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"INVESTING IN THIS OFFER INVOLVES RISKS. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" ON PAGES 46 TO 48".



RC 1079631

FCMB GROUP PLC

PUBLIC OFFERING

OFFER FOR SUBSCRIPTION

OF

15,197,289,219 ORDINARY SHARES OF ₦0.50K EACH

At

₦7.30k per Share

Payable in full on Application

Offer Opens: July 29, 2024 | Offer Closes: September 04, 2024

Lead Issuing House:



CHAPEL HILL DENHAM

RC 1381308

Joint Issuing Houses:



RC 446561

CORONATION

RC 207138

CAPITAL BANGORP PLC

RC 114135



RC 264978



RC 434206



Futureview

RC 217005



RC 1297664



**Stanbic IBTC
Capital**

RC 1031358



United Capital

RC 444999

THIS PROSPECTUS AND THE SECURITIES, WHICH IT OFFERS, HAVE BEEN CLEARED AND REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC" OR THE "COMMISSION"). THE INVESTMENTS AND SECURITIES ACT NO. 29 OF 2007 (THE "ISA" OR THE "ACT") PROVIDES FOR CIVIL AND CRIMINAL LIABILITIES FOR THE ISSUE OF A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. THE REGISTRATION OF THIS PROSPECTUS AND THE SECURITIES WHICH IT OFFERS DOES NOT RELIEVE THE PARTIES OF ANY LIABILITY ARISING UNDER THE ACT FOR FALSE OR MISLEADING STATEMENTS OR FOR ANY OMISSION OF A MATERIAL FACT IN THIS PROSPECTUS. THE PROSPECTUS IS PREPARED IN CONNECTION WITH THE OFFER FOR SUBSCRIPTION OF 15,197,289,219 ORDINARY SHARES OF ₦0.50K EACH BY FCMB GROUP PLC. THE OFFER IS OPEN TO HIGH NET-WORTH INDIVIDUALS, QUALIFIED INSTITUTIONAL INVESTORS AND RETAIL INVESTORS.

THE REGISTRATION OF THIS PROSPECTUS SHALL NOT BE TAKEN TO INDICATE THAT THE SEC ENDORSES OR RECOMMENDS THE SECURITIES OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. THIS PROSPECTUS CONTAINS PARTICULARS IN COMPLIANCE WITH THE REQUIREMENTS OF THE COMMISSION FOR THE PURPOSE OF GIVING INFORMATION WITH REGARD TO THE SECURITIES BEING OFFERED HEREUNDER. THE SECURITIES BEING OFFERED ARE REGISTERED WITH THE COMMISSION AND LISTED AND TRADABLE ON NIGERIAN EXCHANGE LIMITED.

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS OF FCMB GROUP PLC AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS AND DECLARE THAT HAVING TAKEN REASONABLE CARE TO ENSURE THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS, TO THE BEST OF THEIR KNOWLEDGE, IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO MAKE ANY STATEMENT HEREIN INACCURATE OR MISLEADING IN ACCORDANCE WITH SECTION 107 OF THE ISA.

IT IS A CIVIL WRONG AND A CRIMINAL OFFENCE UNDER THE ISA TO ISSUE A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. INVESTORS ARE ADVISED TO NOTE THAT LIABILITY FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS PROVIDED FOR IN SECTIONS 85 AND 86 OF THE ISA. A COPY OF THE PROSPECTUS WILL BE AVAILABLE ON FCMB GROUP PLC'S WEBSITE WWW.FCMBGROUP.COM THROUGHOUT THE OFFER.

This Prospectus is dated July 23, 2024

IMPORTANT NOTICE

This Prospectus contains information about FCMB Group Plc (the "Issuer" or "FCMB Group") in connection with the Offer for the purpose of giving information to prospective investors in respect of the Offer described therein. The Prospectus and the securities offered have been cleared and registered with the Securities and Exchange Commission (the "SEC" or the "Commission"). An application was also made to the Nigerian Exchange Limited ("NGX") for the admission of the shares being offered by way of this Prospectus. The Ordinary Shares of the Issuer being offered will rank pari-passu in all respects with all other existing ordinary shares issued by the Issuer, including the right to receive dividends or other distributions declared, made or paid on the shares after allotment by the Issuer. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and if given or made, such information or representations must not be relied on as having been authorized by the Issuer and / or the Issuing Houses. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the Investments and Securities Act, No. 29 of 2007 ("ISA") and the Securities and Exchange Commission Rules and Regulations 2013 (as amended from time to time) (the "SEC Rules") and contains no omission to affect its import. The Issuing Houses, which are registered with the SEC in Nigeria, are acting exclusively for the Issuer in connection with the Offer. Additional information may be obtained through the Issuing Houses on any Business Day during the Offer period, provided the Issuing Houses possess such information or can acquire it without unreasonable effort or expense, as necessary.

Third-Party Information

The Issuer has obtained certain statistical and market information that is presented in this Prospectus from certain government and other third-party sources described herein. The Issuer has accurately reproduced such information and, so far as the Issuer is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. Prospective investors should note that some of the Issuer's estimates are based on such third-party information. Neither the Issuer nor the Issuing Houses have independently verified the figures, market data or other information on which third parties have based their studies.

Certain statistical information reported herein have been derived from official publications of, and information supplied by a number of government agencies and ministries, including the Central Bank of Nigeria ("CBN") and the National Bureau of Statistics ("NBS"). Official data published by the Nigerian government may be substantially less complete or researched than those of more developed countries. Nigeria has attempted to address some inadequacies in its national statistics through the adoption of the Statistics Act of 2007, which established the National Statistical System and created the NBS (which came into existence because of the merger of the Federal Office of Statistics and the National Data Bank) as its coordinator.

Forward-looking Statements

Certain statements in this Prospectus constitute "forward-looking statements". When used in this Prospectus, the words "project", "anticipate", "believe", "estimate", "expect" and similar expressions are generally intended to identify forward-looking statements. Such forward-looking statements, including the intended actions and performance objectives of the Offer; involve known and unknown risks, uncertainties, and other important factors that could cause the actual results, performance, or achievements of the Offer to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Investors should determine for themselves what reliance, if any, to place on such forward-looking statements.

In addition to other analytical tools, the Issuer may employ the use of financial models to evaluate investment opportunities. The accuracy and effectiveness of such models cannot be guaranteed. In all cases, projections are only estimates of future results which are based upon assumptions made at the time that the projections are developed. Projections are inherently uncertain and subject to factors beyond the control of the Issuer. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements, and the occurrence of unforeseen events could impair the ability of the Issuer to realize projected values and / or cash flow in respect of the Offer. Therefore, there can be no assurance that the projected results will be achieved, and actual results may vary significantly from the projections. General economic and industry-specific conditions, which are not predictable, can have also an adverse impact on the reliability of projections.

Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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1. DEFINITIONS

In this document, unless otherwise stated or clearly indicated by the context, the following definitions apply throughout this document except where otherwise stated:

| Terms | Definitions |
|---------------------------|---|
| "AGM" | Annual General Meeting |
| "Allotment" | The process of allotting shares to each investor on the Allotment Date (following application for shares in the Offer) |
| "Allotment Date" | The date on which the allotment of the Shares is approved and cleared by the SEC |
| "Application Form" | An application form which should be completed by investors to subscribe to the Offer in accordance with the instructions provided in this Prospectus and any other instructions in the form |
| "AI" | Artificial Intelligence |
| "AUM" | Assets under Management |
| "Auditors" | Deloitte & Touche Nigeria |
| "BaaS" | Banking as a Service |
| "Board" or "Directors" | Members of the Board of Directors of FCMB Group Plc who as at the date of this document are those persons whose names are set out on page 14 of this Prospectus |
| "Brokerage Commission" | Fees payable to the Receiving Agents in respect of returns bearing their stamps and duly allotted |
| "Business Day" | Any day, other than a Saturday, Sunday or a public holiday declared by the Federal Government of Nigeria, on which banks are open for business in Nigeria |
| "BVN" | Bank Verification Number |
| "CAMA" | Companies and Allied Matters Act No. 3 of 2020 (as amended) |
| "CBN" | Central Bank of Nigeria |
| "CBN March 2024 Circular" | CBN Circular dated March 28, 2024, with reference number FPR/DIR/PUB/CIR/002/009, titled Review of Minimum Capital Requirements for Commercial, Merchant, and Non-Interest banks in Nigeria |
| "Chapel Hill Denham" | Chapel Hill Denham Advisory Limited |
| "CHN" | Clearing House Number |
| "CSCS" | Central Securities Clearing System, the securities depository operated by Central Securities Clearing System Plc |
| "Daily Official List" | Daily Official List of the NGX containing information about all equity and debt securities quoted on the floor of the Exchange |
| "Depository" | Refers to CSCS Plc |
| "EPS" | Earnings Per Share |

