



RMB
NIGERIA

Rand Merchant Bank Nigeria Limited RC1031371

₦80,000,000,000 (Eighty Billion Naira) Commercial Paper Issuance Programme

Rand Merchant Bank Nigeria Limited ("RMBN", the "Issuer" or the "Company"), a diversified financial services and private limited liability company incorporated in Nigeria, has established this ₦80,000,000,000 (Eighty Billion Naira) commercial paper issuance programme (the "CP Programme"), under which RMBN may from time to time issue commercial paper notes ("CP Notes" or "Notes"), denominated in Nigerian Naira ("NGN" or "₦"), or such other currency as maybe agreed between the Arrangers or the relevant Dealer(s) (as defined herein) and the Issuer in separate series or tranches subject to compliance with all relevant laws and in accordance with the terms and conditions ("Terms and Conditions") contained in this programme memorandum (the "Programme Memorandum").

Each Series and each Tranche (as defined herein) 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 Notes from time to time outstanding under the CP Programme shall not exceed ₦80,000,000,000 (Eighty Billion Naira) over the three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

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

This Programme Memorandum, the Applicable Pricing Supplement and the Notes have not been and will not be registered with the Securities and Exchange Commission, or under the Investment and Securities Act, No. 29 of 2007.

The Notes issued under this Programme shall be issued in dematerialised form, registered, quoted and traded over the counter via the FMDQ Securities Exchange Limited ("FMDQ Exchange" or the "Exchange") platform in accordance with the rules, guidelines and such other regulation with respect to the issuance, registration and quotation of commercial paper as may be prescribed by the Central Bank of Nigeria ("CBN") and FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN. The securities will settle via the Central Securities Clearing System PLC ("CSCS"), FMDQ Depository Limited ("FMDQ Depository") or any other recognized depository, acting as central securities depository for the Notes.

This Programme Memorandum and the Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom this Programme Memorandum and the Applicable Pricing Supplement is delivered (the "Recipient") and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party.

In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the information included in the Programme Memorandum, the Issuer will prepare a supplement to this Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of Notes. This Programme Memorandum has been seen and approved by the board of directors of the Issuer and they individually and jointly accept full responsibility for the accuracy of all information given.

The Issuer is currently assigned credit ratings by Agosto & Co Limited and Global Credit Ratings Company Limited. Certain Notes may be assigned a credit rating by Agosto & Co Limited and Global Credit Ratings Company Limited under the Programme. A security rating of any Notes is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

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 September 11, 2019 and the Commercial Paper Registration and Quotation Rules (the "Rules") of FMDQ in force as at the date thereof.

JOINT LEAD ARRANGERS / DEALERS



RMB
NIGERIA

Rand Merchant Bank Nigeria Limited

RAND MERCHANT BANK NIGERIA LIMITED
REGISTRATION NUMBER RC1031371



Stanbic IBTC
Capital

STANBIC IBTC CAPITAL LIMITED
REGISTRATION NUMBER RC1031358



**STANDARD CHARTERED CAPITAL &
ADVISORY NIGERIA LIMITED**
REGISTRATION NUMBER RC680774

ISSUING, CALCULATION AND PAYING AGENT



FSDH MERCHANT BANK LIMITED
REGISTRATION NUMBER RC199528

THIS PROGRAMME MEMORANDUM IS DATED 04 DECEMBER 2020

CONTENTS	2
DEFINITIONS AND INTERPRETATIONS	3
IMPORTANT NOTICES	7
INCORPORATION OF DOCUMENTS BY REFERENCE	9
SUMMARY OF THE PROGRAMME	10
REVISED CBN GUIDELINES ON ISSUANCE OF CPs	13
TERMS AND CONDITIONS OF THE NOTES	15
TAX CONSIDERATIONS	21
RISK FACTORS	22
SETTLEMENT, CLEARING AND TRANSFER OF NOTES	23
PROFORMA APPLICABLE PRICING SUPPLEMENT	27
OVERVIEW OF RAND MERCHANT BANK NIGERIA LIMITED	30
USE OF PROCEEDS	41
AUDITOR'S COMFORT LETTER	41
HISTORICAL FINANCIAL INFORMATION	43
EXTRACT FROM ISSUER'S RATING REPORT	45
LEGAL OPINION ON THE NOTES	48
GENERAL INFORMATION	48

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

"Agency Agreement"	The Issuing, Calculation and Paying Agency Agreement dated on or about the date of this Programme Memorandum executed by the Issuer and the Issuing, Calculation and Paying Agent.
"Applicable Pricing Supplement"	The pricing supplement applicable to a particular Series or Tranche issued under the CP Programme.
"BA"	Banker's Acceptance.
"Board" or "Directors"	Board of Directors of Rand Merchant Bank Nigeria Limited.
"Business Day"	Any day other than a Saturday, Sunday or a public holiday declared by the Federal Government of Nigeria on which commercial banks are open for general banking business in Lagos, Nigeria.
"Business Hours"	8.00am to 5.00pm on any Business Day.
"CAMA"	Companies and Allied Matters Act, 2020.
"CBN"	Central Bank of Nigeria.
"CBN Guidelines"	CBN's Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper, issued on 11th September 2019, and the CBN Circular of 12 th July 2016 on Mandatory Registration and Listing of Commercial Papers as amended or supplemented from time to time.
"CGT"	Capital Gains Tax as provided for under the Capital Gains Tax Act, Cap C1, LFN 2004 as amended by the Finance Act 2019.
"CITA"	Companies Income Tax Act, Cap C21, LFN, 2004 (as amended by the Companies Income Tax Act No 11 of 2007 and the Finance Act 2019).
"Central Securities Depository" or "CSD"	Central Securities Clearing System PLC or FMDQ Depository Limited and which expression shall include its successors or any additional or alternative clearing system or any clearing system as may otherwise be specified in the Applicable Pricing Supplement.
"Commercial Paper", "CP" or "Notes"	Quoted senior unsecured commercial paper notes to be issued by the Issuer in the form of short-term zero-coupon notes under the CP Programme.
"Conditions" or "Terms and Conditions"	The 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 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 ₦ 80,000,000,000 (Eighty Billion Naira).
"CSCS"	Central Securities Clearing System Plc.
"Day Count Fraction"	Such method of calculating the interest/discount as specified in the Applicable Pricing Supplement.
"Deed of Covenant"	The Deed of Covenant dated on or about the date of this Programme Memorandum executed by the Issuer in favour of the Noteholders.

"Dealer Agreement"	The agreement dated on or about the date of this Programme Memorandum between the Issuer and the Dealers;
"Dealers" or "Arrangers"	Rand Merchant Bank Nigeria Limited Stanbic IBTC Capital Limited Standard Chartered Capital & Advisory Nigeria Limited 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.
"Eligible Investor" or "EI"	An investor that is not a Qualified Institutional Investor as defined by the FMDQ Exchange Commercial Paper Registration and Quotation Rules, that has executed a declaration attesting to his or her eligibility in the manner prescribed in the FMDQ Exchange Rules.
"Face Value" or "Nominal Amount"	The par value of the Notes.
"FGN"	Federal Government of Nigeria.
"FMDQD"	FMDQ Depository Limited
"FIRS"	Federal Inland Revenue Service.
"FMDQ Exchange" or the "Exchange"	FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the Securities and Exchange Commission to provide a platform for, amongst others, listing, quotation, registration and trading of debt securities.
"FMDQ Exchange Rules"	The FMDQ Commercial Paper Registration and Quotation Rules, July 2020 (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.
"Force Majeure"	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, lockout, plague, epidemic, pandemic, outbreak of infectious disease or any other public health crisis, including quarantine or other restrictions, riot, war, embargo, legislation, acts of God, acts of terrorism, and industrial unrest.
"Government"	Any federal, state or local government of the Federal Republic of Nigeria
"IFRS"	International Financial Reporting Standards as issued by the International Accounting Standards Board
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement.
"Issuer"	Rand Merchant Bank Nigeria Limited.
"Issue Date"	The date upon which the relevant Series/Tranche is issued as specified in the Applicable Pricing Supplement.

"Issue Price"	The price at which the relevant Series/Tranche is issued, as specified in the Applicable Pricing Supplement
"Issuing, Calculation and Paying Agent" or "Agent" or "ICPA" or "IPA"	FSDH Merchant Bank Limited and/or any other person(s) as may be appointed by the Issuer as Issuing, Calculation and Paying Agent and any successor Issuing, Calculation and Paying Agent appointed in accordance with the Agency Agreement.
"Joint Lead Arrangers"	Rand Merchant Bank Nigeria Limited, Stanbic IBTC Capital Limited and Standard Chartered Capital & Advisory Nigeria Limited and/or any other additional person(s) appointed by the Issuer from time to time.
"LFN"	Laws of the Federation of Nigeria.
"Maturity Date"	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due.
"Naira" or "₦" or "NGN"	The Nigerian Naira, the lawful currency of Nigeria.
"NIBBS"	Nigeria Inter-Bank Settlement System Plc
"Nigeria"	The Federal Republic of Nigeria and "Nigerian" shall be construed accordingly.
"Noteholder"	A person for the time being, whose name is shown in the records of the CSD and/or entered in the Register of Noteholders as holder of the Notes and shall include the legal and personal representatives or successors of the Noteholder and those entered as joint Noteholders
"OTC"	Over-the-Counter.
"PITA"	Personal Income Tax Act (Chapter P8) LFN 2004 (as amended by the Personal Income Tax (Amendment) Act of 2011 and the Finance Act, 2019).
"Principal Amount"	The nominal amount of each Note due at maturity, as specified in the Applicable Pricing Supplement.
"Programme Memorandum"	This information memorandum dated 04 December 2020 which details the aggregate size and broad terms and conditions of the CP Programme.
"Qualified Institutional Investor" or "QII"	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.
"Register"	The register of Noteholders, maintained by the Issuing, Calculation and Paying Agent.
"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.
"Series"	A Tranche together with any further Tranche or Tranches which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices.
"Special Resolution"	A resolution passed by at least three fourths (3/4) majority of the total number of Noteholders at any point in time.

"Tranche"	Notes which are identical in all respects.
"Validity Period"	The period of 36 months commencing from 04 December 2020 to 04 December 2023, during which the CP Programme is valid. Provided that the tenor of every issue (including any rollover of such issue) shall not exceed 270 (Two Hundred and Seventy) days. The maturity date of all outstanding CPs shall also not exceed the validity period of the applicable Issuer rating designated at the commencement of the registration of the CP Programme.
"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, No. 11 of 2019).
"WHT"	Withholding Tax as provided for in section 78(2) of CITA and Section 70 (2) PITA.
"Zero Coupon Note"	A Note which will be offered and sold at a discount to its Face Value and which will not bear interest, other than in the case of late payment.

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 ₦80,000,000,000 (Eighty Billion Naira). The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum.

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

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

The directors are responsible for the preparation of the summary financial statements in accordance with the FMDQ Exchange Commercial Paper Registration and Quotation Rules.

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

To the fullest extent permitted by law, none of the Joint Lead Arrangers and other professional advisers accept any responsibility for the contents of this Programme Memorandum or for any other statement, made or purported to be made by any of the Joint Lead Arrangers or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Joint Lead Arrangers and other professional advisers accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save to the extent precluded by law) which it might otherwise have in respect of this Programme Memorandum or any such statement.

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, unless explicitly delivered 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 by the Issuer, the Joint Lead Arrangers or any other professional adviser that any recipient of this Programme Memorandum or any other information supplied in connection with the CP Programme should purchase any Notes.

Each person contemplating the purchase of any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment and any other factors which may be relevant to it in connection with such investment. Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme constitute the rendering of financial or investment advice or an offer or invitation by, or on behalf of, the Issuer, each of the Joint Lead Arrangers or any other professional adviser, to any person to subscribe for or to purchase any Notes.

The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. None of the Joint Lead Arrangers and the other professional advisers expressly or impliedly undertake to review the financial information or affairs of the Issuer during the life of the Programme. Investors should review, among other

things, the most recent audited annual financial statements of the Issuer prior to taking any investment decision.

The commercial paper is a Nigerian Naira denominated instrument or such other currency as maybe agreed between the Arrangers or the relevant Dealer(s). All currency risks assumed by investors upon purchase of the commercial paper issue are borne by the individual investors.

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

FMDQ Securities Exchange Limited takes no responsibility for the contents of this Programme Memorandum, nor any other information supplied in connection with this CP Programme, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Programme Memorandum.

Neither this Programme Memorandum nor any Applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any persons to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Programme Memorandum, any Applicable Pricing Supplement and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum, the Applicable Pricing Supplement or any Notes come must inform themselves about, and observe any such restrictions. In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Notes in the United States of America, the United Kingdom, the European Economic Area and the Republic of South Africa. None of the Issuer, the Joint Lead Arrangers or the other professional advisers, represent that this Programme Memorandum may be lawfully distributed, or that any Notes may be lawfully offered in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Joint Lead Arrangers or the other professional advisers, which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. If and to the extent that this Programme Memorandum, any Applicable Pricing Supplement and the offer or sale of Notes is illegal in such jurisdictions, it is not made in such jurisdiction and is sent to persons in such jurisdictions for information purposes only.

