, Commercial Banking, Risk Management, Banking Operations and Group Legal Services Department in FCMB. She has attended many Leadership and Management trainings from Lagos Business School, Queen's School of Business, Canada as well as EuroMoney Loan Documentation and Advanced Loan Documentation training in New York. She is a member of the Nigerian Bar Association and Toastmasters International.



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To the Board of Directors of First City Monument Bank Limited

The summary financial information, included in the Programme Memorandum for the N100,000,000,000 Commercial Paper Issuance Programme (the "Programme Memorandum") on pages 42 to 46 (the "Summary Financial Information"), which comprise the consolidated statements of financial position as at 31 December, 2017, 31 December 2018 and 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, and the consolidated statement of cash flows for the respective years then ended are derived from the Audited Consolidated financial statements of First City Monument Bank Limited for the years ended 31 December 2017, 2018 and 2019 (the "Audited Financial Statements") respectively.

Summary Financial Information

The Summary Financial Information do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act, Cap B.3, Laws of the Federation of Nigeria 2004 and other relevant Central Bank of Nigeria guidelines and circulars.. Reading the Summary Financial Information and the auditor's report thereon, therefore, is not a substitute for reading the Audited Consolidated Financial Statements and the auditor's report thereon. The Summary Financial Information and the Audited Consolidated Financial Statements do not reflect the effects of events that occurred subsequent to the date of our report on the Audited Consolidated Financial Statements.

We expressed unmodified audit opinions on the Audited Consolidated Financial Statements for the years ended 31 December 2017, 31 December 2018 and 31 December 2019 in our reports dated 20 March 2018, 4 March 2019 and 3 March 2020 respectively. Those reports also include the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the applicable periods.

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Partners

[illegible]



Directors' Responsibility for the Summary Financial Information

The Directors of FCMB Limited are responsible for the preparation of the Summary Financial Information.

Auditor's Responsibility

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

Nneka

Nneka Eluma, FCA.
FRC/2013/ICAN/00000000785
For: KPMG Professional Services
Chartered Accountants
14 May 2020
Lagos, Nigeria



HISTORICAL FINANCIAL INFORMATION

The financial information set out on pages 43 to 47 of this Programme Memorandum has been extracted from the audited annual financial statements of the Issuer and is available at the specified office of the Issuer. This section should be read and construed in conjunction with the audited financial statements for the years ended 31 December 2017, 2018 and 2019 and with any audited interim financial statements published subsequently, for the financial years prior to each issue of Notes under this Programme. The Bank's consolidated annual financial statements have been prepared in compliance with the International Financial Reporting Standard (IFRS), in accordance with CBN regulations.

Statement of Financial Position

In thousands of Naira	2019	2018	2017
ASSETS			
Cash and cash equivalents	216,773,449	181,262,433	102,226,384
Restricted reserve deposits	208,916,226	146,497,087	109,638,559
Trading assets	50,923,740	47,426,813	23,754,646
Derivative assets held for risk management	11,666,095	10,538	345,784
Loans and advances to customers	692,974,097	616,005,670	649,379,451
Assets pledged as collateral	118,653,230	87,409,893	61,330,157
Investment securities	234,698,196	229,666,586	146,572,022
Property and equipment	38,645,841	32,428,195	31,488,042
Intangible assets and goodwill	9,951,629	9,666,480	9,513,380
Deferred tax assets	7,944,838	7,944,838	8,233,563
Other assets	30,306,288	33,160,234	26,861,928
Total assets	1,621,453,629	1,391,478,767	1,169,343,916
LIABILITIES			
Trading liabilities	37,082,002	32,474,632	21,616,660
Derivative liabilities held for risk management	7,563,600	10,538	345,784
Deposits from banks	90,060,925	39,140,044	6,355,389
Deposits from customers	946,293,701	825,976,401	692,389,583
Borrowings	114,271,490	97,419,259	109,434,970
On-lending facilities	70,912,203	57,889,225	42,534,316
Debt securities issued	74,785,695	57,524,638	57,134,231
Retirement benefit obligations	1,540	471	17,582
Current income tax liabilities	3,007,648	2,551,305	3,294,289
Provision	5,323,435	10,901,503	3,638,251
Other liabilities	97,082,192	108,873,665	61,623,204
Total liabilities	1,446,384,431	1,232,761,681	998,384,259
EQUITY			
Share capital	2,000,000	2,000,000	2,000,000
Share premium	100,846,691	100,846,691	100,846,691
Retained earnings	19,009,676	14,775,957	22,800,576
Other reserves	53,212,831	41,094,438	45,312,390
	175,069,198	158,717,086	170,959,657
Total liabilities and equity	1,621,453,629	1,391,478,767	1,169,343,916