DEFINITIONS

| Terms | Definitions |
|--|---|
| "FCMB", "FCMB Limited" or the "Bank" | First City Monument Bank Limited |
| "FCMB Capital Markets" | FCMB Capital Markets Limited |
| "FCMB Group", the "Company" or the "Issuer" | FCMB Group Plc |
| "FCY" | Foreign Currency |
| "Federal Government" or the "Government" or "FGN" | Federal Government of Nigeria |
| "FRCN" | Financial Reporting Council of Nigeria |
| "FX" | Foreign Exchange |
| "FYE" | Fiscal Year Ended |
| "GDP" | Gross Domestic Product |
| "Group" | FCMB Group Plc and its consolidated subsidiaries |
| "ISA" | Investments and Securities Act (No. 29 of 2007) |
| "Issuing Houses" | Chapel Hill Denham Advisory Limited, FCMB Capital Markets Limited, Coronation Merchant Bank, Capital Bancorp Plc FBNQuest Merchant Bank, FSDH Capital Limited, Futureview Financial Services Limited, Meristem Capital Limited, Stanbic IBTC Capital Limited, and United Capital Plc |
| "KYC" | Know Your Customer |
| "LFN" | Laws of the Federation of Nigeria |
| "MPC" | Monetary Policy Committee |
| "MPR" | Monetary Policy Rate |
| "Naira" or "₦" | The Nigerian Naira, the official currency of Nigeria |
| "NBS" | National Bureau of Statistics |
| "NGX" or the "Exchange" | Nigerian Exchange Limited |
| "NGX Invest" or "the e-Offer Portal" or "the Portal" | The digital platform approved by SEC, which provides prospective investors with electronic/digital access for completing offer applications and which will require the completion of requisite fields in order to subscribe for the Offer, in accordance with the instructions provided on page 67 of this Prospectus |
| "Nigeria" | Federal Republic of Nigeria |
| "NPL" | Non-Performing Loan(s) |
| "Offer" | The public offering by way of an offer for subscription by FCMB Group Plc of 15,197,289,219 ordinary shares of ₦0.50k at ₦7.30k per share |
| "Offer Period" | Period commencing from 8:00 am WAT on the Offer open date of July 29, 2024, and ending at 5:00 pm WAT on the Offer close date on September 04, 2024 |

DEFINITIONS

| Terms | Definitions |
|--|--|
| "Ordinary Shares" | This means the ordinary shares of ₦0.50k each to be issued pursuant to the Offer |
| "Pari Passu" | Equally |
| "PENCOM" | National Pension Commission |
| "Person" | Includes (a) an individual (b) a legal entity, including a partnership (whether or not a legal entity), a joint venture, a corporation, a trust, a limited liability company, or a limited liability partnership |
| "PAT" | Profit After Tax |
| "PBT" | Profit Before Tax |
| "PMS" | Premium Motor Spirit |
| "Prospectus" | This document which is issued in accordance with the Rules and Regulations of the Commission to provide information on the Offer |
| "Qualified Investors" | Qualified Institutional Investors and high net worth individuals, both as defined in the SEC Rules |
| "Qualified Institutional Investors" or "QII" | A Qualified Institutional Investor, as defined in the SEC rules |
| "Receiving Agent(s)" | Institutions listed on page 66 of this Prospectus |
| "Receiving Bank(s)" | Access Bank Plc, Guaranty Trust Bank Limited, FSDH Merchant Bank |
| "Register of Members" | The register maintained by the Registrars that details the names and addresses of the shareholders of the Issuer |
| "Registrar" | CardinalStone Registrars Limited |
| "SEC" or the "Commission" | Securities and Exchange Commission |
| "SEC Rules" | The rules and regulations of the SEC made pursuant to the ISA, as may be amended from time to time |
| "SME" | Small and Medium Sized Enterprises |
| "Stockbrokers" | CSL Stockbrokers Limited, APT Securities Limited, Bancorp Securities Limited, Chapel Hill Denham Securities Limited, Coronation Securities Limited, Network Capital Limited, RenCap Securities Nigeria Limited |
| "VAT" | Value Added Tax |
| "WAT" | West African Time |

2. INDICATIVE ABRIDGED TIMETABLE

| Date | Activities | Responsibility |
|--------------------|---|--|
| July 29, 2024 | Offer opens | Issuing Houses/Stockbrokers |
| September 04, 2024 | Offer closes | Issuing Houses/Stockbrokers |
| September 17, 2024 | Receiving Agents make forward returns | Issuing Houses/Receiving Agents/Registrars |
| September 23, 2024 | File Allotment proposal with CBN for capital verification process and obtain "no-objection" | Issuer |
| October 07, 2024 | Forward Allotment proposal and draft newspaper announcement to SEC | Issuing Houses |
| October 10, 2024 | Receive SEC "No-Objection" clearance to the basis of allotment | Issuing Houses |
| October 11, 2024 | Remit net proceeds of the Offer to the Issuer | Receiving Banks |
| October 11, 2024 | Publish Allotment announcements in two national dailies | Issuing Houses |
| October 17, 2024 | Return excess/rejected application monies | Issuing Houses/Registrars |
| October 17, 2024 | Credit depository accounts | Registrar |
| October 17, 2024 | Listing of the Shares/trading commences | Issuing Houses/Stockbrokers |
| October 18, 2024 | Submission of the Offer Summary Report to SEC | Issuing Houses |

Important notice: The dates given above are indicative only and are subject to possible changes without prior notice. If any change occurs, the dates of key events in the timetable may be subject to corresponding adjustments.

3. THE OFFER

A copy of this Prospectus and the documents specified herein have been delivered to the Commission for clearance and registration. This Prospectus is issued in compliance with the provisions of the ISA, the SEC Rules, and the listing requirements of the NGX and contains particulars in compliance with the requirements of the Commission and the NGX for the purpose of giving information to the general investing public with regards to the Offer for Subscription of 15,197,289,219 Ordinary Shares of 50 kobo each in FCMB Group Plc by the Issuing Houses. An application has been made to the Board of the NGX for the admission to the Daily Official List of the 15,197,289,219 Ordinary Shares of 50 kobo each being offered via the Public Offering by way of an Offer for Subscription. The Board of Directors of FCMB Group Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Prospectus. The Board of Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts, the omission of which would make any statement herein misleading or untrue.

The Ordinary shares to be issued by the Issuer pursuant to the Offer will rank pari passu in all respects with the existing issued Ordinary Shares of the Issuer.

ISSUING HOUSES



ON BEHALF OF



RC 1079631

FCMB GROUP PLC

ARE AUTHORISED TO RECEIVE APPLICATIONS FOR THE

OFFER FOR SUBSCRIPTION

OF

15,197,289,219 ORDINARY SHARES OF ₦0.50K EACH

AT

₦7.30K PER SHARE

PAYABLE IN FULL ON APPLICATION

The Application for the Ordinary Shares now being offered will open on July 29, 2024, and close on September 04, 2024.

| SHARE CAPITAL AND RESERVES OF THE GROUP AS OF DECEMBER 31, 2023 | ₦ MILLIONS |
|--|----------------|
| Issued and Fully Paid Share Capital: ordinary shares of 50 Kobo each | 9,901 |
| Share premium | 115,392 |
| Additional Tier 1 Capital | 46,686 |
| Other reserves | 144,592 |
| Retained Earnings | 144,381 |
| Non-Controlling interest | 1,674 |
| TOTAL EQUITY | 462,626 |

Pursuant to the special resolution passed at the Annual General Meeting of the Company held on May 24, 2024, the shareholders approved the increase in share capital by the creation of 19,802,710,781 (Nineteen billion, Eight Hundred and Two Million, Seven Hundred and Ten Thousand, Seven Hundred and Eighty-One) ordinary shares of ₦0.50k each.

4. SUMMARY OF THE OFFER

This summary draws attention to information contained elsewhere in this Prospectus; it does not contain all of the information you should consider in making your investment decision. Prospective investors should therefore read this summary together with the more detailed information, including the financial summary elsewhere in this Prospectus. The following information contains the major highlights of the Prospectus:

| Terms | Definitions | | | | | | | | | | | | | | | | | | | | |
|---|--|-----------------|--|---|----------|-----------------------------|--------|-------|--|---|--------|-------|--|-----------------------------|-------|------|--|---------------------------|----------------|---------------|--|
| 1. The Offer: | 15,197,289,219 Ordinary Shares of ₦0.50k each in FCMB Group Plc | | | | | | | | | | | | | | | | | | | | |
| 2. Issuer: | FCMB Group Plc | | | | | | | | | | | | | | | | | | | | |
| 3. Lead Issuing House: | Chapel Hill Denham Advisory Limited | | | | | | | | | | | | | | | | | | | | |
| 4. Joint Issuing Houses: | FCMB Capital Markets Limited, Coronation Merchant Bank, Capital Bancorp Plc, FBNQuest Merchant Bank, FSDH Capital Limited, Futureview Financial Services Limited, Meristem Capital Limited, Stanbic IBTC Capital Limited, and United Capital Plc | | | | | | | | | | | | | | | | | | | | |
| 5. Share Capital: | Issued and fully paid-up share capital of ₦9,901,355,390 comprising of 19,802,710,781 ordinary shares of ₦0.50k each | | | | | | | | | | | | | | | | | | | | |
| 6. Being offered: | 15,197,289,219 ordinary shares of ₦0.50k each | | | | | | | | | | | | | | | | | | | | |
| 7. Mode of Offer: | Offer for subscription | | | | | | | | | | | | | | | | | | | | |
| 8. Offer Price: | ₦7.30k | | | | | | | | | | | | | | | | | | | | |
| 9. Purpose: | The Offer is being undertaken to shore up the paid-up capital of FCMB Limited, ensuring that the Bank's total paid-up capital is in compliance with the CBN's new minimum capital requirement as contained in the CBN March 2024 Circular. FCMB Limited shall invest the fund to accelerate the execution of its expansion growth plans that would further enhance stakeholder value creation. | | | | | | | | | | | | | | | | | | | | |
| 10. Gross Proceeds | ₦110,940,211,298.70 | | | | | | | | | | | | | | | | | | | | |
| 11. Use of Proceeds: | <p>The estimated net proceeds of ₦108,117,734,574.16 - following the deduction of the estimated offer costs of ₦2,822,476,724.54 representing 2.54% of gross proceeds - will be applied by FCMB Limited as stated below:</p> <table border="1"> <thead> <tr> <th>Use of Proceeds</th> <th>Amount (₦'Bn)</th> <th>%</th> <th>Duration</th> </tr> </thead> <tbody> <tr> <td>Business growth & expansion</td> <td>₦84.57</td> <td>78.22</td> <td>36 months from the receipt of net Offer proceeds by the Issuer</td> </tr> <tr> <td>Investment in IT & cybersecurity infrastructure</td> <td>₦16.22</td> <td>15.00</td> <td>36 months from the receipt of net Offer proceeds by the Issuer</td> </tr> <tr> <td>Investment in human capital</td> <td>₦7.32</td> <td>6.77</td> <td>24 months from the receipt of net Offer proceeds by the Issuer</td> </tr> <tr> <td>Net Offer Proceeds</td> <td>₦108.12</td> <td>100.00</td> <td></td> </tr> </tbody> </table> <p>A more detailed breakdown of the use of proceeds is provided on page 49.</p> | Use of Proceeds | Amount (₦'Bn) | % | Duration | Business growth & expansion | ₦84.57 | 78.22 | 36 months from the receipt of net Offer proceeds by the Issuer | Investment in IT & cybersecurity infrastructure | ₦16.22 | 15.00 | 36 months from the receipt of net Offer proceeds by the Issuer | Investment in human capital | ₦7.32 | 6.77 | 24 months from the receipt of net Offer proceeds by the Issuer | Net Offer Proceeds | ₦108.12 | 100.00 | |
| Use of Proceeds | Amount (₦'Bn) | % | Duration | | | | | | | | | | | | | | | | | | |
| Business growth & expansion | ₦84.57 | 78.22 | 36 months from the receipt of net Offer proceeds by the Issuer | | | | | | | | | | | | | | | | | | |
| Investment in IT & cybersecurity infrastructure | ₦16.22 | 15.00 | 36 months from the receipt of net Offer proceeds by the Issuer | | | | | | | | | | | | | | | | | | |
| Investment in human capital | ₦7.32 | 6.77 | 24 months from the receipt of net Offer proceeds by the Issuer | | | | | | | | | | | | | | | | | | |
| Net Offer Proceeds | ₦108.12 | 100.00 | | | | | | | | | | | | | | | | | | | |