This Programme Memorandum is not for distribution and does not constitute an offer of securities for sale or subscription, in the United States of America, Canada, Japan, Australia, the United Kingdom and the European Economic Area or in any other jurisdiction in which such an offer for sale or subscription would be unlawful or would require qualification or registration. Securities may not be offered in the United States of America without registration or an exemption from registration under the securities laws of the United States of America or in any other jurisdiction, except in accordance with applicable law.

Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). Notes may not be offered, sold or delivered within the United States of America or to U.S. persons except in accordance with Regulation S under the Securities Act.

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;
2. the audited annual financial statements (and notes thereto) and any audited interim financial statements published subsequent to such annual financial statements of the Issuer for the financial years prior to each issue of Notes under this Programme; and
3. any supplements and/or amendments to this Programme Memorandum circulated by the Issuer from time to time in accordance with the Programme Memorandum,

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

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

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

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

The Issuer will provide, at its registered office, as set out in this Programme Memorandum, free of charge and to each prospective investor upon request, a copy of any of the documents deemed to be incorporated herein by reference, 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 at its registered office as set out in this Programme Memorandum.

The following summary does not purport to be complete and is taken from and is qualified in its entirety by the remainder of this Programme Memorandum and the Applicable Pricing Supplement. The information below is a brief summary of the key features and summarized terms and conditions of the proposed CP Programme:

1. ISSUER:	Rand Merchant Bank Nigeria Limited.
2. PROGRAMME DESCRIPTION:	Commercial Paper Issuance Programme.
3. SIZE OF PROGRAMME:	₦80,000,000,000 (Eighty Billion Naira) aggregate principal amount of Notes outstanding at any point in time.
4. 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 will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement.
5. JOINT LEAD ARRANGERS:	Rand Merchant Bank Nigeria Limited, Stanbic IBTC Capital Limited and Standard Chartered Capital & Advisory Nigeria Limited.
6. DEALERS / ARRANGERS	Rand Merchant Bank Nigeria Limited, Stanbic IBTC Capital Limited, Standard Chartered Capital & Advisory Nigeria 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.
7. ISSUING, CALCULATION AND PAYING AGENT:	FSDH Merchant Bank Limited and/or any other person(s) as may be appointed by the Issuer as Issuing, Calculation and Paying Agent
8. AUDITORS:	PricewaterhouseCoopers Chartered Accountants.
9. SOLICITOR:	Aluko & Oyebo
10. CLEARING HOUSE:	The CSD stated in the Applicable Pricing Supplement.
11. USE OF PROCEEDS:	The net proceeds from each issue of Notes will be used to augment the Issuer's working capital requirements and for the Issuer's business or as may otherwise be described in the Applicable Pricing Supplement.
12. METHOD OF ISSUE:	The Notes may be offered and sold by way of a fixed price offer for subscription or through a book building process and/or any other methods as described in the Applicable Pricing Supplement, within Nigeria or otherwise, in each case as specified in the Applicable Pricing Supplement.

13. MATURITY DATE:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 (Fifteen) days and a maximum of 270 (Two Hundred and Seventy) days (including rollover, from date of issue). The maturity date of all outstanding CPs shall also not exceed the validity period of the applicable Issuer rating designated at the commencement of the registration of the CP Programme
14. INTEREST PAYMENTS:	Notes shall be issued at a discount and in the form of Zero-Coupon Notes. Thus, the Notes will not bear interest, other than in the case of late payment.
15. ISSUE PRICE:	The Notes shall be issued at a discount. The effective rate of interest will be calculated on the basis of such Day Count Fraction specified in the Applicable Pricing Supplement.
16. SOURCE OF REPAYMENT:	The repayment of all obligations under the Programme will be funded from the cash flows of the Issuer, unless otherwise specified in the Applicable Pricing Supplement.
17. ISSUE SIZE:	As specified in the Applicable Pricing Supplement, subject to an initial minimum value of ₦100,000,000 (One Hundred Million Naira) and multiples of ₦50,000,000 (Fifty Million Naira) thereafter.
18. CURRENCY OF ISSUE:	The Notes issued under this programme will be denominated in Naira.
19. REDEMPTION:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and FMDQ Exchange Rules.
20. RATING:	<p>Pursuant to the CBN Guidelines and FMDQ Exchange Rules, either the Issuer 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>The Issuer has been assigned a long-term national rating of Aa- by Agosto & Co Limited and A+ by Global Credit Ratings Company Limited.</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>
21. TENOR	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 days and a maximum of 270 days, including roll-over from the date of issue. The maturity period of such outstanding CPs shall also be subject to the validity of the Programme.

22. STATUS OF THE NOTES:	Each Note constitutes a senior, direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes rank <i>pari passu</i> among themselves and, save for certain debt obligations preferred by law, <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time.
23. QUOTATION:	The Issuer will quote all Series or Tranches issued on the FMDQ Exchange's platform or any other recognised trading platform / exchange. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation or listing of any Series or Tranche quoted or listed on the relevant trading platform.
24. SECONDARY MARKET	All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation of any Series or Tranche of Notes quoted on the FMDQ Exchange.
25. TAXATION:	Refer to the section of this Programme Memorandum headed " <i>Tax Considerations</i> ".
26. GOVERNING LAW:	The Notes issued under the Programme and all related contractual documentation will be governed by and construed in accordance with Nigerian law.
27. 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 ") or any other transfer mode agreed by the Transaction Parties and recognised by the CBN.

BACKGROUND

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

REGULATORY FRAMEWORK

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

QUALIFICATION

A CP qualifies as a financing vehicle if:

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

SIZE AND TENOR

CPs shall be issued at the primary market for a minimum value of ₦100,000,000 (One Hundred Million Naira) and multiples of ₦50,000,000 (Fifty Million Naira), thereafter.

Furthermore, they shall be issued for maturities of between 15 (Fifteen) days and 270 (Two Hundred and Seventy) days, including rollover, from the date of issue. The 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 CSD.

INVESTORS IN BANKERS ACCEPTANCES AND COMMERCIAL PAPERS

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

FORMS OF MAINTAINING CPs

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

ISSUING, CALCULATION AND PAYING AGENT

Only a CBN-licensed deposit money bank and discount house may act as an ICPA for the issuance of a CP.

GENERAL REQUIREMENTS

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

MANDATORY REGISTRATION & QUOTATION

CBN Circular of 12th July 2016 on Mandatory Registration and Listing of Commercial Papers requires CPs to be registered and quoted on an authorised securities exchange. 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 to act as issuer, guarantor, issuing, placing, paying and collecting agent etc.

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

COMPLIANCE WITH THE CBN GUIDELINES AND FMDQ EXCHANGE RULES

The Issuer has complied with all applicable provisions as stated in the CBN Guidelines and FMDQ Exchange Rules. A legal opinion confirming adherence to the CBN Guidelines and FMDQ Exchange Rules is incorporated on **page 48 to 54** of this Programme Memorandum.

The following are the Terms and Conditions of the Notes to be issued by the Issuer under the Programme. The provisions of the Applicable Pricing Supplement to be issued in respect of any Note are incorporated by reference herein and will supplement these Terms and Conditions for the purposes of that Note. The applicable Pricing Supplement in relation to any series of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions contained herein, replace or modify the following Terms and Conditions for the purpose of such series of Notes.

1. Issuance of Notes

The Issuer may from time to time, subject to these Terms and Conditions, issue Notes in one or more Series on a continuous basis under the Programme in an aggregate principal amount not exceeding ₦80,000,000,000.00 (Eighty Billion Naira). Any Series of Notes issued under the Programme shall be constituted by, be subject to and benefit from the Deed of Covenant.

2. Form, Denomination and Title

2.1. Form and Denomination

- 2.1.1. Unless otherwise specified in any Applicable Pricing Supplement, the Notes shall be registered electronically, serially numbered and denominated in a minimum amount of ₦1,000 (One Thousand Naira Only) and integral multiples of ₦1,000 thereafter; and will be sold at such discount from their face amounts as shall be agreed upon by the Dealers and the Issuer; and shall have a maturity not exceeding 270 (Two Hundred and Seventy) days including the roll over from the Issue Date.
- 2.1.2. The Notes issued under this Programme will be denominated in Naira.
- 2.1.3. Notes issued will be in the form of Zero Coupon Notes and will not pay interest prior to final maturity.
- 2.1.4. The Notes will be delivered to the Dealers in dematerialised (uncertificated, book entry) form; shall be registered with a CSD, which shall serve as the custodian and central depository of the Notes; and the Dealers may deal in the Notes in accordance with the CSD procedures and guidelines.

2.2. Title

- 2.2.1. Title to the Notes will pass upon credit to the CSD account of the Noteholders.
- 2.2.2. Transfer of title to Notes shall be effected in accordance with the rules governing transfer of title in securities held by the CSD.
- 2.2.3. The Issuer may deem and treat the registered holder of any Note as indicated in the records of CSD and the Register as the absolute owner thereof for all purposes, including but not limited to the payment of outstanding obligation in respect of the Notes.

3. Status of the Notes

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

4. Redemption

The Notes are only redeemable at maturity and will be redeemed at the face value specified in the Applicable Pricing Supplement.

5. Payments

The Face Value of the Notes will be paid to the Noteholders whose names are reflected in the Register as at the Relevant Last Date. The registered Holder shall be the only person entitled to receive payments in respect of a Note and the Issuer will be discharged by payment to, or to the order of, the registered Holder in respect of each amount so paid.

5.1. Method of Payments

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

5.2. Payment Day

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

5.3. Closed Periods

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

6. Event of Default

6.1. Event of Default

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

- 6.1.1. Subject to Condition 5.1.5 above, if the Issuer fails to make payment in full by the Relevant Date save for where such failure is as a result of an administrative or technical error and payment is made within 10 (ten) Business Days of the Relevant Date; or
- 6.1.2. If the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for a period of seven (7) days following the service on the Issuer of a written notice requiring that breach to be remedied; or
- 6.1.3. Should any representation or warranty made in connection with any documentation supplied by the Issuer be materially incorrect; or
- 6.1.4. If the Issuer initiates bankruptcy or insolvency proceedings or becomes insolvent, or is provisionally or finally sequestered, or is provisionally or finally wound up, or is unable to pay its debts as they become due, or is placed under provisional or final judicial management, or enters into a scheme of arrangement or compromise with its creditors in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Noteholders; or
- 6.1.5. Should the members of the Issuer pass a resolution for the winding up of the Issuer; or
- 6.1.6. If an attachment, execution or other legal process is levied, enforced upon, issued on or against a material or substantial part of any assets of the Issuer and is not discharged or stayed within 30 (Thirty) days of service by the relevant officer of the court of such attachment, execution or other legal process..

6.2. Action upon Event of Default

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

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

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

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

7. Register

- 7.1. The Register shall be maintained by the Issuing, Calculation and Paying Agent. The Register shall reflect the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes issued to such Noteholder and the date of issue.
- 7.2. Statements issued by the CSD as to the aggregate number of Notes standing to the CSD account of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes.
- 7.3. The Register shall be open for inspection during the normal business hours of the Issuing, Calculation and Paying Agent to any Noteholder or any person authorised in writing by the Noteholder.
- 7.4. The Issuing, Calculation and Paying Agent shall alter the Register in respect of any change of name, address or bank account number of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

8. Notices

8.1. Notices to the Noteholders.

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

8.2. Notices from the Noteholders

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

9. Modification

- 9.1. The Dealers and the Issuer may agree without the consent of the Noteholders, to any modification of the Terms and Conditions, which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with the mandatory provisions of any law in Nigeria and which is not prejudicial to the interest of the Noteholders. Notice of such modification shall be published in at least one daily newspaper of general circulation in Nigeria and shall be deemed to have been given and received on the date of first publication.
- 9.2. Save as provided in condition 9.1 above, no amendment of the Terms and Conditions may be effected unless;
 - i. such amendment is in writing and signed by or on behalf of the Issuer; and

- ii. such amendment:
 - if it affects the rights, under the Terms and Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% of the outstanding Principal Amount of all the Notes; or
 - if it affects only the rights, under the Terms and Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% of the outstanding Principal Amount of all the Notes held by that group.
- 9.3. Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 8 as practicable thereafter.

10. Meeting of Noteholders

- 10.1. The Issuer may at any time convene a meeting of all Noteholders upon at least 21 (Twenty-One) days prior written notice to such Noteholders. The notice is required to be given in terms of Condition 8. Such Notice shall specify the date, place and time of the meeting to be held, which place shall be in Nigeria.
- 10.2. Every director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 10.3. Noteholders holding not less than 10% in Principal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within 10 (Ten) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.
- 10.4. 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.
- 10.5. Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a **Representative**) in connection with any meeting or proposed meeting of the Noteholders.
- 10.6. Any Proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the Holder of the Notes to which the appointment relates and the Holder of the Notes shall be deemed for such purposes not to be the Holder.
- 10.7. The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 10. Should the Noteholders requisition a meeting, and the Issuer fail to call such a meeting within 10 (Ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by a simple majority of Noteholders present in person or proxy.
- 10.8. At any meeting of Noteholders, two or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum. 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.

11. Further Issues

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

12. Governing Law

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

The tax consequences of investments in the Notes are broadly summarised below. The summary is not intended and should not be construed, to be tax advice to any particular 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 advisers shall be liable to any subscriber in any manner for placing reliance upon the contents of this section.