HISTORICAL FINANCIAL INFORMATION

Statement of Profit or Loss and Other Comprehensive Income

In thousands of Naira	2019	2018	2017
Interest and discount income	125,157,348	127,354,367	131,290,350
Interest expense	(59,716,268)	(58,891,668)	(62,322,494)
Net interest income	65,441,080	68,462,699	68,967,856
Fee and commission income	24,783,089	23,110,669	19,891,080
Fee and commission expense	(8,787,448)	(6,303,292)	(5,367,038)
Net fee and commission income	15,995,641	16,807,377	14,524,042
Net trading income	6,838,503	6,025,602	1,753,317
Net income from other financial instruments at fair value through profit or loss	1,952,495	-	111,891
Other revenue	4,008,328	9,545,688	-
	12,799,326	15,571,290	1,865,208
Other income	674,267	543,320	12,881,921
Net impairment losses on financial assets	(13,406,124)	(13,954,432)	(22,653,320)
Personnel expenses	(24,140,745)	(22,909,307)	(22,314,990)
Depreciation & amortisation expenses	(5,927,401)	(5,233,037)	(5,164,990)
General and administrative expenses	(28,552,010)	(27,485,874)	(24,803,337)
Other operating expenses	(8,065,690)	(17,556,043)	(14,548,107)
Profit before minimum tax and income tax	14,818,344	14,245,993	8,754,283
Minimum tax	(1,032,399)	(952,422)	(996,366)
Income tax expense	(143,537)	(938,492)	(963,429)
Profit for the year	13,642,408	12,355,079	6,794,488
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Unquoted equity investments at FVOCI			
- Net change in fair value	5,045,440	2,465,800	-
Quoted equity investments at FVOCI			
- Net change in fair value	(316,770)	(435,461)	-
	4,728,670	2,030,339	-
Items that may be subsequently reclassified to profit or loss			
Debt investments at FVOCI			
- Net change in fair value	(2,285,924)	(618,055)	-
- Net impairment reclassified from profit or loss	20,505	9,747	-
- Losses arising from derecognition of financial assets	-	(659,184)	-
	(2,265,419)	(1,267,492)	-
Foreign currency translation differences for foreign operations	246,453	1,148,941	1,056,631
	(2,018,966)	(118,551)	1,056,631
Available-for-sale financial assets:			
- Net change in fair value	-	-	1,215,607
Other comprehensive income for the year, net of tax	2,709,704	1,911,788	2,272,238
Total Comprehensive Income for the year	16,352,112	14,266,867	9,066,726
Profit attributable to:			
Equity holders of the Bank	13,642,408	12,355,079	6,794,488
Non-controlling interests	-	-	-
	13,642,408	12,355,079	6,794,488
Total comprehensive income attributable to:			

HISTORICAL FINANCIAL INFORMATION

Equity holders of the Bank	16,352,112	14,266,867	9,066,726
Non-controlling interests	-	-	-
	16,352,112	14,266,867	9,066,726
Basic and diluted earnings per share (Naira)	3.41	3.09	1.70

HISTORICAL FINANCIAL INFORMATION

Statement of Cashflows

In thousands of Naira	2019	2018	2017
Cash flows from operating activities			
Profit for the year	13,642,408	12,355,079	6,794,488
Adjustments for:			
Net impairment loss on financial assets	13,406,124	13,954,432	22,653,320
Fair value gain on financial assets held for trading	(1,556,516)	(1,125,296)	(50,317)
Net loss from other financial instruments at fair value through profit or loss	(1,952,495)	-	(111,891)
Amortisation of intangibles	1,340,382	1,210,545	1,111,456
Depreciation of property and equipment	4,587,019	4,022,492	4,053,534
Gain on disposal of property and equipment	(108,541)	(74,886)	(1,043,544)
Unrealised foreign exchange gains	(3,488,209)	(9,068,333)	(8,451,735)
Other operating expenses - provisions for litigation no longer required	(6,153,533)	-	-
Net interest income	(65,441,080)	(68,462,699)	(68,967,856)
Tax expense	1,175,936	1,890,914	1,959,795
	(44,548,505)	(45,297,752)	(42,052,750)
Changes in operating assets and liabilities			
Net (increase)/decrease in restricted reserve deposits	(62,419,139)	(36,858,528)	29,822,355
Net (increase)/decrease in derivative assets held for risk management	(11,655,557)	335,246	1,018,912
Net increase in trading assets	(4,000,858)	(24,309,125)	(15,235,843)
Net (increase)/decrease in loans and advances to customers	(62,688,134)	21,082,526	13,865,746
Net decrease in other assets	6,878,799	11,182,651	5,623,433
Net increase in trading liabilities	4,605,392	10,857,972	15,360,727
Net increase/(decrease) in deposits from banks	50,920,881	32,784,655	(18,442,907)
Net increase in deposits from customers	120,317,300	133,586,818	27,736,790
Net increase/(decrease) in on-lending facilities	12,615,000	11,214,450	(1,407,618)
Net increase in assets pledged as collateral	(35,671,304)	(26,679,736)	-
Net increase /(decrease) in derivative liabilities held for risk management	5,600,567	(335,246)	(770,201)
Net (decrease) / increase in other liabilities	(17,107,003)	72,953,174	(8,853,638)
	(37,152,561)	160,517,105	6,665,006
Interest received	120,743,309	133,006,877	144,178,600
Interest paid	(61,585,668)	(59,013,513)	(63,491,199)
Dividends received	520,119	477,355	396,197
VAT paid	(1,029,910)	(1,460,608)	(616,194)
Income taxes paid	(104,265)	(2,225,820)	(586,862)
Net cash used in operating activities	21,391,024	231,301,396	86,545,548
Cash flows from investing activities			
Purchase of property and equipment	(6,873,682)	(7,749,023)	(4,585,011)
Purchase of intangible assets	(1,394,908)	(414,370)	(179,140)