SUMMARY OF THE OFFER

| Terms | Definitions | | | | | | | | | | | | | | | | | | | | | |
|---|---|---------------|-------------|---|---|---------------|-------|----------------------|---------------|------|--------------------------|---------------|------|-----------------------|---------------|------|--------|----------------|-------|--------------|-----------------------|---------------|
| 12. Minimum Subscription: | Minimum of 1,000 Ordinary Shares and multiples of 1,000 Ordinary Shares thereafter. The value for which an application is made should be entered in the section provided on the e-Offer Portal. | | | | | | | | | | | | | | | | | | | | | |
| 13. Payment Terms: | Payment in full on application | | | | | | | | | | | | | | | | | | | | | |
| 14. Currency of Issue: | Nigerian Naira (₦) | | | | | | | | | | | | | | | | | | | | | |
| 15. Status: | All the Ordinary Shares to be issued shall rank Pari Passu in all respects with the issued ordinary shares of the Company | | | | | | | | | | | | | | | | | | | | | |
| 16. Offer Open Date: | July 29, 2024 | | | | | | | | | | | | | | | | | | | | | |
| 17. Offer Close Date: | September 04, 2024 | | | | | | | | | | | | | | | | | | | | | |
| 18. Application: | <p>Application for the Shares can be made through NGX Invest (the “e-Offer Portal”) - the digital platform approved by SEC - or through any of the receiving agents listed on page 66 of this prospectus. The e-Offer Portal will be open to all investors for the submission of applications (payment options will be provided on the e-Offer Portal), and open to the Issuing Houses and Receiving Agents for the submission of applications on behalf of investors. NGX Invest will be integrated with the Depository to ease the allotment and post-allotment settlement processes.</p> <p>Completed physical Application Forms should be submitted (and the full investment amount paid) to any of the Issuing Houses or Receiving Agents listed on page 66 of this Prospectus, within the Offer Period up until 5:00 pm (WAT) on the Offer Close Date.</p> <p>See “Procedure for Application and Allotment”. Applicants who subscribe through the e-Offer Portal and who do not have CHN and Depository accounts will be provided with the option of having a CHN and Depository account opened for them on the basis of the information provided on the e-Offer Portal.</p> <p>The Issuing Houses and the Issuer reserve the right to reject any applications made after the close of the Offer.</p> | | | | | | | | | | | | | | | | | | | | | |
| 19. Allotment: | The Shares will be allotted in accordance with the SEC Rules that prescribe that all subscribers receive the minimum application in full, and thereafter the residual balance shall be pro-rated, with subscribers being allotted equal proportions of the amount of the Shares applied for. | | | | | | | | | | | | | | | | | | | | | |
| 20. Oversubscription: | In the event of an over-subscription, additional Ordinary Shares, not exceeding 15% of the Shares, may be offered by the Issuer, subject to the subsequent approval of the CBN and SEC. | | | | | | | | | | | | | | | | | | | | | |
| 21. Shareholding Structure: | <p>As at June 07, 2024, the 19,802,710,781 ordinary shares of ₦0.50k each in the issued ordinary share capital of the Issuer are beneficially held as follows:</p> <table border="1"> <thead> <tr> <th>Shareholders</th> <th>Shares Held</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>FCMB Nominees Capital Capita IRG Trustees Ltd</td> <td>2,041,172,788</td> <td>10.31</td> </tr> <tr> <td>Balogun M.O.; C.O.N.</td> <td>1,442,904,175</td> <td>7.29</td> </tr> <tr> <td>Primrose Investments Ltd</td> <td>1,070,145,152</td> <td>5.40</td> </tr> <tr> <td>Bluechip Holdings Ltd</td> <td>1,000,050,000</td> <td>5.05</td> </tr> <tr> <td>Others</td> <td>14,248,438,666</td> <td>71.95</td> </tr> <tr> <td>TOTAL</td> <td>19,802,710,781</td> <td>100.00</td> </tr> </tbody> </table> | Shareholders | Shares Held | % | FCMB Nominees Capital Capita IRG Trustees Ltd | 2,041,172,788 | 10.31 | Balogun M.O.; C.O.N. | 1,442,904,175 | 7.29 | Primrose Investments Ltd | 1,070,145,152 | 5.40 | Bluechip Holdings Ltd | 1,000,050,000 | 5.05 | Others | 14,248,438,666 | 71.95 | TOTAL | 19,802,710,781 | 100.00 |
| Shareholders | Shares Held | % | | | | | | | | | | | | | | | | | | | | |
| FCMB Nominees Capital Capita IRG Trustees Ltd | 2,041,172,788 | 10.31 | | | | | | | | | | | | | | | | | | | | |
| Balogun M.O.; C.O.N. | 1,442,904,175 | 7.29 | | | | | | | | | | | | | | | | | | | | |
| Primrose Investments Ltd | 1,070,145,152 | 5.40 | | | | | | | | | | | | | | | | | | | | |
| Bluechip Holdings Ltd | 1,000,050,000 | 5.05 | | | | | | | | | | | | | | | | | | | | |
| Others | 14,248,438,666 | 71.95 | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 19,802,710,781 | 100.00 | | | | | | | | | | | | | | | | | | | | |