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 waivers granted under the Order, amendments to the PITA include an exemption on all forms of taxes on income earned from investments made by individuals in, among other things, corporate bonds. In contrast to the Order in respect of companies that invest in corporate bonds, no limitation period applies with respect to the exemption from income tax, which has been granted pursuant to the PITA in connection with interest or income earned on corporate bonds by any individual or other bodies liable to tax under the PITA. The exemption in the PITA applies to all corporate bonds and short-term securities, including interest earned on bonds and short term securities issued by corporates.

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

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

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

General Fixed Income Related Risks

There may not be an active two-way quote trading market for the CPs when issued, and thus the liquidity of the CPs may be limited. Therefore, Investors may not be able to sell their CPs in a transparent and efficient system. However, a vibrant OTC market exists for treasury bills and other fixed income securities, and the continuous development and deepening of the fixed income market will help ensure increased liquidity of the CPs.

Operational Risk

The Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events such as third-party fraud. This definition includes legal risk but excludes strategic and reputational risks. The Bank's operational processes capture the following major types of losses: fraud (internal and external); fines, penalties or expenses incurred as a result of settlement delays and regulatory infractions; losses arising from litigation processes including out of court settlements; un-reconciled cash (teller, vault, ATM) shortages written off in the course of the year; losses incurred as a result of damage to the Bank's assets; and losses incurred as a result of system downtime, malfunction or disruption. The Bank recognises the significance of operational risk, which is inherent in all areas of the Bank's business. Any lapse due to operational risks that could result in losses could affect the Issuer's ability to perform its obligations under the programme.

Credit Risk

Credit risk is the risk that a counterparty will cause a financial loss to the Bank by failing to meet contractual obligations to the Bank when due. It is the most significant risk inherent in the Bank's business. Credit exposures arise principally from lending activities including loans and advances, and investment activities that bring debt securities and other instruments into the Bank's asset portfolio. There is also credit risk in off-balance sheet financial instruments. The Bank's financial condition and operating results could be adversely affected due to credit risk.

Regulatory and Compliance Risk

The banking industry in which the Bank operates is highly regulated. Banks and Other Financial Institutions Act, 1991, various CBN Guidelines (including the CBN Prudential Guidelines), circulars and directives contain provisions which the Bank is required to adhere to, including the requirement to meet certain capital adequacy and cash reserve requirements, failing which the Bank risks sanction by the CBN. Non-compliance by the Bank with CBN directives may result in the revocation of the Bank's banking licence. Should the Bank lose its banking licence, it would be unable to meet its obligations under the Programme.

Liquidity Risk

The Bank is exposed to two types of liquidity risk:

- Market/trading liquidity risk: inability to conduct a transaction at current market price because of the size of the transaction. This type of liquidity risk arises when certain assets cannot be liquidated at short notice due to market illiquidity; and
- Funding liquidity risk: inability to access sufficient funds to meet payment obligations in a timely manner. The management of liquidity risk arising from funding and trading is very critical to the ongoing viability of the Bank.

Liquidity risk is assessed by comparing the expected outflows with expected inflows, and liquidity risk arises when there is a mismatch between the inflow and outflow, and when there is unexpected delay in repayment of loans (term liquidity risk) or unexpectedly high payment outflow (withdrawal/call risk). Significant liquidity constraint could affect the Issuer's ability to perform its obligations under the programme.

Market Risk

Market risk is the risk arising from adverse changes in underlying market factors such as interest rates, foreign exchange rates, equity prices, commodity prices and other relevant factors such as market volatility. The Bank's financial condition and operating results could be affected by market risks that are outside the Bank's control. The Bank undertakes trading and investment activities in fixed income securities such as notes, treasury bills, interbank takings and placements, as well as foreign exchange trading, all of which give rise to market risk exposure (i.e. the risk that the fair value or future cash flows of the Bank's trading and investment positions or other financial instruments may fluctuate because of changes in market prices).

Interest Rate Risk

The principal risk to which the Bank's non-trading portfolios are exposed is the risk of loss arising from fluctuations in the future cash flow or fair values of financial instruments because of a change in the market interest rate. Interest rate risk occurs when there is a mismatch between interest rate sensitive assets and liabilities. Interest rates are highly sensitive to many factors beyond the Bank's control, including increased regulation of the financial sector, monetary policies, domestic and international economic and political conditions and other factors. Increases in interest rates may reduce the value of the Bank's financial assets and may also reduce gains or require it to record losses on sales of its loans or securities. In addition, an increase in interest rates may reduce overall demand for new loans and increase the risk of customer default. If interest rates decrease, although this is likely to reduce the Bank's funding costs, it is likely to compress its net interest margins, as well as adversely impact its income from investments in securities and loans with similar maturities, which could have a negative effect on it.

Foreign Exchange Risk

Foreign currency risk is the risk that changes in foreign exchange rates would affect the value of the financial assets and liabilities as well as off-balance sheet items. This also includes positions in local currency that are indexed to foreign exchange rates. Financial instruments that are exposed to this risk include foreign currency denominated loans and advances, foreign currency denominated securities, and future cash flows in foreign currencies arising from foreign exchange transactions. Movement in exchange rates could result in further devaluation of the Naira, which may affect the value of the Bank's foreign currency denominated assets and liabilities and have a negative impact on the Bank's financial condition.

Tax Risk

Potential investors should consider the tax consequences of investing in the Notes and consult their tax advisors about their own tax situation.

Credit Rating Risk

The Issuer's credit ratings are an assessment by the relevant rating agencies of its ability to pay its debts when due. Consequently, real or anticipated changes in its credit ratings will generally affect the market value of the Notes. One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this Programme Memorandum, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Risks arising from COVID-19 pandemic

The outbreak of communicable diseases on a global scale may affect investment sentiment and result in sporadic volatility in global capital markets. The coronavirus known as COVID-19 has spread to many

countries around the world, including Nigeria. The first case of COVID-19 in Nigeria was recorded on March 2020 in Lagos State, the commercial hub of the Nigerian economy. In response, the Federal Government of Nigeria began imposing travel restrictions, as well as other restrictions, with the aim of reducing in-person interactions.

To date, the COVID-19 pandemic has negatively impacted the Nigerian economy, due to disrupted supply chains, lower oil prices, foreign exchange illiquidity, a reduction in trade lines from international financiers and naira volatility. In addition, the pandemic has resulted in temporary closures of many businesses and the institution of social distancing and sheltering in place requirements in many states and communities. It is forecasted that Nigeria would slip into a recession due to the negative impact of COVID-19 on the economy, which would have a ripple effect on the Nigerian financial system in general.

In response to the COVID-19 pandemic and its impact on the Nigerian economy, the Federal Government and CBN have introduced financial forbearance and other palliative measures to support businesses and individuals through COVID-19. However, there can be no assurances that these measures will sufficiently mitigate the adverse effects of the COVID-19 pandemic on the Nigerian financial system.

RMBN Board and management have taken necessary measures and implemented initiatives to cushion the effect of the pandemic on the business. Management have dimensioned the impact of the pandemic on different areas of the business and taken actions to mitigate the impact and ensure that business continues to deliver premium services to her clients. The bank's diverse credit portfolio has been adequately assessed to identify potential sources of further stress in the portfolio and likely impact of any potential increase in risk, additional provision have been taken to recognize the heightened risk should these materialize.

The going concern status of the bank is not affected by the pandemic, the bank's remains adequately capitalized and continues to be in a profitable position despite the decline in some revenue lines due to the general impact of COVID 19 on the economy. The bank's management and staff continue to focus on growing the business through proactive engagement with our client base (new and existing) to help them navigate the current situation.

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

CLEARING SYSTEM

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

All transactions in the Notes shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSD. Subject as aforesaid, each Tranche will be issued, cleared and transferred in accordance with the Terms and Conditions and will be settled through Authorised Participants (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 only banks (the "**Authorised Participants**") and each beneficial owner of the Notes is required to have a sub-account under the Authorised Participants. Noteholders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorised Participants.

For purposes of Notes issued under this Programme, the Authorised Participant is FSDH Merchant Bank Limited and any other bank appointed by the Issuer to act as ICPA.

Where FMDQ Depository Limited is acting as the CSD, the process for settlement, clearing and transfer shall be as outlined in the Process Flow for Commercial Paper Admittance document dated 16 March 2020 and extracted below:

REGISTRATION

- i. The Authorised Participant is required to register with the CSD before dealing in CPs.
- ii. Noteholders are required to route their account opening applications and transactions through the Authorised Participant who would then notify the CSD to create a relevant sub-account for the Noteholder.
- iii. CSD will assign a unique identification number, Business Partner/Participant member code (BPID) to the Authorized Participant, open the account(s) requested by the Authorised Participant in order to enable distribution of asset to investors and settlement of secondary market transactions
- iv. CSD will furnish the Authorised Participant with the following information:
 - a) BPID;
 - b) Account Number(s), including sub-accounts for clients; and
 - c) CP Symbol and International Securities Identification Number (ISIN) Codes.

LODGEMENT

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

REDEMPTION

- i. Secondary market activities shall end two (2) working days before the CP maturity date (MD – 2).
- ii. At maturity, the Dealer / ICPA shall:
 - a) provide attestation letter indicating evidence of pay-off to investors.
 - b) provide the Exchange acceptance/approval letter for redemption.
 - c) buy back the units and advise CSD to cancel the CP(s) on the maturity/ redemption date of the CP.
- iii. In event of default of inability to fulfil its obligation at meeting item (ii) stated above, the ICPA shall notify the CSD no later than two (2) working days before maturity date and make public the default status to the market.
- iv. In the event of item (iii) crystallising, the CP holdings must remain with the CSD until the ICPA pays off the holders of the CP (ICPA notifies CSD and evidence of pay-off attached). Thereafter, CSD will expunge the CP from the Depository accordingly.

ROLL-OVER

- i All CPs, including roll-overs shall not exceed 270 days (tenor) from the date of issue.
- ii Every roll-over/renewal shall be treated or classified as a new CP issue.
- iii CSD shall expunge the existing CP Symbol and ISIN Codes from the system and replace with the new codes.

SECONDARY MARKET TRADING GUIDELINES

- i. Dealers (Banks) submit CP transaction instructions/details in a specified format through the Exchange for onward transmission to the CSD.
- ii. Dealers are to state the respective account numbers where the CP(s) should be traded from or deposited into the investors account.
- iii. Flexible settlement cycle applies (T + 2, T + 1, T + 0 ...) subject to the Exchange's market conventions.

REPORTING

- i CSD will effect the transfer of CPs on settlement date as advised.
- ii CSD will advise the ICPA of successful and failed transactions on each settlement day.

TRANSFERS / SECONDARY MARKET TRADING

- i. Authorised Participant advise CSD of all transfers, sales or purchases of commercial papers as at when due (based on SLA)
- ii. Is the CSD settling both cash and securities?
- iii. If Yes, CSD transfers cash consideration to cash settlement facility and release securities in true DVP process.
- iv. If No, CSD transfer security units as advised.
- v. The CSD confirms the trade execution to the Authorised Participant.
- vi. The Authorised Participant logs in to the CSD application to confirm status of transaction and generate desired report



**Issue of [Aggregate Nominal Amount of Series/Tranche] [Title of Notes]
Under its ₦80,000,000,000 (Eighty Billion Naira)
Commercial Paper Issuance Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 04 December 2020, prepared by Rand Merchant Bank Nigeria Limited in connection with its ₦80,000,000,000 (Eighty 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 Applicable Pricing Supplement shall have the meanings ascribed to them in the Programme Memorandum.