HISTORICAL FINANCIAL INFORMATION

Purchase of intangible assets work-in-progress	(375,587)	(1,089,091)	(1,091,969)
Proceeds from sale of property and equipment	334,433	957,302	2,218,951
Acquisition of investment securities	(82,559,165)	(182,447,609)	(118,680,814)
Proceeds from sale and redemption of investment securities	70,508,985	48,288,104	62,027,482
Net cash (used in) from investing activities	(20,359,924)	(142,454,687)	(60,290,501)
Cash flows from financing activities			
Proceeds from long-term borrowing	87,278,997	44,080,918	10,298,880
Repayment of long-term borrowing	(71,998,343)	(58,146,498)	(43,184,244)
Proceeds from debt securities issued	17,013,255	-	-
Net cash generated / (used in) from financing activities	32,293,909	(14,065,580)	(32,885,364)
Net Increase/(decrease) in cash and cash equivalents	33,325,009	74,781,129	(6,630,317)
Cash and cash equivalents at start of year	181,262,433	102,226,384	108,185,102
Effect of exchange rate fluctuations on cash and cash equivalents held	2,189,934	4,254,920	671,599
Cash and cash equivalents at end of year	216,777,376	181,262,433	102,226,384



GLOBAL CREDIT RATING CO.
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Nigeria Bank Analysis

August 2020

Rating class	Rating scale	Rating	Outlook	Expiry date
Long-term	National	BBB ⁺ _(NG)	Negative	August 2021
Short-term	National	A2 _(NG)		

Financial data:

(USDm comparative)

	31/12/18	31/12/19
NGN/USD (avg.)	305.6	306.4
NGN/USD (close)	306.5	306.5
Total assets	4,405.9	5,198.8
Primary capital	517.8	571.2
Secondary capital	187.7	244.0
Net advances	2,009.8	2,260.9
Liquid assets	1,109.6	1,483.2
Operating income	331.8	309.8
Net profit after tax	40.4	44.5
Market cap*	n.a	
Market share**	3.8%	

*Central Bank of Nigeria's ("CBN") exchange rate

** Based on industry assets at 31 December 2019.

Rating history:

Initial rating (February 2000)

Long-term rating: A⁺_(NG)

Short-term rating: A1_(NG)

Rating outlook: Stable

Last rating (September 2019)

Long-term rating: BBB⁺_(NG)

Short-term rating: A2_(NG)

Rating outlook: Stable

Related methodologies/research:

Global Criteria for Rating Banks and Other Financial Institutions, updated March 2017

FCMB rating reports (2000-19)

Glossary of Terms/Ratios, February 2016

GCR contacts:

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Summary rating rationale

- First City Monument Bank Limited ("FCMB" or "the bank") ranks among the mid-sized commercial banks in Nigeria, in terms of balance sheet size, accounting for 3.8% of the industry's total assets at FY19. The ratings took cognisance of the pressure on profitability metrics in FY19, further constrained by elevated risk in the operating environment, exacerbated by the uncertainties arising from COVID-19 pandemic.
- FCMB's Shareholders' funds grew 10.3% to N175.1bn at FY19, and ended 1H FY20 at N189.4bn, supported by strong internal capital generation. This translated to an improved risk weighted capital adequacy ratio ("CAR") of 15.1% at FY19 (FY18: 14%), albeit with a thin buffer above the regulatory minimum requirement. Thus, the bank's plan to raise additional debt capital before the current year-end is considered a step in the right direction.
- On the back of a loan book clean-up exercise undertaken in FY19 (write-off and restructuring), FCMB's gross impaired loans declined to N26.2bn, translating to a moderated gross non-performing loan ("NPL") ratio of 3.6% (FY18: 5.9%). Positively, the ratio was sustained at this satisfactory level at end-June 2020. Provisioning level is satisfactory, with total provisions covering impaired loans 1.4x at FY19.
- Liquidity risk appears to be well managed by the bank: the statutory liquidity ratio ranged between 32.7% and 47.6% throughout 2019, and closed at 32.7%. Nonetheless, of concern is the relatively low GCR calculated liquid assets to short-term funding ratio, which weakened to 16.1% at 1H FY20 (FY19: 20.3%, FY18: 19.2%).
- Improvement in profitability metrics in FY19 was mainly supported by decline in operating expenses, a fallout from the write-back of N6.2bn provision made for litigation in previous years. Notwithstanding the increase in business volumes during the year, net interest income declined by 4.4% to N65.4bn and resulted in net interest margin shrinkage to 7.6% (FY18: 8.7%). Also, a decline in FX gains during the year impacted non-interest income. Accordingly, total operating income ("TOI") registered a 6.4% decline to N94.9bn during the year. That said, pre-tax profit of N14.8bn was recorded for FY19, representing a 4% increase from the previous year. Consequently, return on average equity ("ROaE") improved to 9.8% (FY18: 8.7%), while return on average asset ("ROaA") ended flat at 1.1%. Unaudited results as at 30 June 2020 reflects a pre-tax profit of N7.9bn, which outperforms budget on an annualised basis.