SUMMARY OF THE OFFER

| Terms | Definitions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|----------------------|---------------------------------------|----------------------|----------|------------------------|----------|---------------|-----------------------------|---------|-------|--------------|----------------|-----|------|------|------|------|-------|-----|------|------|------|------|------|--------------|---------|---------|---------|---------|---------|------------|-------|-------|-------|-------|-------|---------|------|------|------|------|------|
| 22. Market Capitalisation at Offer Price (pre-Offer): | ₦144,559,788,701.30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23. Market Capitalisation at Offer Price (post-Offer): | ₦255,500,000,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24. Underwriting: | At the instance of the Issuer, the Offer will not be underwritten | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25. Risk Factors | See "Risk Factors" on pages 46 to 48 of this Prospectus | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26. Group Financial Summary: | <table border="1"> <thead> <tr> <th>N'bn</th> <th>Dec 2019</th> <th>Dec 2020</th> <th>Dec 2021</th> <th>Dec 2022</th> <th>Dec 2023</th> </tr> </thead> <tbody> <tr> <td>Gross Revenue</td> <td>181.2</td> <td>198.4</td> <td>212.0</td> <td>282.9</td> <td>516.4</td> </tr> <tr> <td>PBT</td> <td>20.1</td> <td>21.9</td> <td>22.7</td> <td>36.6</td> <td>104.4</td> </tr> <tr> <td>PAT</td> <td>17.3</td> <td>19.6</td> <td>20.9</td> <td>31.1</td> <td>93.0</td> </tr> <tr> <td>Total Assets</td> <td>1,668.5</td> <td>2,058.4</td> <td>2,493.2</td> <td>2,983.0</td> <td>4,423.9</td> </tr> <tr> <td>Net Assets</td> <td>200.7</td> <td>227.1</td> <td>243.8</td> <td>275.9</td> <td>462.6</td> </tr> <tr> <td>EPS (₦)</td> <td>0.87</td> <td>0.98</td> <td>1.05</td> <td>1.56</td> <td>4.70</td> </tr> </tbody> </table> | N'bn | Dec 2019 | Dec 2020 | Dec 2021 | Dec 2022 | Dec 2023 | Gross Revenue | 181.2 | 198.4 | 212.0 | 282.9 | 516.4 | PBT | 20.1 | 21.9 | 22.7 | 36.6 | 104.4 | PAT | 17.3 | 19.6 | 20.9 | 31.1 | 93.0 | Total Assets | 1,668.5 | 2,058.4 | 2,493.2 | 2,983.0 | 4,423.9 | Net Assets | 200.7 | 227.1 | 243.8 | 275.9 | 462.6 | EPS (₦) | 0.87 | 0.98 | 1.05 | 1.56 | 4.70 |
| N'bn | Dec 2019 | Dec 2020 | Dec 2021 | Dec 2022 | Dec 2023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gross Revenue | 181.2 | 198.4 | 212.0 | 282.9 | 516.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PBT | 20.1 | 21.9 | 22.7 | 36.6 | 104.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PAT | 17.3 | 19.6 | 20.9 | 31.1 | 93.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 1,668.5 | 2,058.4 | 2,493.2 | 2,983.0 | 4,423.9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Assets | 200.7 | 227.1 | 243.8 | 275.9 | 462.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EPS (₦) | 0.87 | 0.98 | 1.05 | 1.56 | 4.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27. Quotation: | FCMB Group Plc's entire issued and paid-up share capital is listed on the NGX. An application has been made to NGX Regulation Limited for the admission of the 15,197,289,219 Shares being offered in the Offer to NGX's Daily Official List. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 28. Indebtedness: | <p>As of December 31, 2023, the Group's total indebtedness stood at ₦514.90 billion. Apart from the foregoing, the Group had no outstanding debenture, mortgage, charges, or other similar indebtedness other than in the ordinary course of business.</p> <table border="1"> <thead> <tr> <th>S/N</th> <th>Debts Issued and other borrowed funds</th> <th>Total amount (₦' mn)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Debt securities issued</td> <td>171,024</td> </tr> <tr> <td>2</td> <td>Interest bearing borrowings</td> <td>343,879</td> </tr> <tr> <td></td> <td>Total</td> <td>514,903</td> </tr> </tbody> </table> | S/N | Debts Issued and other borrowed funds | Total amount (₦' mn) | 1 | Debt securities issued | 171,024 | 2 | Interest bearing borrowings | 343,879 | | Total | 514,903 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S/N | Debts Issued and other borrowed funds | Total amount (₦' mn) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Debt securities issued | 171,024 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Interest bearing borrowings | 343,879 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Total | 514,903 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 29. Claims and Litigation: | As at the date of this Prospectus, the Issuer has no pending litigation. However, the Issuer's banking subsidiary, FCMB Limited, in the ordinary course of business is currently involved in 392 (Three Hundred and Ninety-Two) cases, while only 16 (Sixteen) cases are above the materiality threshold of ₦500,000,000 (Five Hundred Million Naira). The details of the total amounts claimed in the cases instituted by and against FCMB Limited can be found on page 60 of this Prospectus. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30. Settlement | The Depository accounts of successful applicants (for those who have such accounts and have provided the details) will be credited no later than 15 Business Days following SEC's clearance of the Allotment proposal. Per the SEC Directive on Dematerialisation of Share Certificates and Depository account numbers, successful applicants who do not provide valid CHN and Depository account numbers will have their shares credited at the Depository using a Registrar Identification Number (RIN). A RIN is a number allocated to shareholders who do not have valid CHN and Depository account numbers, which is used to warehouse their shareholding in public companies under the | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

SUMMARY OF THE OFFER

| Terms | Definitions |
|-------|--|
| | <p>Registrar's custody at the Depository. The allotted shares will be transferred to the stockbroking account of the applicant once valid CHN and Depository account numbers are provided. Any applicant who does not have a CHN and Depository account number is advised to open a stockbroking account with a stockbroker and obtain a valid CHN and Depository account number from the stockbroker.</p> |

5. DIRECTORS, COMPANY SECRETARY AND PARTIES TO THE OFFER

The Issuer

FCMB GROUP PLC

First City Plaza
44 Marina
Lagos
Nigeria

Directors and Company Secretary

Mr. Ladi Jadesimi
(Chairman)

First City Plaza
44 Marina
Lagos, Nigeria

Mr. Ladi Balogun
(Group Chief Executive Officer)

First City Plaza
44 Marina
Lagos, Nigeria

Mr. Femi Badeji
(Executive Director)

First City Plaza
44 Marina
Lagos, Nigeria

Mr. Adegbolahan Joshua Simisola
(Executive Director & Chief Operating Officer)

First City Plaza
44 Marina
Lagos, Nigeria

Mrs. Olapeju Sofowora
(Independent Non-Executive Director)

First City Plaza
44 Marina
Lagos, Nigeria

Ms. Muibat Ijaiya
(Independent Non-Executive Director)

First City Plaza
44 Marina
Lagos, Nigeria

Alhaji Mustapha Damcida
(Non-Executive Director)

First City Plaza
44 Marina
Lagos, Nigeria

Dr. (Engr.) Gregory Omosigho Ero
(Non-Executive Director)

First City Plaza
44 Marina
Lagos, Nigeria

Prof. Oluwatoyin Ashiru
(Non-Executive Director)

First City Plaza
44 Marina
Lagos, Nigeria

Mrs. Tokunboh Ishmael
(Non-Executive Director)

First City Plaza
44 Marina
Lagos, Nigeria

Mrs. Olufunmilayo Adedibu
(Company Secretary)

First City Plaza
44 Marina
Lagos, Nigeria

DIRECTORS, COMPANY SECRETARY AND PARTIES TO THE OFFER

Audit Committee

Evangelist Akinola Soares (Chairman & Shareholders' Representative)

First City Plaza
44 Marina
Lagos, Nigeria

Mr. Hakeem Batula (Shareholders' Representative)

First City Plaza
44 Marina
Lagos, Nigeria

Prof. Oluwatoyin Ashiru (Non-Executive Director)

First City Plaza
44 Marina
Lagos, Nigeria

Alhaji S.B. Daranijo (Shareholders' Representative)

First City Plaza
44 Marina
Lagos, Nigeria

Mrs. Olapeju Sofowara (Independent Non-Executive Director)

First City Plaza
44 Marina
Lagos, Nigeria

Professional Parties

Issuing Houses

Chapel Hill Denham Advisory Limited

10 Bankole Oki Street
Ikoyi
Lagos

FSDH Capital Limited

UAC House (4th Floor)
1/5 Odunlami Street
Lagos Island, Lagos

FCMB Capital Markets Limited

First City Plaza (6th Floor)
44 Marina
Lagos Island, Lagos

Futureview Financial Services Limited

Futureview Plaza
22 Ojo Olobun Cl,
Eti-Osa, Lagos

Capital Bancorp Plc

9 Wesley Street
Marina
Lagos Island, Lagos

Meristem Capital Limited

124 Norman Williams Street
Ikoyi
Lagos

Coronation Merchant Bank Limited

Coronation House
10 Amodu Ojikutu Street
Victoria Island, Lagos

Stanbic IBTC Capital Limited

Stanbic IBTC Towers
Walter Carrington Crescent
Victoria Island, Lagos

FBNQuest Merchant Bank Limited

2 Broad Street
Marina
Lagos Island, Lagos

United Capital Plc

3rd & 4th Floor, Afriland Towers
97/105 Broad Street
Lagos Island, Lagos

Stockbrokers

CSL Stockbrokers Limited

First City Plaza (4th Floor)
44 Marina
Lagos Island, Lagos

APT Securities Limited

29 Marina Street
Marina
Lagos Island, Lagos

DIRECTORS, COMPANY SECRETARY AND PARTIES TO THE OFFER

Bancorp Securities Limited

9 Wesley Street
Lagos Island
Lagos

Chapel Hill Denham Securities Limited

10 Bankole Oki Street
Ikoyi
Lagos

Coronation Securities Limited

Coronation Plaza
9-12 Amodu Ojikutu Street
Victoria Island, Lagos

Network Capital Limited

13 Maitama Sule Street
Ikoyi
Lagos

RenCap Securities Nigeria Limited

The Wings Office Complex
6th Floor, Level 11, East Tower
17A Ozumba Mbadiwe Road
Victoria Island, Lagos

Auditor

Deloitte & Touche Nigeria

Civic Tower
Ozumba Mbadiwe
Victoria Island, Lagos

Reporting Accountant

Ernst & Young

UBA House
57 Marina
Lagos

Receiving Banks

Access Bank Plc

14/15, Prince Alaba Oniru Street
Oniru Estate
Victoria Island, Lagos

Registrar

CardinalStone Registrars Limited

335/337 Herbert Macaulay Road
Yaba
Lagos

FSDH Merchant Bank Limited

UAC House
1 – 5 Odunlami Street
Marina, Lagos

Solicitors to the Offer

Banwo & Ighodalo

48 Awolowo Road
Ikoyi
Lagos

Guaranty Trust Bank Limited

Plot 635, Akin Adesola
Victoria Island
Lagos

Solicitors to the Issuer

Olaniwun Ajayi LP

The Adunola, Plot L2, 410 Close
Banana Island, Ikoyi
Lagos

Zenith Bank Plc

87 Ajose Adeogun Street
Victoria Island
Lagos

6. NIGERIAN MACROECONOMIC AND BANKING INDUSTRY OVERVIEW

6.1 Macroeconomic Overview

Nigeria's GDP grew by 2.74% year-on-year (Y-O-Y) in 2023. The outlook for GDP is expected to be positive in the long term, particularly following the removal of the fuel subsidy (which cost approximately US\$14 billion from 2020 to 2022). With the removal of the subsidy, the Government is projected to achieve fiscal savings which are expected to reach over ₦11 trillion by the end of 2025¹.

The Nigerian economy has experienced two recessions in the last 10 years due to negative oil prices, relatively limited oil production, supply chain disruptions and the outbreak of COVID-19. GDP performance in recent years generally has been supported by growth in non-oil & gas sectors, with the biggest growth drivers being agriculture, telecommunications, manufacturing, and trade. Data from the NBS showed that Nigeria recorded real GDP growth rates of 2.79% in 2015, -1.58% in 2016, 0.82% in 2017, 1.91% in 2018, 2.27% in 2019, -1.92% in 2020, 3.40% in 2021, 3.10% in 2022, and 2.74% y-o-y in 2023.