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

PARTIES

1. ISSUER	Rand Merchant Bank Nigeria Limited
2. JOINT LEAD ARRANGERS	Rand Merchant Bank Nigeria Limited, Stanbic IBTC Capital Limited and Standard Chartered Capital & Advisory Nigeria Limited
3. ISSUING, CALCULATION AND PAYING AGENT	FSDH Merchant Bank Limited
4. AUDITORS	PricewaterhouseCoopers Chartered Accountants.
5. CUSTODIAN	[]
6. SOLICITOR	Aluko & Oyebode

PROVISIONS RELATING TO THE NOTES

7. (a) PROGRAMME SIZE	
(b) ISSUED AND OUTSTANDING AT THE DATE OF THE PRICING SUPPLEMENT	[]
8. AGGREGATE NOMINAL AMOUNT	[]
(a) SERIES NUMBER	[]
(b) TRANCHE	[]
9. FACE VALUE	[]
10. DISCOUNTED VALUE	[]
11. NOMINAL AMOUNT PER NOTE	[]
12. ISSUE PRICE	[]
13. TENOR	[]

- | | |
|-----------------------------|---|
| 14. MATURITY DATE | [] |
| 15. FINAL REDEMPTION AMOUNT | [] |
| 16. SPECIFIED DENOMINATION | [] |
| 17. SPECIFIED CURRENCY | [] |
| 18. STATUS OF NOTES | [] |
| 19. FORM OF NOTES | [] |
| 20. LISTING | [] |
| 21. TAXATION | [] |
| 22. METHOD OF OFFER | [] |
| 23. BOOK CLOSED PERIOD | The Register will be closed from [] to [] until the Maturity Date |

ZERO COUPON NOTES

- | | |
|--|-----|
| 24. (a) DISCOUNT RATE ("DR") | [] |
| (b) IMPLIED YIELD | [] |
| (c) ANY OTHER FORMULA OR BASIS FOR DETERMINING AMOUNT(S) PAYABLE | [] |
| 25. DAY COUNT FRACTION | [] |
| 26. BUSINESS DAY CONVENTION | [] |

PROVISIONS REGARDING REDEMPTION

- | | |
|--|---------------------------------------|
| 27. REDEMPTION/PAYMENT BASIS | [Redemption at par] [other (specify)] |
| 28. ISSUER'S EARLY REDEMPTION | [Applicable/Not applicable] |
| 29. ISSUER'S OPTIONAL REDEMPTION | [Applicable/Not applicable] |
| 30. OTHER TERMS APPLICABLE ON REDEMPTION | [] |

GENERAL

- | | |
|---|---|
| 31. OFFER OPENS | [] |
| 32. OFFER CLOSES | [] |
| 33. ALLOTMENT DATE | [] |
| 34. NOTIFICATION OF ALLOTMENT | All applicants will be notified through an email and/or telephone of their allotment by no later than [] |
| 35. ISSUE DATE | [] |
| 36. SETTLEMENT DATE | [] |
| 37. DETAILS OF BANK ACCOUNT(S) TO WHICH PAYMENTS ARE TO BE MADE IN RESPECT OF THE NOTES | [] |
| 38. SETTLEMENT PROCEDURES AND SETTLEMENT INSTRUCTIONS | [] |
| 39. DELIVERY DATE | [] |

MATERIAL ADVERSE CHANGE STATEMENT

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

RESPONSIBILITY

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

Signed at _____ on this _____ day of _____ []

For and on behalf of
Rand Merchant Bank Nigeria Limited

Name
Capacity: Director
Who warrants his/her authority hereto

Name
Capacity: Director
Who warrants his/her authority hereto

1. History and Overview of Rand Merchant Bank Nigeria Limited

Rand Merchant Bank Nigeria Limited ("RMBN" or the "Bank") was incorporated as a private limited liability company in May 2012. Following its incorporation, RMBN was licensed by the Central Bank of Nigeria ("CBN") to operate as a merchant bank in November 2012 and commenced operations in April 2013. RMBN offers its clients innovative, value-added advisory, funding, trading, corporate banking, custody and principal investing solutions.

RMBN is a wholly owned subsidiary of FirstRand EMA Holding (Proprietary) Limited, a company incorporated in the Republic of South Africa, which owns 99.9% of its ordinary shares. FirstRand Limited is the largest financial institution in Africa by market capitalization (c.US\$12.9Billion as at 22nd September 2020) and one of the largest companies listed on the Johannesburg Stock Exchange. In Nigeria, RMBN has over 15 years of transactional experience ranging from advisory on infrastructure projects to funding of various transactions across multiple sectors.

RMBN's vision and primary business objective is to create sustainable value, innovative solutions and superior economic returns for clients and shareholders in Africa and beyond. To deliver on this business philosophy, the Bank applies a dynamic and strategic approach to client selection and transactions. This is in turn complemented by the employment of diverse, experienced, talented and passionate people who are committed to excellence and who can deliver on the execution of the Bank's vision.

RMBN had total assets of NGN134.1 billion and profit before tax (PBT) of NGN16.5 billion in 2019 with a 31.3% CAGR in PBT over the last three years.

Premises

RMBN performs its business activities from its main office at 3rd Floor, East Tower, Wings Office Complex, 17A Ozumba Mbadiwe Street, Victoria Island, Lagos (Telephone number: +234-1-4637900, email address: info@rmb.com.ng and website address: www.rmb.com.ng).

2. RMBN's Business Activities

RMBN operates primarily through two business divisions: A banking division comprised of Corporate and Investment Banking business units and the Markets division in the form of the Global Markets business unit. The engagement between the Bank's target clients and these businesses divisions is managed by a Client Coverage and Origination Unit. The operational business units of RMB Nigeria are presented in the diagram below:



Overview of Select RMB's Products & Services:

Client Coverage and Origination – Client centricity, solutionist thinking and a holistic client ownership approach to clients are the strategic pillars in RMBN's client engagement philosophy. The Bank's client origination and relationship management team comprises of an experienced team of sector specialists who understand the major market and economic drivers impacting their respective industries. The client relationship team also ensures a cohesive strategy into the global FirstRand Group client strategy and business value proposition. The key strategic sectors of focus for the team are Financial Institutions (Banks, Financial Sponsors, Non-Bank Financial Institutions, Development Financial Institutions, non-government agencies, Embassies and the Public Sector) and Corporates (Manufacturing, FMCGs, Healthcare, Retail & Services, Logistics, Oil & Gas, Power & Infrastructure, Telecommunications and Agriculture.

Corporate & Investment Banking

RMBN's value proposition in this regard is made up of Transactional Banking, Debt & Trade Solutions, General Corporate Lending, Bespoke Financing (Equity and Debt), Advisory and daily operational banking requirements.

Transactional Banking: In addressing the client's day-to-day operation needs, our Transactional Banking team offers Liquidity Management and Payments/Receipting services on its enterprise platform – RMBN Digital which can be integrated into clients broader banking and operational ecosystems.

Debt and Trade Solutions – The Debt Solutions team ensures that each business has the right level of debt funding at the right time. This includes short term to long term debt solutions and domestic to international syndicated loan transactions. Key debt offering include:

- Working Capital Finance: short term Supply Chain and Distribution Finance Solutions
- Trade Finance Solutions: Letters of Credit, Bills of Collection and Working Capital
- General Term Lending: Long term corporate lending solutions.

The Debt and Trade Solutions team has multi-sector and multi-jurisdictional expertise and has originated and executed noteworthy corporate loan facilities with our clients in order to enable them to meet their specific funding requirements.

Infrastructure and Project Finance (IPF) – RMBN has an experienced, multi-disciplinary IPF team that tailors funding solutions for infrastructure projects in Nigeria. The team provides solutions to meet the needs of our clients, whether for project finance, export credit finance, on-balance sheet lending or a combination thereof across the entire capital structure, including senior debt, mezzanine debt and equity. The Bank operates across all key infrastructure sectors, including: Public Private Partnerships (PPPs); Power; Renewable Energy; ICT; Roads; Rail; Ports; Water; Industrial and Manufacturing Facilities; and State-Owned Enterprises.

Real Estate Investment Banking (REIB) – RMBN's REIB team is active in all areas of the commercial real estate finance market in Nigeria, ranging from the funding of shopping centres and office developments, to the structuring of long-term debt solutions for the listed property sector and owners of large, unlisted portfolios in partnership with the RMBN Westport Africa Property Development Fund.

Resource Finance – RMBN's Resource Finance team is comprised of talented individuals (former mining and petroleum engineers) who offer our clients the best solutions for their financing requirements. The skills and experience of our Resource Finance team in the Oil & Gas industry, combined with their project finance skills enable us to deliver strategic advice and superior term debt financing to the local resources sector. The Resource Finance team has worked across the Oil & Gas industry with a focus on providing finance to

the Upstream (development finance, receivables finance and borrowing base and reserve-based lending), Midstream (oil and gas pipelines and storage facilities) and Oil Services industry.

Leveraged Finance – RMBN's Leveraged Finance team develops and structures innovative, multi-disciplinary and integrated financial solutions for clients looking to implement corporate acquisitions, balance sheet optimization, recapitalizations, management buyouts, and leveraged buyouts undertaken by equity sponsors and investment holding companies. The team covers all aspects of debt solutions, including Debt Arranging; Debt Structuring Advisory; Term Debt Funding (senior, mezzanine and hybrid capital funding solutions) and Preference Share Funding and Perpetual Preference Shares.

Corporate Finance – The RMBN Corporate Finance team has been involved in several leading advisory transactions and is renowned for providing innovative solutions to complex transactions across a wide range of industries through Mergers & Acquisitions, Listings, Equity-Linked Funding, Share buy-back solutions, Principal Investments, Valuations, Corporate Restructuring, Capital Raisings and Leverage Buyout transactions.

Debt Capital Markets (DCM) – RMBN's multidisciplinary Debt Capital Markets (DCM) team offers corporate clients (including state-owned enterprises and sovereigns) in sub-Saharan Africa on and off-balance sheet financing solutions to meet their capital raising requirements. The DCM team works across multiple sectors, asset classes and currencies, has specialist legal and regulatory skills, and has strong relationships with rating agencies. Examples of financing solutions include corporate bonds, sovereign bonds, convertible bonds, securitizations, inflation linked notes and interest loan notes.

Global Markets – RMBN's Global Markets team is made up of highly experienced, widely skilled specialists and dealers who provide a comprehensive range of Global Markets risk management, investment and business solutions to clients via. The team's offerings include foreign exchange risk solutions; interest rate risk solutions; liquidity (cash flow) risk solutions; fixed income solutions; commodity risks solutions; and investment solutions. The team partners with institutional clients to create long-term, reliable and sustainable execution whilst also providing the clients with alternative and enhanced fund solutions.

3. Description of Shareholding

RMBN's shareholder base as at December 31, 2019 comprised of:

Shareholder's Name	No. Of Outstanding Shares	% of shareholding
FirstRand EMA Holdings (Pty) Limited	17,999,999,999	99.999
FirstRand Investment Holdings (Pty) Limited	1	0.001
TOTAL	18,000,000,000	100.0

4. RMBN Board of Directors

The Board of Rand Merchant Bank Nigeria Limited is comprised of twelve (12) individuals consisting of the Chairman, three (3) executive directors, five (5) non-executive directors and three (3) independent non-executive directors who bring the wealth of their respective experiences to bear on the Bank's operations.

The Board can reach impartial decisions as it is comprised of a proper blend of Independent, Non-Executive and Executive Directors with no shadow or alternate Directors.

The Board meets quarterly and ad-hoc meetings are convened as may be required by circumstances. The Board carries out its oversight function through its Standing Committees each of which has governance

documents that clearly define its purpose, composition, and structure, frequency of meetings, duties, tenure and reporting lines to the Board.

The Board established 5 main committees and oversees the 4 (four) Executive management committees highlighted below. The RMBN Board Corporate Governance Structure is depicted as follows:



Directors Profile:

James Formby – Chairman

James is currently the Chief Executive Officer of Rand Merchant Bank SA Limited.

James was schooled at St John's College and then enrolled at the University of Cape Town. He finished his BCom (Hons) in 1991. He qualified as a Chartered Accountant a year later and was placed tenth in the Final Qualifying Exam that year. He completed his accounting articles at Deloitte and Touche in Johannesburg and obtained an MPhil in Management Studies at the University of Cambridge.

James celebrated his 23rd year at the FirstRand Group this year. He joined RMB in 1997 as a Corporate Finance transactor and acted as adviser in numerous BEE transactions, IPOs, de-listings, acquisitions and disposals.

In 2009, James was appointed Deputy Head of RMB's Investment Banking division, followed by a promotion as Head of RMB Coverage. James was also appointed to the RMB Management Board at this time.

In 2015, James assumed the position of Chief Executive Officer of RMB. James is married with two children.

Michael Larbie – Managing Director / Chief Executive Officer

Michael Larbie has been an investment banker for the best part of his 22 years' career in financial services. He is the current CEO and Managing Director of Rand Merchant Bank Nigeria Limited, and Regional Head of West Africa.

Michael holds an MBA in Finance and Entrepreneurial Management from The Wharton Business School and a Bachelor's degree in Accounting and Sociology from the University of Ghana.

He has been involved in over US\$30-billion worth of advisory and financing transactions, since he started his career at Merrill Lynch. He has executed transactions on several continents including North America, South America, Europe, Asia and Africa.

Michael joined RMB in 2010 as the Head of Investment Banking and Coverage, for the rest of Africa, outside South Africa at RMB, South Africa. Prior to joining RMB, Michael was the Head of Corporate and Investment Banking for sub-Saharan Africa (excluding SA) at Bank of America Merrill Lynch and before that, Head of Financial Institutions Investment Banking for Africa in London of the same bank. Michael was also a key

member of Merrill Lynch's Investment Banking Financial Institutions team based in New York and a Financial Controller for Merrill Lynch's Participant Service Group (Part of the Retirement Services Group) in New Jersey.

Prior to Merrill Lynch, Michael held various roles including financial controller, management consultant and Six Sigma project manager at American International Group (AIG) in New York.

Michael is also a non-executive director of First National Bank (FNB) Ghana. He is a member of the RMB Corporate and Institutional Executive Committee and sits on the RMB Corporate and Institutional Financial Resource Management Board

Dalu Ajene – Deputy Managing Director/ Deputy Chief Executive Officer

Dalu is currently the Deputy CEO of RMBN and the Head of Coverage, Rand Merchant Bank, South Africa; a role he has had since January 2020. Prior to this role, he was Head of Investment Banking, Rand Merchant Bank Nigeria Limited from 2018. Prior to joining RMBN, Dalu was the Managing Director, Africa, UHNW Investment Partners at Credit Suisse AG. Other positions held were Managing Director, Head of Anglophone Africa Corporate Investment Banking at BNP Paribas and Head, Corporate Finance, Rand

Merchant Bank. Dalu was a pioneer staff of RMBN, he co-led the establishment of the First Rand Representative Office in Nigeria prior to the establishment of RMBN. His qualifications include B.A Honours, Economics (Dartmouth College) and MBA, Finance (Harvard Business School).