Factors that could trigger a rating action may include

Positive change: An upgrade of the rating could emanate from a satisfactory improvement in the bank's profitability, asset quality, capital and liquidity metrics, as well as an enhanced competitive position.

Negative change: The rating may be sensitive to further pressure on asset quality, profitability and capitalisation metrics.

LEGAL OPINION ON THE NOTES

June 25, 2020

FCMB Capital Markets Limited

6th Floor
First City Plaza
44 Marina
Lagos, Nigeria

Dear *Sirs*,

RE: ESTABLISHMENT OF A ₦100,000,000,000 (ONE HUNDRED BILLION NAIRA) COMMERCIAL PAPER ISSUANCE PROGRAMME BY FIRST CITY MONUMENT BANK LIMITED

1. INTRODUCTION

1.1. Basis of Instructions

We have acted as Transaction Counsel to First City Monument Bank Limited (the “**Issuer**”) in connection with: (a) the renewal of a ₦100,000,000,000 (One Hundred Billion Naira) Commercial Paper Issuance Programme and issuances thereunder (the “**Transaction**”); and (b) the preparation, review, negotiation, execution and delivery of the documents listed in paragraphs 1.2.1 and 1.2.2 below (collectively, the “**Transaction Documents**”).

This opinion is rendered pursuant to Clause 6.1 of the Dealer Agreement dated 9 September 2020 entered into between the Issuer and FCMB Capital Markets Limited (the “**Dealer Agreement**”).

Words and expressions used in this opinion and not otherwise defined herein shall have the meanings attributed to same in the programme memorandum for the Transaction dated 9 September 2020 (the “**Programme Memorandum**”).

1.2. Documents

1.2.1 In rendering this legal opinion, we have reviewed the Programme Memorandum which incorporates the pro forma Pricing Supplement (that sets out the terms and conditions applicable to any series or tranche of Notes that will be issued under the Transaction;

1.2.2 We have prepared the following documents in connection with the Transaction and confirm that same will be valid upon their due execution in their forms as of the date of this opinion¹:

- (a) The Dealer Agreement dated 9 September 2020 and entered into by the Issuer and FCMB Capital Markets Limited as dealer (“**Dealer Agreement**”);
- (b) The Issuing, Placing, Paying and Collecting Agency Agreement dated 9 September 2020 and entered into by the Issuer and FCMB Capital Markets Limited as agent (the “**IPPCA Agreement**”); and
- (c) The Deed of Covenant dated 9 September 2020 and entered into as a deed poll by the Issuer in favour of the Noteholders (the “**Deed of Covenant**”);

¹ Where the documents are signed prior to the issuance of this opinion, this clause will be updated.

LEGAL OPINION ON THE NOTES

1.2.3 We have examined the following corporate documents of the Issuer:²

- (a) the Certificate of Incorporation of the Issuer confirming that the Issuer was incorporated on April 20, 1982;
- (b) a copy of the Memorandum and Articles of Association of the Issuer certified as a true copy of the original by the Corporate Affairs Commission ("CAC") on December 9, 2013 ("MemArts");
- (c) a copy of the Issuer's Form CAC 7A (Particulars of Directors and any Changes therein) certified as a true copy of the original by the CAC on November 27, 2019;
- (d) a copy of the Issuer's Form CAC 2A (Return on Allotment (Post-Incorporation) certified as a true copy of the original by the CAC on January 15, 2014;
- (e) a copy of the resolution of board of directors of the Issuer dated April 17, 2020 authorising the renewal of the Programme and execution of the Transaction Documents; and
- (f) such other documents and records as we have deemed necessary in order for us to render this opinion.

1.3. Assumptions

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

- (a) the authenticity or genuineness of all seals and signatures on all documents and the completeness and conformity to original documents of all copies of the documents made available to us in electronic form and that any document submitted to us continues in full force and effect;
- (b) save for contracts provided to us for review and in respect of which we have satisfied ourselves that there are no contractual or similar restrictions binding on the Issuer which would affect the conclusions arrived at in this opinion or affect the Issuer's ability to establish the Programme and to issue the Notes and there are no contractual or similar restrictions contained in any agreement or arrangement (other than those in the Transaction Documents) that are binding on any party to such Transaction Document which would affect the opinions expressed herein;
- (c) each of the material contracts we reviewed, set out in the schedule to this Opinion:
 - (i) where same is supplied as a copy, conforms in all respects with its original version;
 - (ii) is complete and authentic;

² For the reasons outlined in this footnote, we are unable to conduct a search of the Issuer's records at the CAC prior to issuing this legal opinion; which would typically have been the case. The said reasons are: (i) searches on a company's records will, based on CAC's directive, be undertaken by staff of CAC and not by legal counsel; and (ii) given that we will not be able to validate the summary/findings provided by CAC staff, any reliance on such findings in this legal opinion will have to be qualified. As such, the opinion in this Clause is based on the corporate documents provided to us by the Issuer.