According to the NBS April 2024 inflation report, the headline Consumer Price Index ("CPI") increased by 33.69% y-o-y, higher than the rate recorded in April 2023 (22.22%). The principal driver is the food sub-index which increased to 40.53% compared with 24.61% in April 2023 y-o-y. Core inflation, which excludes the price of volatile agriculture produces and energy, stood at 26.84% in April 2024, up by 6.87% from April 2023.

Price increases were also recorded in the price of gas, liquid fuel, solid fuel, passenger transport by road, passenger transport by air, fuel and lubricants for personal transport equipment, cleaning and repair. The uptick in food inflation is reflective of the impact of Government policies such as the removal of subsidies on petrol, weak and inadequate infrastructure, among others. As the Government continues to address these challenges, inflation is expected to moderate downwards in the next 12 – 18 months.

Given persistent inflationary pressures, the CBN has been aggressive in hiking rates. In 2024 there have been three consecutive rate hikes. The first hike occurred in February 2024, when the MPC raised the MPR by 400bps to 22.75%, followed by a 200bps rate hike as MPR was increased to 24.75% in March. In May 2024, the MPC increased the MPR a third time by 150bps to 26.25%.

In 2023, the Naira witnessed a significant devaluation in June following efforts at unification of the official and parallel market exchange rates by the new administration. The parallel rate depreciated by 39.4% in 2023, while the official rate showed a 49.2% depreciation in the same period with the premium fluctuating between 1% and 68%.

Although a convergence between both markets was achieved in June – July 2023, a reemergence of the spread was witnessed in August 2023 highlighting the complexities in the country's economic condition. FX shortages weigh on economic activity and deter foreign capital.

In October 2023, the CBN lifted the ban on 43 items which had hitherto been banned from access to FX in the official market and took steps to clear nearly US\$7 billion of unmet FX forwards in a bid to address the rapid devaluation of the Naira.

In 2024, attention has been centered on ensuring liquidity and maintaining currency stability in the FX market as a preventive measure against inflationary pressures.

Pressure on the currency is expected to ease partially towards the end of 2024, an optimism fueled by improved oil production and refining, improved current account balance, external borrowings, and the Government's goal of achieving over US\$10 billion aggregate FX inflow. Also, new Government reforms around the exchange market are expected to reduce the exposure of the Naira to speculations as we move into a more regulated exchange rate environment.

¹ World Bank's Nigeria Development Update as of December 2023

6.2 Recent Trends in the Nigerian Banking Industry

Announcement of New Minimum Capital Requirement

In a circular issued on March 28, 2024, the CBN announced a revision of the minimum capital requirements for all commercial banks, merchant banks, and non-interest banks in Nigeria.

The increase in the minimum capital of banks is part of the CBN's efforts to strengthen banks' capacity to navigate the prevailing macroeconomic challenges and headwinds occasioned by external and domestic shocks and continue to support the growth of the Nigerian economy.

The increase in the minimum capital was long overdue as the last review of banks' capital requirements by the CBN was almost two decades ago in 2005, which saw the minimum capital requirements for the banking industry increase from ₦5bn to ₦25bn.

The dollar equivalent of the previous minimum capital requirement is considerably lower now in today's terms owing to rampant inflation and currency devaluation. A summary of the revised minimum capital requirement is shown in the table below:

| Type of Bank | Authorization | Minimum Capital |
|--------------|---------------|-----------------|
| Commercial | International | ₦500 billion |
| | National | ₦200 billion |
| | Regional | ₦50 billion |
| Merchant | National | ₦50 billion |
| Non-interest | National | ₦20 billion |
| | Regional | ₦10 billion |

The CBN also stated specifically the categorisation of capital which comprise only of share capital and share premium and gave all banks a deadline of March 31, 2026, to comply with the new capital requirements. The following options were presented by the CBN to banks for consideration towards achieving the new minimum capital requirement:

1. Capital raise via offer for subscription, private placement and/or rights issue;
2. Mergers and Acquisitions (M&As); and/or
3. Upgrade or downgrade of license category.

A review of the capital base of all licensed Nigerian banks puts the total capital shortfall at c. ₦4.3tn; ₦2.3tn to be raised by commercial banks with international licences, ₦1.8tn to be raised by commercial banks with national licences, ₦200.0bn to be raised by banks with merchant banking licences, ₦56.0bn to be raised by banks with regional banking licences, and ₦14.0bn to be raised by banks with national non-interest banking licences.

FX Reforms

The Nigerian Naira has lost almost 40% of its value year-to-date against the United States Dollars (USD) as of June 28, 2024, following a revision of the methodology used by the CBN to set the official exchange rate in January 2024. Moreover, the CBN has instituted several FX regulations, detailed below:

1. Banks' net open position limit of foreign exchange currency assets and liabilities must not exceed 20% short or 0% long of shareholders' funds²;
2. Banks must seek CBN's approval before exercising an early redemption clause on their Eurobonds³;
3. Banks must have an adequate stock of high-quality liquid assets to cover maturing foreign currency⁴;
4. Banks must borrow and lend in the same currency and the basis of the interest rate for borrowing should be the same as that for lending⁵;

² Harmonization of Reporting Requirements on Foreign Currency Exposures of Banks issued 31 January 2024.

³ Same as above.

⁴ Same as above.

⁵ Same as above.

NIGERIAN MACROECONOMIC AND BANKING INDUSTRY OVERVIEW

5. CBN eased rules on international money transfer operators (IMTOs);⁶; and
6. CBN prohibited the practice of obtaining Naira loans using foreign currency denominated collateral.⁷

The trend of significant currency devaluations has historically prompted banks to maintain long net open positions, which has culminated in them reporting record profits for the year ended 2023 from revaluation gains. Nevertheless, such abrupt shifts in the exchange rate can precipitate a severe erosion in the value of banks' FCY holdings, adversely impacting their capital and solvency levels, and consequently amplifying risk within the sector. By curbing banks' capacity to engage in speculative trading of the naira, the new regulations aim to mitigate their foreign exchange exposure and foster greater liquidity in the currency market. Ultimately, these measures are expected to bolster the stability of the currency itself.

6.3 Competitive Landscape of the Nigerian Banking Industry

The Nigerian banking industry is characterised by three main features: a high level of concentration, minimal foreign involvement, and a strong dependence on cash, despite the Government's and the CBN's effort to promote digital banking.

The top 10 banks in Nigeria possess just under 90% of the country's total banking assets, with the top three controlling around 60%. The CBN lists 25 licensed commercial banks. Foreign banks operating in Nigeria comprise only about 6% of total banking assets, which is among the lowest globally.

Commercial banks in Nigeria can be broadly segmented into 3 tiers.

- Tier 1 – First Bank of Nigeria, United Bank for Africa, Guaranty Trust Bank, Access Bank, and Zenith Bank
- Tier 2 – First City Monument Bank, Fidelity Bank, Stanbic IBTC Bank, Ecobank Nigeria, Wema Bank, Citibank Nigeria, Union Bank of Nigeria, Sterling Bank, Standard Chartered Bank Nigeria, Unity Bank, and Polaris Bank; and
- Tier 3 – Titan Trust Bank, Globus Bank, Keystone Bank, SunTrust Bank Nigeria, Paralex Bank, Providus Bank, Premium Trust Bank, Signature Bank, and Optimus Bank.

FCMB Limited is Nigeria's eighth largest bank by total assets at, ₦4.31tn as of December 31, 2023. FCMB Limited saw significant growth in its assets (48% y-o-y), deposits (54% y-o-y) and profit after tax (224% y-o-y) for the year ended 2023.

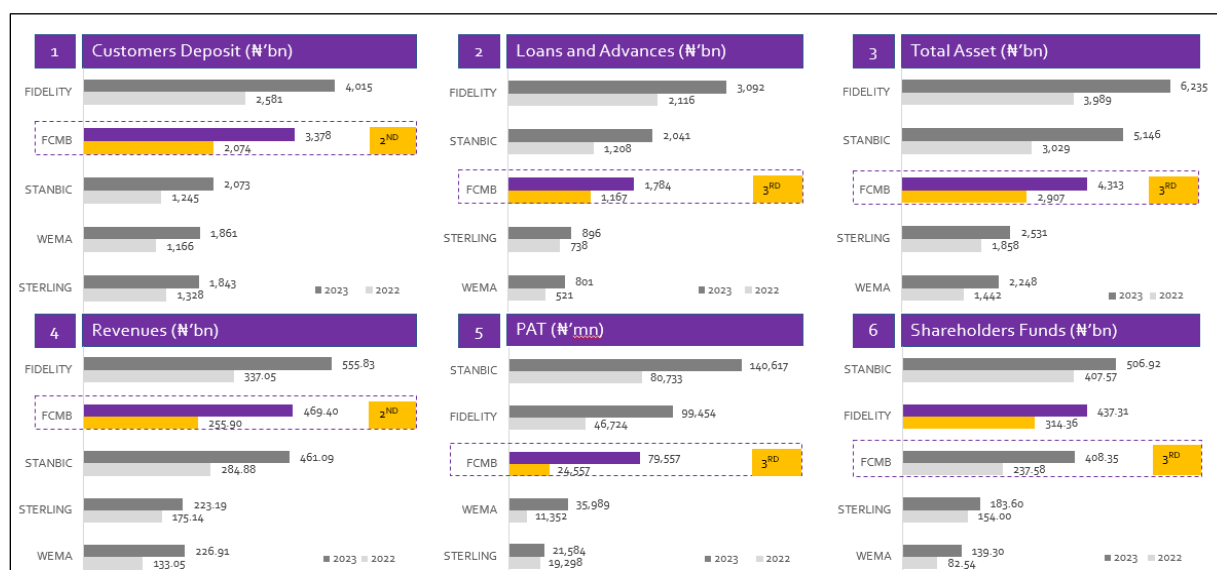


Chart showing ranking of the top 5 listed tier 2 banks across key operating metrics.