Bayo Ajayi – Executive Director

Bayo has over 21 years banking experience spanning banking operations, financial management and reporting, taxation, accounting and controls, corporate governance, Compliance and business performance management.

Before joining RMB Nigeria in 2015, Bayo worked in Citibank Nigeria Limited joining as head of regulatory reporting and tax and rising to become the Chief Financial Officer. He also served in Citibank Cameroon as Chief Financial Officer. He started his banking career in banking operations with former Standard Trust Bank and later joined the former Leadbank Plc as head of branch operations before moving over to finance.

Bayo holds a Bachelor of Science degree in Chemical Engineering from Obafemi Awolowo University Ile-Ife (1997), He is a Fellow of the Chartered Certified Accountants UK and an Associate of the Institute of Chartered Accountants of Nigeria.

Annerie Cornelissen - Non-Executive Director

Annerie is currently the Head Wholesale Credit, Rand Merchant Bank, South Africa. She has over 30 years banking experience of which most was in Risk. Annerie has spent most of her risk career focussing on the Rest of Africa. Her previous roles were Credit Executive, Head of Credit Africa and International (Rand Merchant Bank), Group Head Country Risk (Standard Bank of South Africa) and Director Credit- Head of Specialized Credit (Standard Bank of South Africa) to name a few.

Her qualifications include B.com – (Accounting & Financial management) and Bankers Certificate (Chartered Institute of Associate Bankers).

Ebrahim Motala – Non-Executive Director

Ebrahim Motala is the Head of RMB's Rest of Africa business. His main responsibility is developing and executing on RMB Rest of Africa's strategy, establishing Corporate and Investment Banking platforms across key markets in Namibia, Nigeria, Botswana, Angola, Kenya, Ghana, Mozambique, Mauritius, Lesotho, Swaziland, Tanzania and Zambia.

Ebrahim holds a Bachelor's Degree in Commerce from the University of KwaZulu-Natal and is a registered Chartered Accountant (CA)(SA). Prior to his position as the Head of the Rest of Africa business, Ebrahim headed the bank's Africa and International portfolio for RMB Global Markets in 2012. Before this he successfully ran the FNB Mozambique Treasury and International business divisions in 2010.

He is a member of the RMB Management Board and serves on the respective executive committees of the bank. In addition, he currently serves as a board director of FNB Zambia, First National Bank Ghana subsidiaries and RMB Nigeria.

Philip Spangenberg – Non-Executive Director

Philip is currently the Chief Risk Officer of FirstRand International and has over 20 years of financial markets and banking experience. He obtained his B. Com & B. Com Honours (Economics) and (Investment Management) in 1993, M. Com in Economics in 1995 and has qualified as a Chartered Accountant – CA (SA) as well as Chartered Management Accountant – CIMA (United Kingdom). He has also obtained the post-graduate certificate in the mathematical modelling of derivatives from the University of South Africa. He began his professional career in 1994 with Transnet Treasury as Financial Manager in Asset and Liability Management and Funding. After that, he held various roles as Trader, AGM: Treasury Strategy and Head of Risk at the International Bank of Southern Africa (BNP Paribas & Dresdner Bank JV) and Mercantile Bank Limited. He began his career at Rand Merchant Bank ("RMB") - the investment banking arm of FirstRand, in 2004 as the Head of Market and Investment Risk. In addition to that, he has held various other offices in RMB, including Chief Operating Officer of RMB Risk and Compliance and Head of Risk and Compliance. In 2017, he was promoted to the Chief Risk Officer role for FirstRand International (covering both RMB and First National Bank's activities on the African continent and India.

Philip's knowledge and specialties span the management of Market Risk, Operational Risk, Assets and Liability management Risk, Compliance and Anti-money laundering, trading Counterparty and Credit Risk, FX & Fixed income Trading and Structuring, as well as Basel III & IV regulatory regimes and Economic Capital Management. He has also sat on various boards and committees including chairing the FirstRand Rest of Africa Risk Committee and the RMB Nigeria Risk Committee and serving as an exco member of FirstRand Africa Exco.

Remi Odunlami – Non-Executive Director

Remi is a seasoned banker with close to three decades of experience in the Nigerian finance industry. She obtained her B.Sc. in Mathematics from the University of Warwick in 1982 and later qualified as a Chartered Accountant. Her professional career began with PricewaterhouseCoopers, before moving into a Finance and Administrative Manager role with VT Leasing Nigeria Limited in 1990.

She started her banking career in July 1990 with Nigeria International Bank Ltd (now Citibank Nigeria Ltd). In her 20-year career with Citibank as a Credit Risk professional, she had several responsibilities and held multiple job functions including Independent Risk Senior Credit Officer (first female in Citibank in Africa) and ultimately Country Risk Manager (Executive Director). She then joined First Bank of Nigeria as Chief Risk Officer (Executive Director) in 2009.

Remi's area of expertise is Risk Management spanning various risk dimensions including Credit Risk, Operational Risk, Legal Risk, Information Security Risk, Market and Liquidity Risk and Compliance Risk.

Theo Thomas - Non-Executive Director

Theo is currently Head of the Markets Division of Rand Merchant Bank. His previous roles were Co-Head, Global Markets Trading and Desk Head, Structured Risk Trading both at Rand Merchant Bank South Africa. Theo is a member of the Institute of Financial Markets. He has a Bachelor of Commerce.

Babatunde Savage – Independent Non-Executive Director

Babatunde is currently the Chairman of Guinness Nigeria Plc and has occupied that role since 2009. He is 1977 honours graduate in Physiology from the University of Ibadan. A 1982 Chartered Accountant and Fellow of both the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation of Nigeria. He had executive education at the Harvard Business School and Cranfield School of Management.

He began his professional career with PricewaterhouseCoopers (then Cooper & Lybrand) in 1978 where he spent 5 years working through variety of increasingly senior Auditing roles in the Oil and Gas, Banking, Manufacturing, and Aviation sectors to mention a few.

In 1983, he joined Guinness Nigeria Plc and held a wide variety of executive roles during his 26 years of service as Company Treasurer, Director of Finance, Director of Corporate Planning, Corporate Relations Director, Deputy Managing Director and ultimately appointed a non-executive Chairman of the Board after his retirement in June 2009. He was appointed in 2003 on the Board of East African Breweries, Kenya as a non-executive director and also served on the board audit committee.

Mr. Savage was a Council member of the Lagos Chamber of Commerce and Industry, Nigeria Employers Consultative Association and the Manufacturers Association of Nigeria, where he served as the Chair of the Beer Sectoral Group. Mr. Savage currently serve on the World Council of the International Chamber of Commerce and the non-executive chairman of the Nigeria Chapter.

Felicia Kemi Segun – Independent Non-Executive Director

Kemi is a Senior Partner at Adepetun, Caxton-Martins Agbor and Segun (ACAS-Law - a foremost commercial law firm in Nigeria). She specializes in energy and project finance related matters and speaks to international audiences on different aspects of Nigerian oil and gas law. Her qualifications include B.A Honours, History, LLB and BL.

Samuel Ogbu - Independent Non-Executive Director

Samuel is currently Group Chief Executive Officer: Old Mutual West Africa, Liberty Holdings West Africa. His previous roles include Group Executive West Africa: Liberty Holdings Limited and Executive Director, Marketing and Sage Unit Trusts at Sage Life Limited. He has served on several boards at various times with companies in SADC, East Africa and West Africa for Liberty Holdings, STANLIB, Old Mutual and the Africa Media Group. Samuel is a former director of the South Africa Nigeria Chamber of Commerce in Johannesburg and is now an active member of its counterpart in Lagos.

Samuel is a Fellow of the Institute of Chartered Accountants in England and Wales holds a BA (Honours) in Business Studies and an MBA from Wits Business School.

5. Key Management Staff**Michael Larbie - Chief Executive Officer**

Please refer to Michael's profile in the section – RMB Nigeria Board of Directors

Bayo Ajayi – Chief Financial Officer / Executive Director

Please refer to Bayo's profile in the section – RMB Nigeria Board of Directors

Ayotunde Jegede – Head, Human Capital

Ayotunde is a seasoned HR Professional with strong strategic business partnering skills and a proven track record spanning over 19 years in financial services.

She is currently the Head of the Bank's Human Capital with responsibility for providing leadership, guidance, technical expertise and team coordination to support the implementation of the Bank's strategic initiatives in the areas of talent management, performance management, resourcing, development and manpower planning whilst developing and maintaining effective working relationships with stakeholders across levels.

Ayotunde has a first degree in Accounting from the University of Lagos, Nigeria, with an MBA from the Warwick Business School in the United Kingdom. In addition, she is GPHR qualified and an Associate of the Chartered Institute of Personnel & Development, UK.

Chidi Iwuchukwu – Head, Investment Banking

Chidi is the Head of Investment Banking for West Africa for RMBN. His experience varies across several disciplines in investment banking including Debt Financing, Leveraged Finance, Acquisition Finance, Leveraged Buyouts, Shareholder financing, Dividend Recaps, Fund gearing and financings for financial and large sponsors. He has also developed bespoke financing transactions for large conglomerates and family owned business across Africa. Chidi has been involved in notable acquisitions in Nigeria, Ghana and across other major West African hubs.

Prior to joining RMBN in 2018, Chidi was a Director in the Leveraged Finance Team in Standard Chartered and based in Dubai where he managed the Leveraged Financed Business in West Africa for about 9 years. He was also responsible for developing strategic products for the top 20% of Standard Chartered's clients across Sub-Saharan Africa.

Chidi has an MBA from Columbia Business School, New York, where he majored in Finance and graduated with honors and was awarded Beta Gamma Sigma membership for excellence in business education. He also has an M.Sc. in Management and Environmental Technology from DeMonfort University UK / Aalborg University Denmark/ University of Applied Science, Emden, Germany and a B.Sc. Mechanical Engineering from University of Nigeria, Nsukka.

Funsho Odukoya – Chief Operating Officer

Funsho joined RMBN in 2012 and is a member of the Executive Committee of RMBN while performing his role as COO. He heads the business operations support unit of the Bank, which comprises global market operations, trade operations and operations support. He is responsible for providing Corporate and Investment Banking and centralized operations with a consistently high quality and efficient operational support structure. He has over 16 years of experience in banking, change management, relationship management and operational risk. Prior to joining RMBN, he was the Head, Financial Markets Operations, and Head Trade Operations at Standard Chartered Bank.

Grema Ogboru – Head, Business Technology

Grema oversees Business Technology for Rand Merchant Bank Nigeria.

Grema has been the Head, Business Technology in RMBN since 2015. Prior to joining RMBN, she spent several years at Stanbic Bank Nigeria where she started off as the Head of IT Infrastructure and continued with the role after the acquisition of another bank to form Stanbic IBTC Bank Plc. After several years overseeing the merger complexities, extending and stabilizing the bank's technology infrastructure, and extending IT services to other Standard Bank subsidiaries in West Africa, she decided it was time to expand her capabilities and took over the responsibility of managing IT Risk & Security across the bank.

Grema obtained a BSc in Civil Engineering from the University of Lagos and an MBA from IE University.

Jennifer Martins-Okundia – General Counsel

Jennifer has a first degree in Law and was admitted to the Nigerian Bar in 2007. She also holds a master's degree in Banking & Finance Law from Queen Mary, University of London.

Prior to joining RMBN, Jennifer had an extensive 12 year career practicing law in the leading Nigerian corporate/commercial law firms of Perchstone & Graeys and more recently at Aluko & Oyebo, where until she made a decision to join RMBN, she was a Senior Associate with principal responsibility for providing advice on debt and equity capital market transactions, mergers & acquisitions, divestitures, corporate restructurings, banking and regulatory compliance, etc for the firm's clients. She was also a core member

of the firm's Capital Markets and M&A practice groups and over the years, has advised on a significant number of complex commercial transactions.

Jide Onifade – Chief Credit Officer

Jide is a finance professional with 15 years' experience spanning Credit Risk Management, Deal Origination and Structuring, Macroeconomic, Industry and Financial Analysis, Modelling and Model Development, Consulting and Corporate Advisory Services, and Capacity Development. He holds a Master's in Business Administration (MBA) degree from the Imperial College Business School, London, and a B.Sc. in Economics from the University of Lagos. He is also a member of the Association of Accounting Technicians of West Africa.

Jide joined Rand Merchant Bank Nigeria Limited (RMBN) in 2013 and currently heads the Credit Risk Management function, where he oversees the bank's lending and origination activities across various industries, as well as the bank's Credit Management and Administration processes. He sits on RMBN's Credit and Executive Committees, as well as on the RMBN Financial Resource Management Committee. Prior to joining RMBN, he worked for 6 years with Agosto & Co. Limited, Nigeria's foremost credit rating agency, as a Senior Analyst in the Banks & Financial Institutions Ratings Department. He also had a stint within the Branch Operations unit at Zenith Bank Plc, and before that, at Guinness Nigeria Plc where he worked as a Corporate Treasury Officer.