- (iii) is in full force and effect, incorporates all amendments that have been made to it, and has not been terminated; and
 - (iv) has been validly executed and is valid and binding on each of the parties to it and each of the parties has complied and continues to comply (to the extent that same is still in force), with the relevant provisions of such document.
- (d) other than the Issuer, each person which is expressed to be party to the Transaction Documents:
 - (i) is duly incorporated and is validly existing;
 - (ii) is not the subject of any insolvency proceedings (which includes without limitation, those relating to bankruptcy, liquidation, administration, administrative receivership and reorganisation) in any jurisdiction;
 - (iii) has the capacity to execute each Transaction Document to which it is expressed to be a party and to perform the obligations it is expressed to assume under it;
 - (iv) has taken all necessary corporate action to authorise it to execute each Transaction Document to which it is expressed to be a party and to perform the obligations it is expressed to assume under it; and
 - (v) has duly executed each Transaction Document to which it is expressed to be a party.
- (e) the accuracy of all the representations and warranties as to factual matters contained in, and made by the Issuer under, the Transaction Documents;
- (f) there are no other facts relevant to this opinion that are not contained in the documents referred to in paragraph 1.2 (*Documents*);
- (g) the lack of bad faith and absence of fraud, coercion, duress or undue influence on the part of any of the parties to the Transaction Documents, their respective directors, officers, employees, agents and advisers and that none of the Parties to the Transaction Documents has executed same on the basis of mistake of fact or law or believing it to be fundamentally different in substance or in kind;
- (h) no Notes will be issued with a tenor of more than 270 days (inclusive of any rollover); and
- (i) that there is no other information known to the Issuer which has not been disclosed to us which would affect the opinions expressed below.

1.4. Scope and Purpose of the Opinion

- (a) This opinion is given on the basis of the assumptions set out in paragraph 1.3 (*Assumptions*) above and is subject to the qualifications set out in paragraph 3 (*Qualifications*) below.
- (b) This opinion is confined to matters of Nigerian law and the affairs of the Issuer as at the date hereof and we have no duty to keep you informed of subsequent developments which might affect this opinion.
- (c) We express no opinion and have taken no account of the laws of any jurisdiction other than Nigeria.

LEGAL OPINION ON THE NOTES

- (d) We express no opinion on matters of fact.
- (e) Our opinion is limited to the matters expressly stated in paragraph 2 (*Opinion*) below and it is not extended by implication. In particular, we express no opinion on the accuracy of the assumptions contained in paragraph 1.3 (*Assumptions*). A statement in the said paragraph which has the effect of limiting our opinion is independent of any other statement and is not to be impliedly restricted by it. As far as we are aware, none of our assumptions are incorrect.

2. OPINION

Based on the foregoing, and subject to the qualifications below, we are of the following opinion:

2.1 Status, Power and Authority, Legal Validity

- 2.1.1 The Issuer: (a) is a private limited company, duly incorporated under the laws of the Federal Republic of Nigeria ("**Nigeria**"); (b) is validly existing and duly authorised to carry on its business as currently conducted, under the laws of Nigeria; (c) has the capacity and power to issue the Notes, enter into the Transaction Documents to which it is a party and to exercise its rights and perform its obligations thereunder; and (d) has perpetual corporate existence and the capacity to sue and be sued in its own name.
- 2.1.2 All corporate actions required to authorise the establishment of the Programme, the issuance of the Notes, the execution by the Issuer of the Transaction Documents to which it is a party, the exercise by the Issuer of its rights and the performance by it of its obligations under the Notes and the Transaction Documents have been duly taken.
- 2.1.3 The Transaction Documents and the Notes (when issued) constitute valid, legal, binding and enforceable obligations of the Issuer and are enforceable against it in accordance with their terms.
- 2.1.4 The issuance of the Notes in dematerialised form is valid and legal under the laws of Nigeria.
- 2.1.5 The obligations expressed to be assumed by the Issuer under the Notes and the Transaction Documents to which it is a party constitute its legal, valid, binding and enforceable obligations and are enforceable against the Issuer in accordance with their terms.
- 2.1.6 The holders of the Notes shall be entitled, severally to enforce the Deed of Covenant against the Issuer.

2.2 Insolvency

To the best of our knowledge, the Issuer is not in liquidation, administration, receivership or administrative receivership; and no winding-up petition, dissolution or similar procedure has been presented against the Issuer. Subject to insolvency laws generally applicable to Nigerian companies, if insolvency proceedings involving the Issuer were to be instituted, the obligations of the Issuer under the Transaction Documents will remain valid, binding and enforceable.

2.3 Immunity

Neither the Issuer, nor any of its assets, is entitled to any right of immunity on the grounds of sovereignty or otherwise from any legal action or proceeding that may be brought in Nigerian courts

LEGAL OPINION ON THE NOTES

arising out of or relating to the Transaction Documents (which shall include, without limitation, suit, attachment, judgment, execution or other legal process).

2.4 **Due Execution**

The Transaction Documents to which the Issuer is a party have been duly executed by the Issuer.