⁶ Reviewed Guidelines of International Money Transfer Services in Nigeria, issued 31 January 2024.

⁷ The Use of Foreign-Currency Denominated Collaterals for Naira Loans issued 8 April 2024.

6.4 Regulatory Environment

On 7 March 2023, the CBN approved operational guidelines on open banking in Nigeria. Nigeria is now the first African country to implement an open banking services framework. The regulation outlines how traditional banks and other financial services providers will access and manage customer data in the country.

In December 2023, the CBN lifted its ban on cryptocurrency trading, which was implemented back in February 2021 to reduce money laundering and terrorism financing risks. However, in January 2024, the CBN released guidelines for banks opening cryptocurrency accounts, while retaining its ban on banks' ability to trade or hold virtual assets.

While crypto providers can open bank accounts, these can only be in naira and cash withdrawals are not permitted. Nonetheless, in February 2024, FGN ordered telecoms firms and other internet service providers to block access to cryptocurrency trading platforms, including Binance, Coinbase and Kraken.

In January 2024, the Africa Stablecoin Consortium (ASC) reported that the CBN has approved their cNGN Naira stablecoin project, under the CBN's regulatory sandbox. The cNGN is intended to complement, and not substitute the eNaira. While the stablecoin complies with regulatory requirements set by the CBN, the ASC will oversee it, and it will be pegged 1:1 to the Naira and backed by Naira reserves held in certain commercial banks. The aim is to bridge the gap between the Naira and digital currencies, and help Nigerians abroad send money to their families in Nigeria without waiting for remittances, as well as eliminate expensive transfer fees.

7. LETTER FROM THE CHAIRMAN

The following is the text of a letter received by the Issuing Houses from **Mr. Ladi Jadesimi**, the Chairman, Board of Directors of FCMB Group Plc.



FCMB Group Plc
First City Plaza
44 Marina
Lagos
Nigeria

June 07, 2024

Dear Investor,

OFFER OF 15,197,289,219 ORDINARY SHARES OF ₦0.50k EACH AT ₦7.30k PER SHARE IN FCMB GROUP PLC

1. Introduction

At the Annual General Meeting ("AGM") of FCMB Group Plc, which was held on **Friday, 24 May 2024 by 10:00 am at Balmoral Convention Centre, Federal Palace Hotel, Ahmadu Bello Way, Victoria Island, Lagos**, the shareholders of FCMB Group authorised the Board of Directors to raise additional capital of up to the sum of **₦150,000,000,000** (One Hundred and Fifty Billion Naira) for FCMB Group whether by way of public offerings, private placements, rights issues and/or such other transaction modes and on such terms and conditions as may be determined by the Board, subject to obtaining all requisite regulatory approvals.

Following shareholders' approval to raise additional capital and after careful evaluation of the various capital raising options at the disposal of the Issuer, I am delighted to inform you that the Board of Directors, pursuant to the board resolution dated June 03, 2024, has approved the issuance of 15,197,289,219 Ordinary Shares of ₦0.50k through an offer for subscription.

The shares will be offered at a price of ₦7.30k per ordinary share of ₦0.50k. Requisite approvals have been sought and obtained from the Central Bank of Nigeria, Securities and Exchange Commission and NGX Regulation Limited for the issuance, registration, and subsequent listing of the shares to be issued.

2. History of the Group and its Subsidiaries

The Group is a financial holding company that engages in the provision of banking and financial services to its corporate and individual customers through its subsidiaries. It is a bank-led financial services Group, headquartered in Lagos, Nigeria, with operating companies divided into four (4) business groups:

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

As of December 31, 2023, the Group had total assets of **₦4.42** trillion and net assets of **₦462.63** billion.

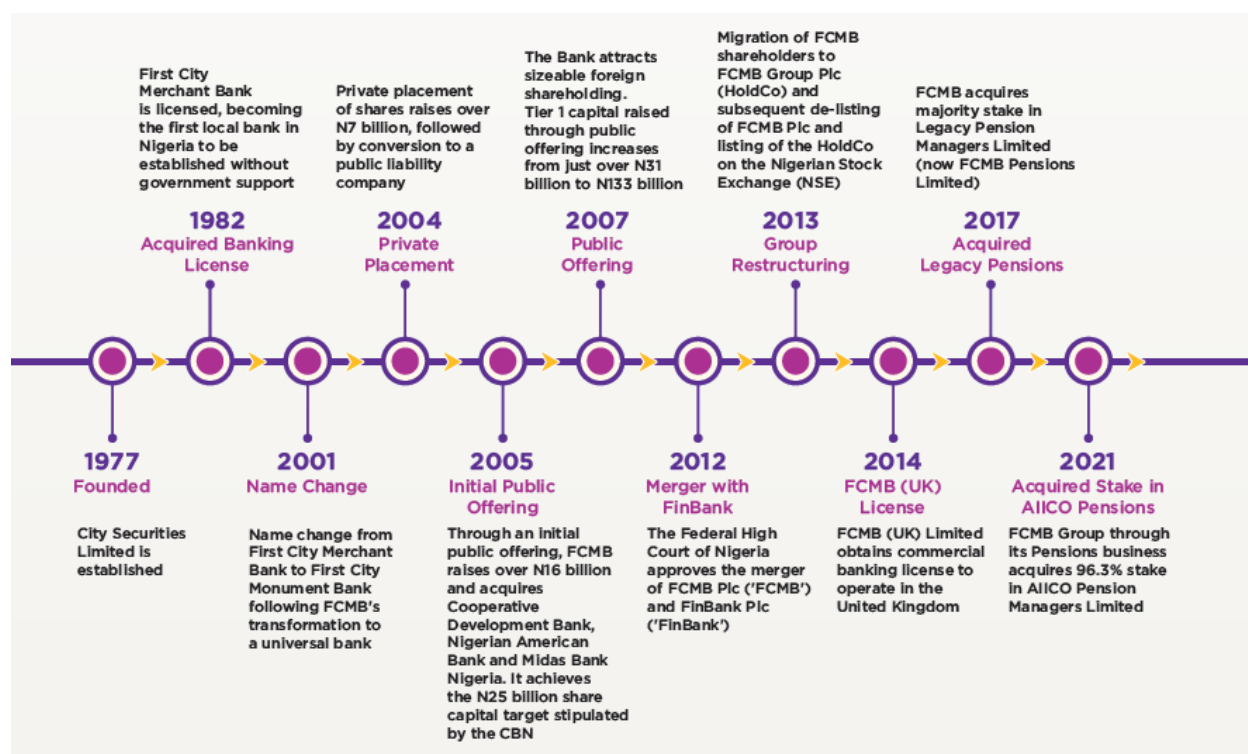
LETTER FROM THE CHAIRMAN

The entity from which FCMB Group was founded - City Securities Limited ("CSL") - was established in 1977 by the Late Otunba Subomi Balogun, a Yoruba traditional aristocrat.

Subsequently, First City Merchant Bank Limited (FCMBL) was established in 1982 with seed capital from CSL; it was incorporated as a private limited liability company on April 20, 1982, and granted a banking license on August 11, 1983. FCMB Group Plc was incorporated on November 20, 2012, due to the 2010 CBN regulation on the review of the universal banking model and became the financial holding company for several subsidiaries.

On July 15, 2004, FCMB changed its status from a private limited liability company to a public limited liability company and was listed on the NGX via a listing by introduction on December 21, 2004. The non-bank subsidiary - Credit Direct Limited - was established in 2007.

In November 2017, FCMB Group Plc acquired FCMB Pensions Limited (formerly Legacy Pension Managers Limited) and in July 2021, FCMB Pensions Limited acquired a 96.3% stake in AIICO Pension Managers Limited. Both companies were subsequently merged into a single entity – FCMB Pensions Limited.



Vision

To be the premier financial services Group of African origin.

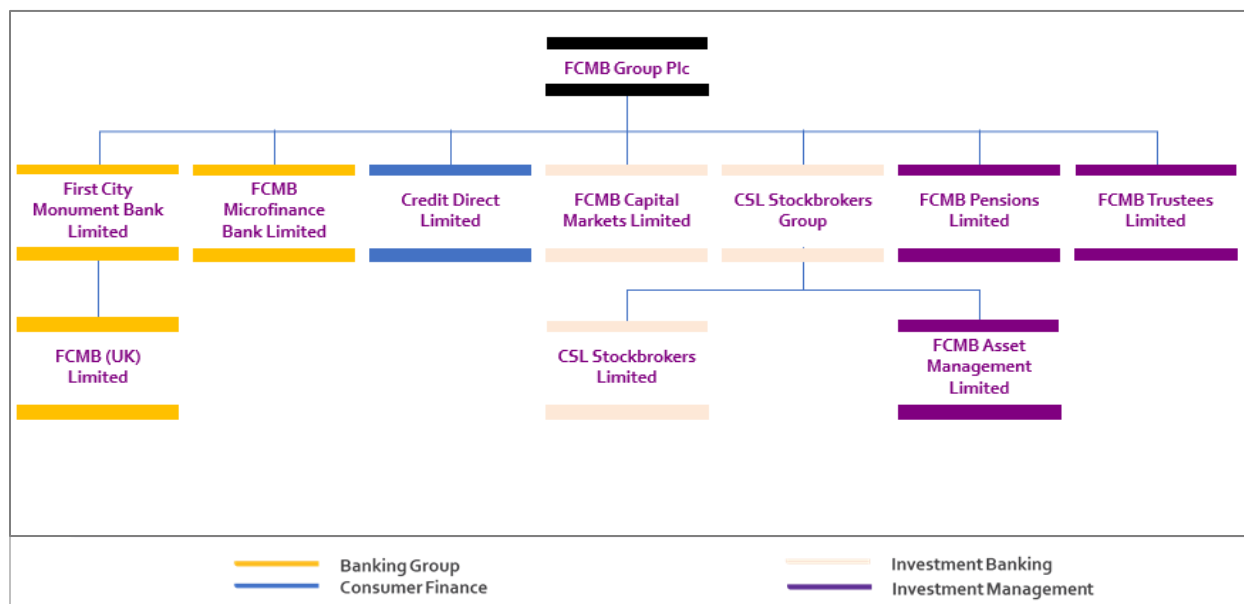
Mission

To attain the highest levels of customer advocacy, be "A Great Place to Work", and deliver superior and sustainable returns to shareholders.