Jide is an outstanding communicator, with strong presentation, analytical & problem-solving skills. His leadership and forward-thinking skills have seen him rise rapidly in the corporate world. In the course of his career, he has been involved in industry and macroeconomic research across various geographies, actual lending (across currencies) in excess of the equivalent of ₦500 billion, as well as in the issuance of credit ratings to over 100 corporates, banks and insurance companies.

Nadia Zakari – Head, Global Markets

Nadia joined RMBN in June 2013 having previously worked for Standard Chartered Global Markets for over 7 years. Her experience spans across Foreign exchange and Fixed Income trading, Assets and Liability management and Customer Dealing. Nadia has worked in other global centres such as London, the Middle East, South Africa and other regional African economic hubs such as Ghana, Kenya and Egypt.

In her current role, Nadia is primarily focused on strategies geared towards Global Markets business which includes managing the bank's exchange rate risk, execution and management of both interbank and NBFIs clients as it relates to their FX and money market transactions.

Ngover Ihyembe-Nwankwo – Head, Client Coverage

Ngover Ihyembe-Nwankwo is a Corporate and Institutional Banking Executive with 18+ years' experience in Financial Services across a wide range of functions including, Corporate Relationship Management, Sales, Credit, Transaction Banking, Remedial Account Management and Risk. Prior to this role, Ngover was an Executive Principal with Standard Chartered Nigeria responsible for anchoring the bank's International Corporates Portfolio. She was previously responsible for structuring and implementing working capital and securities services solutions for Corporate Finance & Capital Markets clients across the Standard Chartered Bank's Africa footprint. She managed the Multinationals Portfolio under the Global Corporates Team and before that was Country Head of Transaction Banking.

Ngover holds a Master's degree in International Management from the University of Exeter and a Bachelor's Degree in Combined Social Sciences (Politics, Philosophy & Economics) from the University of Durham both in the United Kingdom.

Taiwo Gabriel – Chief Risk Officer

Taiwo is a chartered accountant with a successful career in the financial services industry spanning over 19 years with expertise in Risk Management, Portfolio Management, Financial Analysis & Modeling, Remedial Management, Relationship Management, Internal Control and Compliance.

He is the Chief Risk Officer in Rand Merchant Bank responsible for the Enterprise Risk Management of the bank and joined in January 2019 from FBNQuest Merchant Bank where he was the pioneer Chief Risk Officer, responsible for the setting up of the Enterprise Risk Management framework for the bank with expanded roles covering Compliance and Internal Control.

Taiwo is a fellow of the Institute of Chartered Accountants of Nigeria. He holds an MBA in Marketing from the University of Lagos and a Bachelor of Science degree in Agricultural Biology from the University of Ibadan.

Taiwo Shote – Head, Corporate Banking

Taiwo has joint responsibility as the co-head of banking division with a mandate to grow our Corporate and Investment banking and ensure we remain a trusted partner to our clients. He also has primary responsibility for the corporate banking business to continue developing our transactional banking capabilities and growth of our Debt and Trade Solution in Nigeria. Taiwo joined RMBN in September 2015 as a Senior Relationship Manager and in August 2016, was appointed Head of Corporate Banking Nigeria.

Prior to joining RMBN, Taiwo spent over 14 years at Standard Chartered Bank and Standard Chartered Advisory and Capital Limited where he held various roles including Area manager for Local Corporates in Lagos Mainland, Senior Relationship Manager for Local and Global Corporates, and lastly Principal, Loan Syndications under the Capital Markets team where he formulated and developed the syndications market in Nigeria, especially the Financial Institutions sector.

Taiwo has been involved in landmark transactions and has deep relationships in the Nigerian corporate space; food and beverage, financial institutions, manufacturing to mention a few sectors. He also been involved at senior management level in formulating and driving the strategy for the Bank.

He has been instrumental to the growth of our Corporate Banking business where he was saddled with the responsibility of starting the business unit as a greenfield, formulating the strategy and ensuring the business remains profitable over the past four years.

Yetunde Ogunremi – Head, Balance Sheet Management and Treasury

Yetunde Ogunremi is a qualified finance professional with a demonstrated track record spanning over 17 years in the financial services sector. She is currently the Head, Balance Sheet Management and Treasurer of Rand Merchant Bank Nigeria Limited with primary responsibility for managing risks associated with capital, liquidity and market risk in the banking book. Consequently, the accountability of the Asset, Liability and Capital Committee (ALCCO) and management of all regulatory limits and guidelines relating to these risk areas sit within her function. In addition, she defines the funding strategy of the bank as well as oversees the investment of capital, surplus liquidity and performance thereof.

Prior to joining Rand Merchant Bank Nigeria Limited in March 2018, Yetunde spent over 11 years working in various financial roles in Stanbic IBTC Bank PLC, which she joined in July 2006. She worked as the Asset & Liability Manager (ALM) of the legacy Stanbic Bank Nigeria Limited and was subsequently responsible for establishing a more robust ALM function upon the merger with IBTC Chartered Bank Limited in September 2007. She was appointed Country Treasurer in July 2015 and was later appointed Head Interest Rate Sales within the Global Markets section of the bank in April 2017.

She is a fellow of the Institute of Chartered Accountants of Nigeria (ICAN) with a first degree in Accounting from the University of Lagos. She also holds a Dealing Certificate from the ACI Financial Markets

Association (ACIFMA) and has attended several training/developmental programs and courses both locally and internationally.

6. Employees

As at December 31, 2019, RMBN employed a team of 73 talented professionals.

The net proceeds from each issue of Notes will be used to support the Issuer's working capital requirements and for the Issuer's business or as may otherwise be described in the Applicable Pricing Supplement.

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

Source of Repayment

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



Report of the independent auditor on the summary consolidated and separate financial statements

To the members of Rand Merchant Bank Nigeria Limited

Report on the summary consolidated and separate financial statements

Opinion

The summary consolidated and separate financial statements (the "summary financial statements"), which comprise the summary consolidated and separate statements of financial position as at 31 December 2019, the summary statement of financial position as at 31 December 2018 and 31 December 2017, the summary consolidated and separate statements of comprehensive income for the year ended 31 December 2019, the summary statement of comprehensive income for the years ended 31 December 2018 and 31 December 2017, the summary consolidated and separate statement of cash flows for the year ended 31 December 2019 and summary statement of cash flows for the years ended 31 December 2018 and 31 December 2017 are derived from the audited consolidated and separate financial statements (the "audited financial statements") of Rand Merchant Bank Nigeria Limited and its subsidiary company (together the "Group") for the year ended 31 December 2019, and the audited financial statements for the years ended 31 December 2018 and 31 December 2017.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements, in accordance with the FMDQ commercial paper quotation rules.

Summary financial statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, the Banks and Other Financial Institution Act and other relevant Central Bank of Nigeria circulars applied in the preparation of the audited financial statements of the Group for the year ended 31 December 2019 and the Bank for the years ended 31 December 2019, 31 December 2018 and 31 December 2017. Therefore, reading the summary financial statements and the auditor's report thereon, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed unmodified audit opinion on the audited financial statements in our reports dated 23 March 2020, 28 March 2019 and 27 March 2018. The audit reports also include the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the related periods.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with FMDQ commercial paper quotation rules.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited 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'.

Obioma Ubah



For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

14 October 2020

Engagement Partner: Obioma Ubah
FRC/2013/ICAN/00000002002

The financial information set out on pages 43 to 45 of this Programme Memorandum, prepared in accordance with FMDQ Paper Quotation rules, has been extracted from the audited annual financial statements of the Issuer and is available at the specified office(s) of the Issuer. This section should be read and construed in conjunction with any audited interim financial statements published subsequently, for the financial years prior to each issue of Notes under this Programme.

Statements of profit or loss and Other Comprehensive Income for the years ended 31 December 2019, 2018 and 2017

	Group	Bank	Bank	Bank
	31-Dec-19	31-Dec-19	31-Dec-18	31-Dec-17
	N'000	N'000	N'000	N'000
Interest income on amortised cost financial assets	11,626,584	11,626,584	12,196,782	10,100,569
Interest income on FVTPL financial assets	6,073,492	6,073,492	2,677,344	-
Interest expense and similar charges	(10,862,108)	(10,862,108)	(10,081,737)	(4,929,690)
Net interest income	6,837,968	6,837,968	4,792,389	5,170,879
Impairment loss on amortised cost financial assets	(61,445)	(61,445)	(175,412)	(175,567)
Net interest income after impairment on loans and receivables	6,776,523	6,776,523	4,616,977	4,995,312
Fee and commission income	1,917,402	1,917,311	1,835,445	1,776,025
Fee and commission expense	(434,585)	(434,585)	(57,448)	(31,843)
Net fee and commission income	1,482,817	1,482,726	1,777,997	1,744,182
Net gains on financial instruments	12,588,869	12,588,869	5,021,935	3,291,995
Net trading and foreign exchange gain	3,024,196	3,024,196	5,123,781	2,074,705
Profit on disposal of property and equipment	-	-	-	5,104
Employee benefit expenses	(4,444,673)	(4,444,673)	(3,804,845)	(3,297,297)
Depreciation	(715,940)	(715,940)	(160,516)	(111,816)
Amortisation of intangible assets	(79,546)	(79,546)	(39,773)	-
General and administrative expenses	(2,164,652)	(2,164,567)	(2,558,986)	(1,433,016)
Profit before income tax	16,467,594	16,467,588	9,976,570	7,269,171
Income tax expense	(455,231)	(455,231)	(101,697)	(174,196)
Profit for the year	16,012,363	16,012,357	9,874,873	7,094,975
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Unrealised net gains arising during the year before tax	-	-	-	328,666
Net reclassification adjustments for realised net losses before tax	-	-	-	543,785
Other comprehensive income for the year, net of tax	-	-	-	872,451
Total comprehensive income for the year	16,012,363	16,012,357	9,874,873	7,967,426
Earnings per share				
Basic (kobo)	89	89	55	39

Statement of Financial Position as at 31 December 2019, 2018 and 2017

	Group 31-Dec-19 N'000	Bank 31-Dec-19 N'000	Bank 31-Dec-18 N'000	Bank 31-Dec-17 N'000
ASSETS				
Cash and bank balances with the Central Bank	5,370,569	5,370,569	4,007,080	4,857,157
Investment securities at fair value through profit or loss	15,680,221	15,680,221	73,296,856	46,572,899
Derivative financial assets	14,263,150	14,263,150	17,301,205	4,846,224
Loans and advances to banks	5,796,233	5,796,233	7,219,908	4,561,091
Loans and advances to customers	50,012,027	50,012,027	48,961,040	42,751,272
Investment securities				
- Available for sale	-	-	-	27,310,139
- Amortised cost	32,837,957	32,837,957	25,416,009	-
Equity investments	19,500	19,500	19,500	19,500
Pledged assets	6,165,461	6,165,461	5,372,745	1,844,458
Investments in subsidiary	-	1,000	-	-
Other assets	2,805,779	2,805,687	1,602,982	1,124,929
Property and equipment	1,019,347	1,019,347	415,002	364,834
Intangible assets	119,319	119,319	198,864	-
TOTAL ASSETS	134,089,563	134,090,471	183,811,191	134,252,503
LIABILITIES				
Derivative financial liabilities	1,640,068	1,640,068	1,386,543	469,076
Deposits from banks	1,816,506	1,816,506	21,677,388	8,529,433
Deposits from customers	35,047,739	35,048,739	35,667,994	20,396,580
Borrowings	33,288,076	33,288,076	80,246,577	71,768,933
Current income tax liabilities	455,231	455,231	99,766	174,196
Other liabilities	7,861,678	7,861,591	6,765,022	3,773,982
TOTAL LIABILITIES	80,109,298	80,110,211	145,843,290	105,112,200
EQUITY				
Share capital	18,000,000	18,000,000	18,000,000	18,000,000
Retained earnings	24,188,922	24,188,919	13,540,456	7,117,952
Other components of equity	11,791,343	11,791,341	6,427,445	4,022,351
TOTAL EQUITY	53,980,265	53,980,260	37,967,901	29,140,303
TOTAL LIABILITIES AND EQUITY	134,089,563	134,090,471	183,811,191	134,252,503