2.5 **No Conflict and Compliance with Laws**

2.5.1 The issuance of the Notes, the execution and the delivery of the Transaction Documents and/or performance of the obligations of the Issuer under the Transaction Documents do not conflict with or will not conflict with:

- (a) any term of the MemArts;
- (b) to the best of our knowledge, any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
- (c) any present law or regulation in Nigeria and applying generally to companies or the issuance of commercial papers.

2.5.2 Specifically, the Notes will be issued and the Transaction Documents have been executed and delivered in compliance with the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the Central Bank of Nigeria on 11 September 2019, and the Commercial Paper Registration and Quotation Rules of the FMDQ Securities Exchange Limited of August 2019.

2.6 **Registration of the Notes**

Save for the registration of the Notes with a registered Central Securities Depository (the "CSD"), which shall serve as the custodian and registrar of the Notes and the registration of the Notes on the FMDQ Securities Exchange Limited for quotation, the Notes are not required to be registered under the Investments and Securities Act No. 29 of 2007 ("ISA"). Section 313(1)(h) of the ISA provides that the Securities and Exchange Commission ("SEC") may, from time to time, make rules and regulations for the purpose of giving effect to the ISA and may, in particular, make rules and regulations, among other things, prescribing that the provisions of the ISA shall not apply or shall apply with such modifications, if any, as may be specified in the regulations to any person or any securities or to any transaction. Rule 8 of the Rules and Regulation of the SEC, 2013 (as amended) (the "SEC Rules") provides that the provisions of the ISA and the SEC Rules requiring registration shall not apply to, among other things, any note, bill of exchange or banker's acceptance which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions and which has a maturity, at the time of issuance, not exceeding nine (9) months exclusive of days of grace, or the maturity of which is likewise limited. This means that commercial papers which have a maturity of two hundred and seventy (270) days or less (such as the Notes) are not required to be registered with the SEC.

2.7 **Regulatory Approvals**

Save as provided in paragraph 2.8 (*Stamp Taxes*) of this opinion, under Nigerian law it is not necessary that the Notes or the Transaction Documents be filed, recorded, registered or enrolled with any court

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or other governmental or regulatory authority or other public body, or that any consent, approval or authorisation be obtained from any such governmental or regulatory authority (including the SEC), by the Issuer to ensure their legality, enforceability, validity or admissibility in evidence or to enable the Issuer lawfully enter into, exercise its rights or perform its obligations under the Notes and the Transaction Documents to which it is a party.

2.8 Stamp Taxes

- 2.8.1 Section 22(4) of the Stamp Duties Act, Cap S8 Laws of the Federation of Nigeria ("LFN") 2004 ("Stamp Duties Act") as amended³ requires instruments executed in Nigeria, or relating, wheresoever executed, to any property situate or to any matter or thing done or to be done in Nigeria to be stamped in order for same to be admissible in evidence before Nigerian courts and to be enforceable by the said courts. Stamp duty is payable in Nigeria either at a flat rate or an *ad valorem* rate. Thus, the Transaction Documents will be liable to stamp duty; and are required to be stamped within forty (40) days from the date they are first executed or if such Transaction Document is subject to *ad valorem* rate within thirty (30) days after they are first executed or have been received in Nigeria (in physical or electronic form), if executed outside Nigeria, in order to render same enforceable and admissible in evidence in Nigerian courts.
- 2.8.2 Historically, each of the Transaction Documents attracted a nominal stamp duty of ₦500.00 (Five Hundred Naira) for the original and ₦50.00 (Fifty Naira) for each counterpart. The Transaction Documents will be assessed and stamped at the prevailing stamp duties rate as of the time of stamping.
- 2.8.3 The Notes will be issued in a dematerialised form and as book entries in the register of the CSD. Historically, the Notes did not attract stamp duty, as it was not in certificated form. However, the Finance Act, 2019 has amended the definition of stamp to include an "electronic stamp" or an "electronic acknowledgment for denoting any duty or fee". Thus, the Notes may attract stamp duty at a rate of 0.1%.
- 2.8.4 Save for the payment of the aforementioned stamp duty which is assessed and payable in respect of the Transaction Documents (other than the Programme Memorandum and/or Pricing Supplement) and the Notes (where so assessed as noted in paragraph 2.8.3 above), to the Commissioner for Stamp Duties, no other stamp duty is payable, and no filing or registration is required in Nigeria in connection with the execution, delivery, performance, enforcement of any of the Notes or the Transaction Documents.

2.9 Withholding Tax

Under Nigerian law, interest payments on debt obligations are subject to withholding tax. Section 78 of the Companies Income Tax Act Cap C21, LFN 2004 (as amended) and section 70 of the Personal Income Tax Act, Cap P8, LFN 2004 (as amended), require companies to withhold tax on interest payments.

Given that the Notes will not bear interest⁴, the Issuer is not required by any law or regulation or any relevant taxing authority in Nigeria to make any withholding or deduction from any payment due to the Noteholders under the Notes or any Transaction Document to which the Issuer is a party. However, the discount on the Notes may be construed as income and taxed in accordance with applicable Nigerian tax laws.