LETTER FROM THE CHAIRMAN

Group Structure⁸:

There are ten (10) operating entities within the Group, FCMB Group Plc, as depicted in the diagram below:



First City Monument Bank Limited

The Bank, the flagship subsidiary of the Group, is a full-service commercial bank with a strong retail focus and a total asset of ₦4.31 trillion as of December 31, 2023.

It was the first bank established in Nigeria without government or foreign support. In 2001, its name was changed from First City Merchant Bank Limited to First City Monument Bank Limited following the Bank's transformation to a universal bank.

It employs over 3,000 employees with a customer base of over 12.5 million customers and over 200 branches and cash centers distributed across every state of Nigeria. The Bank is a top 10 lender in Nigeria and the parent company of FCMB UK Limited.

In 2014, FCMB UK Limited obtained a wholesale banking license and was authorized to operate in the United Kingdom. It is regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The Bank operates under the following segments:

- Commercial Banking: this segment offers banking services to commercial registered businesses with an annual turnover between ₦2.5 billion and ₦5 billion;
- Corporate Banking: this segment incorporates direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products for corporate entities;
- Personal Banking: this segment offers private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages;
- SME Banking: this segment provides banking services to Small and Medium Enterprises (SME);
- Institutional Banking: this segment caters for governments at various levels and their agencies; and
- Treasury and Financial Markets: this segment provides funding support to various business segments while ensuring the liquidity of the Bank is not compromised.

⁸ All subsidiaries are wholly owned except FCMB Pensions Limited (91.7%).

LETTER FROM THE CHAIRMAN

FCMB Capital Markets Limited

FCMB Capital Markets Limited is licensed by the Nigerian SEC, as an issuing house and financial advisor. FCMB Capital Markets Limited was established to support the Group's corporate finance activities and provide comprehensive services to large corporate organizations.

FCMB Capital Markets Limited provides advice and arranges finance for public institutions and top-tier companies across various sectors. The specific services provided include corporate finance and strategic advice; project and structured finance; mergers and acquisitions including divestments, spin-offs and leveraged buyouts; and corporate restructuring including delisting. FCMB Capital Markets Limited remains a market leader in its sector.

CSL Stockbrokers Limited

CSL Stockbrokers Limited is a leading stockbroking and investment management firm in Nigeria. Its equity and macroeconomic research are internationally recognised and the firm executes a significant share of international portfolio trades on NGX. The firm is positioning itself to be the leading conduit of portfolio investment into Sub-Saharan Africa.

FCMB Trustees Limited

FCMB Trustees Limited, previously called CSL Trustees Ltd, is a SEC-licensed company that partners with clients to ensure assets are kept securely and serviced properly, in the interest of beneficiaries. Services include debenture trustee, security trustee, facility agent, escrow agent, management of private trusts, employee stock ownership plans and employee welfare trustee. FCMB Trustees Limited's technical specialization, individualized client focus, national coverage (enabled by FCMB Limited distribution network), responsiveness and monitoring programmes have enabled it to become one of the fastest growing trustees in the country. FCMB Trustees Limited is increasingly the choice trustee for lenders, borrowers and investors.

FCMB Pensions Limited

FCMB Pensions Limited – owned 92.8% by FCMB Group Plc – is a private limited liability company incorporated on 7th April 2005, duly licensed by the PENCOM to carry on business as a Pension Fund Administrator, as defined under the Pension Reform Act 2014.

In 2021, FCMB Pensions limited acquired a 96.3% stake in AllCO Pensions Managers Limited.

Credit Direct Limited

Credit Direct Limited (CDL) is a leading innovation-driven financial services company based in Lagos, Nigeria with branches spread across the country. CDL pioneered the unsecured micro-lending space in Nigeria and is positioned to be the dominant market leader in the country.

CDL's services are hinged on a partnership with employers and customers to provide friendly innovative loan and investment products while various repayment options give customers the freedom, flexibility, and confidence to enjoy their lives.

FCMB Microfinance Bank Limited

FCMB Microfinance Bank Limited (MFB) is a state-licensed financial institution dedicated to promoting financial inclusion and impact. As a mission-driven organization, FCMB MFB is committed to providing access to financial services for women, individuals and microenterprises and small businesses, particularly in underserved communities.

FCMB MFB's focus on financial inclusion is rooted in its understanding of the critical role that financial services play in empowering individuals and communities to break the cycle of poverty and achieve economic stability.

LETTER FROM THE CHAIRMAN

3. Highlights of the Group's Financial Performance

The Group's financial result for the period ended December 31, 2023, showed remarkable growth across all key segments. Gross revenue of ₦516.4 billion was reported for the period ended December 2023, an 82.5% growth from ₦283.0 billion for the same period the prior year. Net interest income grew by 44.8% from ₦122 billion in 2022 to ₦176.6 billion in 2023.

Customer confidence in FCMB remained strong, as deposits rose by 58.5% y-o-y from ₦1.94 trillion to ₦3.08 trillion, just as loans and advances grew by 54% from ₦1.20 trillion to ₦1.84 trillion. The Group's total assets increased by 48.3% from ₦2.98 trillion to ₦4.42 trillion at the end of December 2023. The Group recorded a profit before tax of ₦104.4 billion, a 185.6% y-o-y increase compared to ₦36.6 billion in 2022 and earnings growth across its business segments: Banking Group: 212.6%, Consumer Finance: 67.3%, Investment Management: 40%, and Investment Banking: 89.7%.

The Group's customer base grew by 15.6% y-o-y from 10.9 million to 12.5 million for the period ended December 2023, whilst users of its mobile app that offers lending, wealth and payment solutions grew by 31% y-o-y to 3.4 million. Similarly, the Bank's agency banking network grew to over 164,000 agents.

With an enlarged customer base, an expanded distribution platform, and the use of artificial intelligence to automate and optimise loan underwriting processes, the Group successfully disbursed over 1.5 million loans worth ₦100.8 billion to individuals, ₦14.4 billion to micro-enterprises and ₦177.9 billion to SMEs in 2023.

The Group also contributed to food security and import substitution in Nigeria by increasing lending to the agricultural sector by 38.4% from ₦147.4 billion in 2022 to ₦204.3 billion in 2023. In addition, the Bank supported over 300,000 smallholder farmers, 56% of whom were women in agriculture, in rural communities to support the sector. Over US\$280 million of funding from DFIs and donor agencies was raised during the year to support the attainment of sustainable development goals in critical sectors of the economy.

The Banking Group (First City Monument Bank Limited and FCMB Bank UK Limited) recorded a 212.0% growth in pretax profits to ₦84.1 billion for the year 2023. This performance was bolstered by a 61.7% growth in interest income driven by growth in loans and advances to customers and a 194.9% growth in non-interest income. Net fees and commissions grew by 31.5% while FX income grew by 201x because of the FX rates unification by the CBN in June 2023, significantly boosting non-interest revenues. Our UK franchise (FCMB Bank UK Limited) made significant progress in 2023. It improved profitability, developed and extended its propositions, and further enacted measures to enhance resilience. The business recorded a 104.5% growth in pre-tax profits to US\$6.0 million.

Investment banking activities improved during the year. On the back of this, CSL Stockbrokers Limited and FCMB Capital Markets Limited recorded a combined pre-tax profit of ₦4.3 billion for the period under review, up by 88.0% from 2022.

Our Investment Management businesses (FCMB Pensions Limited, FCMB Asset Management Limited and FCMB Trustees Limited) collectively grew their AUM by 29.6% y-o-y to ₦1.02 trillion at the end of 2023. For the period, our Pensions business grew Retirement Savings Accounts (RSAs) by 2.4% from the preceding year despite a fiercely competitive 'Transfer Window' under the RSA transfer programme. It also grew its AUM by 19.8% to close at ₦788.4 billion while recording 20.8% growth in pre-tax profits.

Our Consumer Finance business (Credit Direct Limited) demonstrated resilience during the period, delivering a 67.3% growth in pre-tax profits to ₦6.7 billion for the year 2023. This was driven by an increase in loan disbursement from ₦30.7 billion in 2022 to ₦60.5 billion in 2023 while recording a 300-basis-point y-o-y reduction in Non-Performing Loan Ratio to 6.7%.