Statement of Cashflows for the years ended 31 December 2019, 2018 and 2017

	Group 31-Dec-19 N'000	Bank 31-Dec-19 N'000	Bank 31-Dec-18 N'000	Bank 31-Dec-17 N'000
Cash flows from operating activities				
Profit before income tax	16,467,594	16,467,588	9,976,570	7,269,171
Adjustments for:				
Depreciation and amortisation	795,486	795,486	200,289	111,816
Impairment charges on amortised cost instruments	61,445	61,445	175,412	175,567
Net interest income	(6,837,968)	(6,837,968)	(4,792,389)	(5,170,879)
Net gains on financial instruments	(12,588,869)	(12,588,869)	(5,021,935)	(3,291,995)
Profit on disposal of property and equipment	-	-	-	(5,104)
Net gain/(loss) foreign exchange	(3,024,196)	(3,024,196)	(5,123,781)	(2,074,705)
	(5,126,514)	(5,126,514)	(4,585,835)	(2,986,129)
Changes in:				
Cash and balances with the Central Bank (restricted cash)	(1,144,728)	(1,144,728)	(1,787,121)	(946,201)
Loans and advances to customers	(1,159,493)	(1,159,493)	(7,034,677)	(21,561,739)
Financial assets held for trading	57,616,635	57,616,635	(26,723,957)	(35,623,753)
Other assets	(1,202,705)	(1,202,705)	(478,053)	147,107
Deposits from banks	(19,860,882)	(19,860,882)	13,147,954	7,880,237
Deposits from customers	(619,255)	(619,255)	15,271,414	(191,278)
Other liabilities	1,096,568	1,096,568	2,991,040	1,476,030
	34,726,140	34,726,140	(4,613,400)	(48,819,597)
Interest received	13,941,456	13,941,456	13,038,689	8,157,503
Interest paid	(4,071,007)	(4,071,007)	(3,617,362)	(3,660,936)
Income taxes paid	(99,766)	(99,766)	(176,126)	-
Net cash generated/used in operating activities	39,370,309	39,370,309	45,966	(47,309,158)
Cash flows from investing activities				
Acquisition of investments securities	(88,221,701)	(88,221,701)	(76,289,352)	(46,954,779)
Proceeds from sale of investment securities	95,538,462	95,538,462	67,794,974	44,031,534
Acquisition of property and equipment	(1,310,214)	(1,310,214)	(210,685)	(447,944)
Proceeds from sale of property and equipment	-	-	-	5,104
Intangible assets	-	-	(238,637)	-
Net cash provided from investing activities	6,006,547	6,006,547	(8,943,701)	(3,366,085)
Cash flows from financing activities				
Proceeds from borrowings	20,682,431	20,682,431	73,052,687	54,900,000
Repayments of borrowings	(67,640,932)	(67,640,932)	(64,575,044)	(1,618,747)
Net cash from financing activities	(46,958,501)	(46,958,501)	8,477,643	53,281,253
Cash and cash equivalents at the beginning of the year	8,141,208	8,141,208	8,119,589	5,058,969
Net cash used in operating activities	39,370,309	39,370,309	45,966	(47,309,159)
Net cash used from investing activities	6,006,547	6,006,547	(8,943,701)	(3,366,085)
Net cash from financing activities	(46,958,501)	(46,958,501)	8,477,643	53,281,253
Effect of exchange rate fluctuations on cash and cash equivalent	376,731	376,731	441,711	454,611
Cash and cash equivalents at end of year	6,936,294	6,936,294	8,141,208	8,119,589

The following information is an extract from the rating report prepared by Global Credit Ratings Company Limited.



GLOBAL CREDIT RATING CO.
Local Expertise • Global Presence

Rand Merchant Bank Nigeria Limited

Nigeria Bank Analysis

June 2020

Rating class	Rating scale	Rating	Rating outlook	Expiry date
Long-term	National	A+(NB)	Stable	June 2021
Short-term	National	A1(NB)		

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	599.7	437.5
Total capital	123.9	176.1
Net advances	159.7	163.2
Liquid assets	358.7	194.7
Operating income	54.7	78.1
Profit after tax	32.3	52.3
Market cap.	n.a.	
Market share †	17.9%	

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

† Based on total assets for the merchant bank subject to as at 31 December 2019

Rating history:

Initial rating (March 2016)

Long term rating: A+(NB)

Short term rating: A1(NB)

Rating outlook: Stable

Last rating (July 2019)

Long term rating: A+(NB)

Short term rating: A1(NB)

Rating outlook: Stable

Related methodologies/research:

Global Criteria for Rating Banks and Other

Financial Institutions, updated March 2017

RMBN rating reports (2016-19)

Glossary of Terms/Ratios, February 2016

GCR contacts:

Primary Analyst

Yinka Adeoti

Credit Analyst

adeoti@gcratings.com

Committee Chairperson

Dave King

Analysts location: Lagos, Nigeria

Tel: +23 41 904-9462

Website: www.globalratings.com.ng

Summary rating rationale

- The ratings accorded to Rand Merchant Bank Nigeria Limited ("RMBN" or "the bank"), in addition to its standalone competitive capacity, factored in the strong technical and financial support from FirstRand Group ("FirstRand" or "the parent"), a leading South African financial services group. Particularly, the steady improvement in RMBN's key performance metrics (profitability, capitalisation and liquidity) over the review period was duly considered. Also, the ratings take cognisance of the macroeconomic challenges and uncertainties.
- RMBN is considered adequately capitalised for its current risk level, with a risk weighted capital adequacy ratio ("CAR") of 50.1% at FY19 (FY18: 48.9%), well above the regulatory minimum of 10% for merchant banks. Underpinned by strong internal capital generation, shareholders' funds grew consistently over the years and stood at N54bn at FY19, representing a compound annual growth rate ("CAGR") of 25.1% over a five-year review period. The robust capital level provides sufficient headroom for loss absorption in the short to medium term.
- RMBN's asset quality remains strong, with nil non-performing loans ("NPL") recorded from inception to date. Total loan loss provision stood at N1.2bn at FY19 and was made in line with IFRS 9 accounting standard and CBN's prudential guideline.
- The bank displayed sound liquidity profile in FY19, closing the year with a strong statutory liquidity ratio of 147%, significantly surpassing the 20% regulatory minimum. Specifically, the ratio of liquid and trading assets to total short-term funding is considered strong at 150.4% at the balance sheet date (FY18: 186.3%), comparing favourably with peers' average.
- The bank's profitability indicators improved in FY19, with pre-tax profit increasing year-on-year ("y/y") by 65% to N16.5bn. Both net interest income and non-funded income streams registered strong growth, fuelled by improved yields on investment securities and an enhanced trading capacity respectively, thus translating to a firmer total operating income ("TOI") of N23.9bn in FY19 (FY18: N16.7bn). Stronger revenue growth vis-à-vis the less aggressive 12.8% growth in operating expenses saw the cost ratio moderate to 30.9% in FY19 (FY18: 39.3%). Overall, return on average equity and asset ("ROAE" and "ROAA") strengthened to 34.8% and 10.1% in FY19 (FY18: 29.4% and 6.2%) respectively. Unaudited results as at 1Q FY20 reflects a pre-tax profit of N4.0bn, which compares well with the corresponding period in 2019.

Factors that could trigger a rating action may include

Positive change: An upward movement in the ratings may follow a sustained improvement in profitability and capitalisation, while maintaining sound asset quality metrics.

Negative change: A downward rating may be triggered by a material deterioration in profitability, asset quality and capitalisation metrics or an unfavourable change in the bank's support structure.

The following information is an extract from the rating report prepared by **Agusto & Co Limited**.

Rand Merchant Bank Nigeria Limited

Rating Assigned:

Aa-

A financial institution of very good financial condition and strong capacity to meet its obligations as and when they fall due.

Outlook: Stable

Issue Date: 19 June 2020

Expiry Date: 30 June 2021

Previous Ratings: Aa-

Industry: Banking

Analysts:

Ada Ufomadu

adaufomadu@agusto.com

Ayokunle Olubunmi, CFA

kunleolubunmi@agusto.com

Agusto & Co. Limited

UBA House (5th Floor)

57, Marina

Lagos

Nigeria

www.agusto.com

RATING RATIONALE

The rating assigned to Rand Merchant Bank Nigeria Limited ("RMBN" or "the Bank") reflects its strong profitability during the review period, good asset quality and strong capitalisation levels that provide sufficient buffer against macroeconomic shocks. RMBN is a wholly owned subsidiary of FirstRand Limited with an asset base of \$91.5 billion (South African Rand ZAR 1.7 trillion) as at 30 June 2019 and presence in over 25 countries. FirstRand Group supports the Bank's governance framework, lending activities, liability generation and risk management functions. Offsetting these positive rating factors are lingering obligor concentration in the Bank's loan portfolio and the novel COVID-19 pandemic, which has strained the performance of businesses to which RMBN lends.

RMBN is one of the five merchant banks in Nigeria. With a total asset base (including contingents) of ₦144.3 billion as at 31 December 2019, the Bank ranked fourth place in the merchant banking segment. However, RMBN controlled 53% of the segment's pre-tax profits for the 2019 financial year. RMBN's good performance over the years has been sustained by the support of the FirstRand Group, which provides customer referrals, foreign currency (FCY) liquidity, risk management oversight and operational efficiency through digitisation.

In the 2019 financial year, RMBN recorded a pre-tax return on average assets (ROA) of 9.5% and a pre-tax return on average equity (ROE) of 35.8%, one of the highest in the banking industry. This feat was achieved on the back of good yields on its earning assets and volatility in the fixed income market, which increased trading income. The Bank's ability to provide FX liquidity to clients by leveraging its affiliation with the FirstRand Group also strengthened earnings during the year. RMBN's lean operations have kept a lid on operational costs, enabling the Bank to achieve a low cost-to-income ratio of 31%, buoyed by better earnings. Nonetheless, regulatory restrictions on funding for merchant banks translated to high funding costs for the Bank (8.14% in 2019), though better than its peers. Furthermore, the contractionary monetary policies of the CBN seen in the accretive and discretionary cash reserve requirements

The copyright of this document is reserved by Agusto & Co. Limited. No matter contained herein may be reproduced, duplicated or copied by any means whatsoever without the prior written consent of Agusto & Co. Limited. Action will be taken against companies or individuals who ignore this warning. The information contained in this document has been obtained from published financial statements and other sources which we consider to be reliable but do not guarantee as such. The opinions expressed in this document do not represent investment or other advice and should therefore not be construed as such. The circulation of this document is restricted to whom it has been addressed. Any unauthorized disclosure or use of the information contained herein is prohibited.



www.aluko-oyebode.com

4 December 2020

Standard Chartered Capital & Advisory Nigeria Limited
142 Ahmadu Bello Way
Victoria Island
Lagos
Nigeria

Stanbic IBTC Capital Limited
I.B.T.C Place
Walter Carrington Crescent
Victoria Island
Lagos
Nigeria

Rand Merchant Bank Nigeria Limited
3rd Floor, Wings East Tower
17A Ozumba Mbadiwe Street
Victoria Island
Lagos
Nigeria

Dear Sirs,

Re: Establishment of an ₦80,000,000,000.00 Domestic Commercial Paper Issuance Programme by Rand Merchant Bank Nigeria Limited

We have acted as Counsel to Rand Merchant Bank Nigeria Limited (the "Issuer" or "RMB") in connection with its establishment of a ₦80,000,000,000.00 (Eighty Billion Naira) Domestic Commercial Paper Issuance Programme (the "Programme"), under which RMB, a private limited liability company incorporated under the laws of the Federal Republic of Nigeria, may from time to time issue Commercial Paper Notes ("CP Notes" or "Notes"), denominated in Nigerian Naira in separate series or tranches subject to the terms and conditions (the "Terms and Conditions") contained in the Programme Memorandum (defined below) and applicable Pricing Supplement.

We are giving this opinion pursuant to the Dealer Agreement (the "Dealer Agreement") dated 4 December 2020 between the Issuer, and Standard Chartered Capital & Advisory Nigeria Limited, Stanbic IBTC Capital Limited and Rand Merchant Bank Nigeria Limited.

The Notes issued will be constituted by, subject to, and have the benefit of, a Deed of Covenant dated 4 December 2020, which shall take effect as a deed poll for the benefit of the holders of the Notes (the "Deed of Covenant").

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

1. THE DOCUMENTS

In rendering our legal opinion (this "Opinion"), we have examined such documents as we have considered necessary for the opinions expressed in this Opinion and principally the following documents provided to us in physical or electronic form (unless otherwise stated):

1 Murtala Muhammed Drive
Ikoyi, Lagos, Nigeria
P.O. Box 2293, Marina, Lagos

T +234 1 462 8360
E ao@aluko-oyebode.com



- 1.1 A copy of the ₦80,000,000,000.00 Domestic Commercial Paper Programme Memorandum dated 4 December 2020 including the Terms and Conditions relating to each Series or Tranche of Notes issued under the Programme (the "Programme Memorandum");
 - 1.2 An executed copy of the Dealer Agreement;
 - 1.3 An executed copy of the Deed of Covenant;
 - 1.4 An executed copy of the Issuing, Calculation and Paying Agency Agreement dated 4 December 2020 between the Issuer, and the Issuing, Calculation and Paying Agent (the "ICPA");
- (The documents referred to in paragraphs 1.2 to 1.4 are referred to as the "Transaction Documents")
- 1.5 A copy of the Certificate of Incorporation of the Issuer dated 8th May 2012, issued by the Corporate Affairs Commission;
 - 1.6 A copy of the Licence to carry on merchant banking business (Licence No. MBB/000003) dated 22nd November 2012;
 - 1.7 A copy of the Memorandum and Articles of Association of the Issuer dated 25th April 2012 and certified by the Corporate Affairs Commission on 13 July 2018;
 - 1.8 A copy of the resolution of the meeting of the Board of Directors of the Issuer dated 21 September 2020 authorising the establishment of the Programme;
 - 1.9 A copy of the Form CAC 7A (Notice of Change of Directors, or in the Name, Residential Address or Postal Address of Director) certified by the Corporate Affairs Commission on 10 July 2020; and
 - 1.10 A copy of the Form CAC 2A Return of Allotment (Post Incorporation) certified by the Corporate Affairs Commission on 13 July 2015.
- (The documents referred to in paragraphs 1.5 to 1.10 are referred to as the "Constitutional Documents" while the documents referred to in paragraphs 1.1 to 1.10 are referred to as the "Documents").