³ The Finance Act 2019 amended the Stamp Duties Act, amongst other tax legislations.

⁴ Save for default interest payable on late payments.

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The section entitled "Tax Considerations" provided in Page 24 of the Programme Memorandum is a fair summary of Nigerian law applicable to such Notes and Transaction Documents.

2.10 Foreign Exchange Control

- 2.10.1 Pursuant to Section 15 of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act Cap F34 LFN 2004, any person may invest in a Nigerian enterprise with foreign currency imported into Nigeria through an authorised dealer (usually a Nigerian bank licensed to deal in foreign exchange). The relevant authorised dealer is required to issue a Certificate of Capital Importation ("CCI"), evincing receipt of such investment capital within twenty-four (24) hours of receipt of imported funds. Foreign currency imported into Nigeria and evidenced by a CCI is guaranteed unconditional transferability or remittance of both capital and profit through an authorised dealer in freely convertible currency.
- 2.10.2 Non-residents who bring funds into Nigeria through an authorised dealer for the purpose of purchasing the Notes and obtaining CCIs may, upon maturity or liquidation of their investments, fully repatriate the proceeds of said investments, upon presentation of their CCIs.
- 2.10.3 Save for the foregoing, there are no foreign exchange control consents, licenses or approvals that are required for the entry into and performance by the Issuer of its obligations under the Transaction Documents or the Notes.

2.11 Pari passu ranking

The Notes are unsecured and no security interests have been created in favour of the Noteholders by any Transaction Documents. The obligations of the Issuer under the Transaction Documents to which it is a party and the Notes (when issued) will rank at least pari passu with all present and future unsecured and unsubordinated obligations of the Issuer, other than those claims which are preferred by any bankruptcy, insolvency, liquidation or other similar laws of general application.

2.12 Domicile/license to carry on business

It is not necessary under the laws of Nigeria (i) in order to enable Noteholders to enforce their respective rights under the Notes, or (ii) by reason only of the holding of the Notes, that any of the Noteholders should be licensed, qualified or entitled to carry on business in Nigeria or prior to enforcement, be required to comply with any requirement as to foreign registration or qualification in Nigeria or be required to make any filing with any court or other agency in the Federal Republic of Nigeria, prior to the commencement of any enforcement action under the Transaction Documents (including the Notes). Noteholders that are not resident or domiciled in Nigeria will not be deemed to be resident, domiciled or carrying on business by reason only of their holding of the Notes.

The due performance by any party of any of its rights, duties, obligations or representations under the Transaction Documents (including the Notes), subject to complying with applicable Nigerian securities law, the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the Central Bank of Nigeria on 11 September 2019, and the Commercial Paper Registration and Quotation Rules of the FMDQ Securities Exchange Limited of August 2019, will not violate any existing applicable law or regulation in the Federal Republic of Nigeria (subject to the requirements of such party's constitutional documents (other than the Issuer)).

2.13 Choice of Law and Jurisdiction

The choice of Nigerian Law as the governing law of the Transaction Documents is a valid choice of law and a Nigerian court or arbitral tribunal will apply same to give effect to the provisions of the Transaction Documents.

2.14 Dispute Resolution

The submission to arbitration by the parties under the Dealer Agreement and the IPPCA Agreement is permitted under the laws of Nigeria and an arbitral award rendered by an arbitral tribunal appointed in accordance with the Dealer Agreement and the IPPCA Agreement would be enforced by the courts of Nigeria as a legal, valid and binding submission to arbitration subject to the provisions of the Arbitration and Conciliation Act, Cap A18 LFN 2004.

3. QUALIFICATIONS

This opinion is subject to the following qualifications and limitations:

- (a) The validity and enforceability of rights and remedies under the Transaction Documents may be subject to limitations imposed by applicable Nigerian bankruptcy, insolvency, reorganisation, administration, moratorium, limitation, prescription and time-bar or other laws affecting the rights of creditors in general and to any provision generally applicable under Nigerian law regarding the invalidation or revision of unfair contract terms. 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 Nigeria to be an adequate remedy.
- (b) This opinion relates only to the laws of Nigeria as of the date first written above and as will likely be applied by Nigerian courts; and is given on the basis that it will be governed by and construed according to the said laws of Nigeria.
- (c) Save to the extent outlined in paragraphs 2.8 and 2.9 above, we express no opinion as to the tax treatment or consequences of the Transaction Documents or the transactions contemplated therein.
- (d) This opinion is expressly limited to the matters set forth above and we render no opinion whether by implication or otherwise as to any other matters.
- (e) 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.