2. ASSUMPTIONS

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

- 2.1 the authenticity of all seals and signatures, the completeness and conformity with original documents of all copies of the Documents submitted to us in physical or in electronic form and that any Document submitted to us continues in full force and effect;
- 2.2 the Transaction Documents referred to in paragraph 1 above have been validly authorised and duly executed and delivered in such form by each of the parties to them (other than the Issuer), by a person or persons duly authorised to do so;



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

3. OPINION

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

3.1 Status, Power and Authority, Legal Validity

- 3.1.1 the Issuer; (i) is a private limited liability company duly incorporated and validly existing under the laws of the Federal Republic of Nigeria; (ii) has perpetual corporate existence and the capacity to sue or be sued in its own name; (iii) has the corporate power and authority to enter into and perform the obligations expressed and assumed by it under the Transaction Documents to which it is a party and any Notes; (iv) has taken all necessary corporate and other action to authorise the entry into, execution of and performance of its obligations under the Transaction Documents to which it is a party and the Notes; and (v) has duly complied with all extant laws, regulations, circulars and guidelines issued by the Central Bank of Nigeria.
- 3.1.2 the Transaction Documents have been duly executed and delivered, and the Transaction Documents and the Notes have been duly authorised by the Issuer in accordance with the laws of the Federal Republic of Nigeria and the Constitutional Documents of the Issuer;
- 3.1.3 the Transaction Documents constitute valid, legal, binding and enforceable obligations of the Issuer and are enforceable against it in accordance with their terms;
- 3.1.4 the holders of the Notes shall be entitled, severally, to enforce the Deed of Covenant against the Issuer;
- 3.1.5 the Notes, when issued, would constitute valid, legal, binding and enforceable obligations of the Issuer;
- 3.1.6 the issuance of the Notes in dematerialised form is valid and legal under Nigerian law;



3.2 Foreign Exchange Control

3.2.1 there are no foreign exchange control consents, licences or approvals required, (including without limitation by any governmental authority, including the Central Bank of Nigeria), for the entry into and performance by the Issuer of its obligations under the Transaction Documents or the Notes; save that non-residents of Nigeria who have brought funds into Nigeria for the purchase of the Notes through an approved and lawful channel may upon liquidating their investment in the Notes repatriate the proceeds of their investment upon the submission of all relevant documentation including a Certificate of Capital Importation, which evidences the in-flow of the funds into Nigeria by the non-resident holders of the Notes in accordance with the provisions of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act¹ and the Foreign Exchange Guidelines issued by the Central Bank of Nigeria;

3.3 Consents, Filings and Form

3.3.1 no consent, approval, registration or filing with any court or governmental authority in the Federal Republic of Nigeria, (including the Central Bank of Nigeria and the Securities and Exchange Commission of Nigeria), is required in connection with the execution, delivery and performance of the Transaction Documents, including the issue of the Notes;

3.3.2 the Notes, when issued, would be issued in compliance with the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the Central Bank of Nigeria on 11 September 2019 and the Commercial Paper Registration and Quotation Rules issued by the FMDQ in July 2020;

3.3.3 the Transaction Documents are in the proper form for their admissibility in evidence and their enforcement, (save for payment of stamp duty as described in paragraph 3.8 below), against the Issuer in the courts of the Federal Republic of Nigeria;

3.4 Non conflict with laws

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

3.5 Insolvency

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

3.6 Immunity

the Issuer is not entitled to claim in relation to itself or any of its assets, any form of immunity on the grounds of sovereignty, diplomacy or otherwise from any legal action or

¹ Cap F34 Laws of the Federation of Nigeria 2004



proceeding or from execution of a judgement against it, instituted or initiated before a competent jurisdiction or any arbitral panel;

3.7 Licensing and Qualifications etc.

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

3.7.2 the performance by any party of any of its rights, duties, obligations or representations under the Transaction Documents, (including the Notes), will not violate any existing applicable law or regulation in the Federal Republic of Nigeria;

3.8 Taxes and Stamp Duty/Registration

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

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

3.8.3 prior to the amendment of the Stamp Duties Act by the Finance Act 2019 (the "Finance Act"), dematerialised Notes were not subject to stamp duty as the Notes being in uncertificated form did not qualify as "instruments" as was previously defined under the Stamp Duties Act;

3.8.4 the Finance Act amends the definition of "instruments" in the Stamp Duties Act to include electronic instruments, as such, it is not clear whether the electronic form of the dematerialised Notes would qualify the Notes as an electronic instrument which would be subject to stamp duty;

3.8.5 where the Federal Inland Revenue Service takes the view that the dematerialised Notes qualify as "electronic instruments", the Notes would be subject to stamp duty as stated in paragraph 3.8.2 above;

3.8.6 It is unclear whether the Deed of Covenant, the Dealer Agreement and the Issuing, Calculation and Paying Agency Agreement will be assessed for stamp duties at a flat rate or an *ad valorem* rate. Historically, the Deed of Covenant, the Dealer Agreement and the Issuing, Calculation and Paying Agency Agreement have each attracted a nominal stamp

² Cap 58 Laws of the Federation of Nigeria 2004 (as amended by the Finance Act of 2019)



duty of ₦500.00 (Five Hundred Naira) for an original copy and ₦50.00 (Fifty Naira) for each counterpart. The Deed of Covenant, the Dealer Agreement and the Issuing, Calculation and Paying Agency Agreement will be assessed and stamped at the prevailing stamp duties rate as of the time of stamping. No other stamp, registration fees or other tax is payable, and no filing or registration is required in connection with the execution, delivery, performance or enforcement of any of the foregoing documents;

- 3.8.7 each of the Transaction Documents are required to be stamped in Nigeria within a period of 30 (thirty) days after their execution, (where they are executed in the Federal Republic of Nigeria), or within a period of 40 (forty) days after they are first brought into the Federal Republic of Nigeria, (in the event that they are executed outside the Federal Republic of Nigeria);
- 3.8.8 no other stamp duty is payable, and no filing or registration is required in connection with the execution, delivery, issue, performance and enforcement of the Transaction Documents and the Notes;
- 3.8.9 the Issuer is not required to make any withholding or deduction from any payment due to the Noteholders on the Notes. However, the discount on any of the Notes may be taxed in accordance with applicable Nigerian tax laws;

3.9 Forum of Dispute Resolution

- 3.9.1 the submission to arbitration by the parties would be upheld in Nigeria as parties are permitted under Nigerian law to choose arbitration as a means of settling their disputes. Parties are also permitted to choose the seat and governing rules of the arbitration;
- 3.9.2 the courts of the Federal Republic of Nigeria will accept jurisdiction in any suit, action or proceedings against the Issuer arising out of or in connection with the Transaction Documents and the Notes and can give judgement in a currency other than the legal tender/lawful currency of the Federal Republic of Nigeria for the payment of any sum due under the Transaction Documents or the Notes; and

3.10 Pari Passu

the obligations of the Issuer under the Transaction Documents and the Notes will rank at least *pari passu* as to priority of payment with the claims of all other unsecured and unsubordinated creditors of the Issuer except for those claims which are mandatorily preferred solely by any bankruptcy, insolvency or liquidation or other similar laws of general application.

4. QUALIFICATIONS

This Opinion is subject to the following qualifications:

- 4.1 This Opinion is limited in all respects to the laws of the Federal Republic of Nigeria, as at the date hereof. We have not made any investigations of, and we do not express any opinion as to the laws of any other jurisdiction;
- 4.2 This Opinion is expressed as of the date hereof and we assume no obligation to update or supplement any opinion contained herein to reflect any fact or circumstance that may



hereafter come to our attention or any changes in law that may hereafter occur or become effective;

- 4.3 Our opinion that an obligation or document is enforceable means that the obligation or document is of a type and form which the courts in the Federal Republic of Nigeria will enforce. It does not mean that the obligation or document can necessarily be enforced in all circumstances as the validity, enforceability and/or binding nature of such obligations or documents under the laws of the Federal Republic of Nigeria will be subject to, amongst other things, the laws of bankruptcy, insolvency, receivership, reorganisation, liquidation, moratorium and other like laws. In particular, equitable remedies such as injunctions and specific performance are discretionary and are not generally available in circumstances where damages are considered by the courts in the Federal Republic of Nigeria to be an adequate remedy;
- 4.4 Save for paragraph 3.8 above, we express no opinion as to the tax treatment or consequences of the Transaction Documents or the transactions contemplated therein; and
- 4.5 Where any obligation is to be performed or observed in a jurisdiction outside the Federal Republic of Nigeria, it may not be enforceable under Nigerian law if and to the extent that such performance or observance would be unlawful, unenforceable or contrary to public policy of the Federal Republic of Nigeria or under the laws of such jurisdiction.

5. RELIANCE

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

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

Yours faithfully,
ALUKO & OYEBODE

A handwritten signature in black ink, appearing to read 'Ayodeji Oyetunde'.

Ayodeji Oyetunde
Partner

Authorisation

The establishment of this CP Programme and issuance of Notes thereunder was approved by the resolution of the Board of Rand Merchant Bank Nigeria Limited dated 21 September 2020.

Going Concern

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

Commercial Paper Outstanding

Issuer has no commercial paper outstanding as at the date of this Programme Memorandum.

Auditors

PricewaterhouseCoopers Chartered Accountants acted as auditors of the annual financial statements of the Issuer for the financial years ended 31 December 2017, 2018 and 2019. The auditors have in respect of those years for which they were responsible for the audit, issued unqualified reports.

Litigation

As at the date of this Programme Memorandum, the Issuer is not engaged (whether as a defendant or otherwise) in any claims, legal actions, suits, arbitration, alternative dispute resolution proceedings or other proceedings (collectively "Claims") nor is the Issuer aware that there are any such claims being threatened or pending.

Consequently, the Solicitors to the Transaction are of the opinion that there are no claims in existence or threatened which could have a material effect on the financial position or operations of the Issuer.

Material Contracts

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

- i. An Issuing, Calculation and Paying Agency Agreement dated 04 December 2020 between the Issuer and FSDH Merchant Bank Limited;
- ii. A Deed of Covenant dated 04 December 2020 issued by the Issuer as a deed poll in favour of the Noteholders; and
- iii. A Dealer Agreement dated 04 December 2020 between the Issuer and the Joint Lead Arrangers/Dealers.

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.

Relationship between the Company and its Advisers

Certain of the Joint Lead Arrangers, Dealers and/or their respective affiliates have engaged, and might in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and/or the Issuer's affiliates in the ordinary course of business.

The Joint Lead Arrangers, Dealers and their respective affiliates that have a credit relationship with the Issuer might from time to time hedge their credit exposure to the Issuer consistent with their customary risk management policies.

In addition, in the ordinary course of their business activities, the Joint Lead Arrangers, Dealers and their respective affiliates might make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities might involve securities and/or instruments of the Issuer or its affiliates. The Joint Lead Arrangers, Dealers and their respective affiliates might also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and might hold or recommend to clients that they acquire or sell their positions in such securities and instruments.

Ultimate Borrower

The Issuer is the borrower in respect of the Notes.

ISSUER

Rand Merchant Bank Nigeria Limited


Registered Office: 3rd Floor, East Tower
Wings Office Complex
17A Ozumba Mbadiwe Street
Victoria Island, Lagos
Nigeria
Tel No: +234 1 463 7130
Contact: Yetunde Ogunremi


Yetunde Ogunremi

AUDITORS TO THE ISSUER

PricewaterhouseCoopers Chartered Accountants


Registered Office: Landmark Towers
Plot 5B Water Corporation Road
Victoria Island, Lagos
Nigeria
Tel No: +234 1 271 1700
Contact: Obioma Ubah


Obioma Ubah

SOLICITORS

Aluko & Oyebo

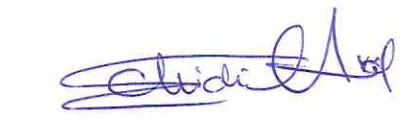
Registered Office: 1, Murtala Mohammed Drive
(Formerly Bank Road)
Ikoyi, Lagos
Nigeria
Tel No: +234 1 462 8360
Contact: Ayodeji Oyetunde


Ayodeji Oyetunde

JOINT LEAD ARRANGERS

Rand Merchant Bank Nigeria Limited

Registered Office: 3rd Floor, East Tower
Wings Office Complex
17A Ozumba Mbadiwe Street
Victoria Island, Lagos
Nigeria
Tel No: +234 1 463 7944
Contact: Ikechukwu Omeruah


Chidi Iwuchukwu


Stanbic IBTC Capital Limited

Registered Office: I.B.T.C. Place
Walter Carrington Crescent
Victoria Island, Lagos
Nigeria
Tel No: +234 1 422 8139
Contact: Kobby Bentsi-Enchill



Standard Chartered Capital & Advisory Nigeria Limited

Registered Office: 142 Ahmadu Bello Way
Victoria Island, Lagos
Nigeria
Tel No: +234 1 236 8347
Contact: Amaka Nsofor


YEMISI DEST-BEGIDE

ISSUING, CALCULATION AND PAYING AGENT

FSDH Merchant Bank Limited

1 / 5 Odunlami St
Lagos Island, Lagos
Nigeria
Tel No: +234 1 279 2880-2
Contact: Adaugo Okoli


BABATUNDE OBIDARE