4. BENEFIT

This opinion is provided in connection with the satisfaction of the conditions precedent under the Dealer Agreement and is given solely for the benefit of the Dealer in connection with the Transaction and cannot be relied upon or disclosed by the Dealer for any other purpose or relied upon by any other person without our prior written consent, save that our opinion may be disclosed without such consent (provided that in doing so it is acknowledged that we shall not owe any duty, nor assume any liability to any such person in relation to it and that in preparing this opinion we only had regard to the interests of the Dealer):

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- (a) to any persons seeking to invest in the Notes;
- (b) to professional advisers in connection with the Transaction;
- (c) to any additional dealers appointed under the Dealer Agreement;
- (d) to any person to whom disclosure is required to be made by applicable law or court order or arbitral award or pursuant to the rules or regulations of any supervisory or regulatory body, or the rules of any applicable securities exchange or any rating agency or in connection with any judicial or arbitral proceedings;
- (e) to the affiliates, officers, employees, auditors, regulators and professional advisers of the Dealer;
- (f) in connection with any actual or potential dispute or claim to which the Dealer is a party in relation to the Transaction;

on the basis that such disclosure is made solely to enable any such person to be informed that an opinion has been given and to be made aware of its terms but not for the purposes of reliance.

Yours faithfully,


Ayotunde Owoigbe
PARTNER
BANWO & IGHODALO

GENERAL INFORMATION

Authorisation

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of First City Monument Bank Limited dated 17 April 2020.

Auditors

KPMG Professional Services ("KPMG") acted as auditors of the annual financial statements of the Issuer for the financial years ended 31 December 2017 to 31 December 2019, and was responsible for the audit, and issued unqualified reports. The tenor of KPMG's appointment has lapsed and Deloitte & Touché have been appointed as the new auditors of the Bank effective financial year 2020.

Commercial Paper Outstanding

The Issuer has N29,466,703,000 Series 1 Commercial Paper notes outstanding as at the date of this Programme Memorandum.

Going Concern

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

Litigation

The Bank is, in the ordinary course of business, involved in Two Hundred and Five (205) cases as at 30 April 2020.

In the context of the contemplated transaction, the Solicitors to the Transaction have set a materiality threshold of ₦500,000,000 (Five Hundred Million Naira) (the "Materiality Threshold") with regard to monetary reliefs claimed in the cases against the Bank. Of the Two Hundred and Five (205) cases, the Solicitors to the Transaction identified and reviewed Sixteen (16) case files maintained by the Bank (comprising copies of processes filed in court) in respect of the matters within and above the Materiality Threshold. These cases represent over 80% of the value of all the claims against the Bank.

Of the said Sixteen (16) cases, the Bank is (i) Counter-Claimant in Six (6) cases. Also, the Bank is Appellant in three (3) cases in which ruling/judgment had previously been delivered against its interest, while it is a Respondent in one (1) case in which judgment had been delivered in its favour.

The total value of claims against the Bank in the Sixteen (16) cases within/above the Materiality Threshold is approximately ₦54,308,285,239.93 (Fifty-Four Billion, Three Hundred and Eight Million, Two Hundred and Eighty-Five Thousand, Two Hundred and Thirty-Nine Naira, Ninety-Three Kobo) and US\$881,100 (Eight Hundred and Eighty One Thousand, One Hundred United States Dollars) while the total monetary claim in the counter-claims filed by the Bank is approximately ₦1,917,060,589.84 (One Billion, Nine Hundred and Seventeen Million, Sixty Thousand, Five Hundred and Eighty-Nine Naira, Eighty-Four Kobo) excluding interests and costs, which may be awarded by the courts after the final resolution of each matter.

The Solicitors to the Transaction are of the opinion that the contingent liability that would arise from the cases, where same are diligently defended, would not have a material adverse effect on the proposed Transaction.

In addition, the Solicitors to the Transaction are not aware of any claim or litigation pending or threatened against the Bank which (i) materially or adversely affects the Bank's ability to fulfil its obligations under the Transaction; and/or (ii) affects the validity of the proposed Transaction or restricts the proceedings or actions of the Bank with respect to the Transaction.

The Directors of the Bank are also of the opinion that none of the aforementioned cases is likely to have any material adverse effect on the proposed Transaction, and are not aware of any other pending and/or threatened claim or litigation within the aforementioned category involving the Bank.

GENERAL INFORMATION

Material Contracts

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

- i. An Issuing, Placing, Paying and Collecting Agency Agreement dated on about the date hereof executed by the Issuer, the Collecting and Paying Agent, and the Issuing and Placing Agent;
- ii. A Dealer Agreement dated on about the date hereof between the Issuer and the Arranger & Dealer; and
- iii. A Deed of Covenant dated on about the date hereof executed by the Issuer as a deed poll in favour of the Noteholders.

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

Ultimate Borrower

The Issuer is the borrower in respect of the Notes.

PARTIES TO THE TRANSACTION

Issuer
First City Monument Bank Limited
Primrose Tower
17A Tinubu Street
Lagos

Olu Akinnu



Arranger and Dealer
FCMB Capital Markets Limited
6th Floor, First City Plaza
44 Marina
Lagos

 Abimbola Kasim

Issuing and Placing Agent
FCMB Capital Markets Limited
6th Floor, First City Plaza
44 Marina
Lagos

 Abimbola Kasim

Solicitors
Banwo & Ighodalo
4B, Awolowo Road
Ikoyi
Lagos

 Ayotunde Owoigbe
Olu Akinnu

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

Olu Akinnu


Auditors (FY 2017 - 2019)
KPMG Professional Services
KPMG Towers
Bishop Aboyade Cole Street
Victoria Island
Lagos

Olusafemi Awotaye
Awotaye