4. Investment Case

▪ Diversified Group Leading to Resilience:

- The Group has been in operation for over 40 years, evolving from its investment banking roots in 1977 into a financial holding company with 7 principal & 2 tertiary subsidiaries. As at FYE 2023, the Group had over 8,000 employees.
- The subsidiaries are leaders in their respective industries:
 - A. FCMB Limited – Ranks Top 10 by assets, loans and deposits, 7th by net assets
 - B. FCMB Pensions – Top 5 PFA with ₦830 billion in AUM as at Mar-31 2024

LETTER FROM THE CHAIRMAN

- C. Credit Direct – No. 1 consumer finance platform in Nigeria
 - D. FCMB Capital Markets – Ranked 2nd on the FMDQ league table as at FYE 2023
 - E. CSL Stockbrokers – Consistently ranked Top 5 on the league table for executed trades
- Increasingly Digital Ecosystem Driving Enhanced Franchise Value:
 - The Group has successfully built its own core banking platform, which has been deployed across 3 operating companies providing unprecedented ability and eventually lower cost of technology ownership.
 - Internal product and engineering organisation has architected and built a modern Group-wide common technology stack using APIs for rapid integration, cloud for scalability, proprietary core banking and front ends across the Group.
 - Basic AI-driven SME and consumer lending in FCMB Limited and Credit Direct Limited, supporting a portfolio of ₦91 billion and financial inclusion imperative.
 - Pure play FinTech lender - Credit Direct Limited - largest micro lender in Nigeria, rated A3 by GCR, and BBB by Augusto & Co (local investment grade and comparable to tier 2 banks).
 - Launched global digital cross border banking and payments platform in U.K. and Nigeria, to drive remittance and trade flows. Basis of capital efficient international expansion – www.getrova.com
 - Currently digitizing customer journeys in all segments and businesses from onboarding to payments, lending (including Group lending) and investing across all businesses and geographies.
 - BaaS capability is driving financial inclusion in the agriculture sector (wallets and virtual account for smallholder farmer aggregators - partnering with MasterCard foundation to extend this to 1 million farmers).
 - FCMB Limited won the 2023 Nexus Courage Award for the Most Technology Pioneering Commercial Bank for its dedication & commitment to pioneering technological advancement within the banking industry.
 - Leading SME, Agriculture & Consumer Lender with Industry Leading Net Interest Margins:
 - Gross loan book of ₦2.22 trillion as at Q1 2024 (Q1 2023: ₦1.19 trillion), representing 86.6% growth y-o-y. FCY loans as a share of the loan book increased to 55% as at FYE 2023 while NPL ratio closed at 4.3%.
 - Leading lender to key sectors such as SMEs (₦335 billion), Agriculture (₦156 billion), and consumers including micro loans (₦251 billion) and this has contributed positively to the Group's net interest margin (NIM).
 - The Group through its Nigerian banking subsidiary, FCMB Limited, runs an industry-leading gender program, SheVentures, which helps to support women entrepreneurs by providing access to finance, financial knowledge, business-specific skills and a network support system.
 - Industry Leading Stock Performance:
 - The Group has consistently delivered solid returns to investors, with the share price delivering an impressive return of 400% over the last five years (June 3, 2019 – May 31, 2024), ranking 2nd across the industry, and 77.8% in the last 12 months (June 1, 2023 – May 31, 2024).
 - Strong Financial Performance Demonstrating Growth & Sustainable Returns:
 - The Group has a track record of strong balance sheet growth, coupled with robust profitability, healthy asset quality and returns, demonstrated by double-digit growth.
 - As of FYE 2023, Gross Revenue, ROE and PAT grew at 66.8%, 116% and 207.8% respectively y-o-y underpinned by an increase in Gross Loans and Non-Interest Income (54% & 162% respectively).
 - Dividend distribution has also grown by a 5-yr CAGR of 37.5% to 50 kobo per share in 2023.
 - Going forward, the Group is expected to maintain its consistent, long-term dividend trajectory, while retaining the flexibility to plough back a higher portion of its profits in the near term as needed to address capital requirements.

LETTER FROM THE CHAIRMAN

5. Rationale for the Offer

In a circular dated Thursday March 28, 2024, the Central Bank of Nigeria announced an upward review in the minimum capital requirement for banks. This review impacts the Group's flagship banking subsidiary, FCMB Limited, being a Nigerian bank with an international license.

Consequently, FCMB Limited is required to embark on a capitalization exercise to increase its paid-up capital from ₦102 billion to a minimum of ₦500 billion in compliance with the CBN's new requirement.

FCMB Limited has shared its capitalization plan with the CBN, and this will be driven by FCMB Group given that the Bank is a wholly owned subsidiary of FCMB Group.

In light of this, FCMB Group is required to raise capital which will be further down streamed into the Bank towards achieving the minimum capital requirement for an international banking license.

6. Terms of the Offer

FCMB Group Plc is offering 15,197,289,219 new ordinary shares by way of an offer for subscription at ₦7.30k per ordinary share of ₦0.50k each.

The offer price represents a discount of approximately:

- 7.6% to the closing share price of ₦7.90k on June 06, 2024
- 4.2% to the 30-day VWAP of ₦7.62 on June 06, 2024

7. Use of Proceeds

The proceeds from the Offer will be used to recapitalize FCMB Limited in line with the Bank's new minimum capital requirement. Further details on the use of proceeds have been provided for your review on page 49 of this Prospectus.

8. Conclusion

On behalf of the Board of Directors, I invite prospective investors to participate in this Offer and support the Group in achieving its strategic growth objectives.

Amongst other information, this Prospectus contains the application procedure and list of Receiving Agents from pages 66 to 70 detailing full instructions for making payment and subscribing to the Offer.

Yours faithfully,



Mr. Ladi Jadesimi
Chairman

8. CORPORATE DIRECTORY

8.1 Head office and Registered address

First City Plaza
44 Marina,
Lagos

Telephone: +234 201 448 5420

Website: www.fcmbgroup.com

Contact E-mail: InstitutionalInvestorRelations@fcmb.com

8.2 Subsidiaries

As at the date of this Prospectus, FCMB Group Plc had the following investments in subsidiaries:

| Subsidiary | Investment | Address |
|--|------------|---|
| First City Monument Bank Limited | 100.0% | Primrose Tower, 17A Tinubu Street, Marina, Lagos |
| Credit Direct Limited | 100.0% | 48/50 Isaac John Street, GRA, Ikeja, Lagos |
| FCMB Capital Markets Limited | 100.0% | First City Plaza (6 th Floor), 44 Marina, Lagos |
| CSL Stockbrokers Limited | 100.0% | 4th Floor, First City Plaza, Marina, Lagos |
| FCMB Pensions Limited | 91.7% | Plot 207, Zakaria Maimalari Street, Cadastral Zone AO, Central Business District, Abuja |
| FCMB Trustees Limited | 100.0% | 2nd floor, Primrose Tower, 17A Tinubu Street, Marina, Lagos |
| FCMB Microfinance Bank Limited | 100.0% | Primrose Tower, 17A, Tinubu Street, Marina, Lagos |
| FCMB (UK) Limited (Subsidiary of First City Monument Bank Limited) | 100.0% | 81 Gracechurch Street, London, EC3V 0AU, UK |
| FCMB Asset Management Limited (Subsidiary of CSL Stockbrokers Limited) | 100.0% | 5th Floor, First City Plaza, Marina, Lagos |

9. PROFILE OF DIRECTORS, MANAGEMENT AND COMPANY SECRETARY

9.1 Profiles of Directors and Company Secretary

- *Mr Ladi Jadesimi - Chairman*

Mr. Ladi Jadesimi has an Oxford M.A. (Honours) in Law and was a jurisprudence scholar at the University of Oxford from 1963 to 1966. He was a senior with Coopers and Lybrand Lagos from 1966 to 1970, before moving to Nigerian Acceptances Limited (later NAL Plc) as General Manager, Corporate Finance and Investment Banking, a role he occupied from 1971 to 1972, with responsibility for most of the initial IPOs that were listed on the nascent Nigerian Stock Exchange (now Nigerian Exchange Limited).

Over the years, Mr. Jadesimi has run several businesses in the Energy, Finance and Real Estate sectors. He is the Founder and Chairman of Ladol Group, the largest indigenous Free Zone Industrial Park, which hosts a variety of high value industrial free zone enterprises. He also currently serves as the Chairman of the Board of Directors of Aradel Holdings Plc (formerly Niger Delta Exploration and Production Plc), one of the largest indigenous integrated oil and gas producing companies in Nigeria.

Mr. Jadesimi joined the Board of FCMB Group Plc on December 27, 2017, as a Non- Executive Director and was appointed Chairman of the Board on March 8, 2018.

- *Mr Ladi Balogun – Group Chief Executive*

Mr. Ladi Balogun holds a bachelor's degree in Economics from the University of East Anglia, United Kingdom and an MBA from Harvard Business School, United States of America. He has over 20 years' experience in commercial and investment banking in Europe, the United States of America and Africa.

He began his Banking career in 1993 at Morgan Grenfell & Co Limited, where he worked in the areas of risk management and corporate finance (debt origination). He was responsible for managing the Bank's trading and investment positions in debt instruments in Latin America and Eastern Europe and was part of a team that structured numerous complex debt deals in Latin America, Eastern Europe and the Asian sub-continent. Subsequently, he worked at Citibank in New York before returning to Nigeria as an Executive Assistant to the Chairman and Chief Executive in 1996.

He has worked in various areas of the Bank including Treasury, Corporate Banking and Investment Banking. He was appointed Executive Director in charge of the Institutional Banking Group (IBG) in 1997. In 2000, he was made Executive Director in charge of Strategy and Business Development and in 2001, he rose to the position of the Bank's Deputy Managing Director and was subsequently appointed Managing Director of First City Monument Bank Plc (now First City Monument Bank Limited).

Mr. Ladi Balogun became the Group Chief Executive of FCMB Group Plc effective March 14, 2017.

- *Mr Femi Badeji – Executive Director, Coverage & Investment Banking*

Mr. Femi Badeji holds a Bachelor of Science degree (Magna Cum Laude) in Electrical Engineering, with a minor in Mathematics from the University of Hartford, and a Master of Science in Electrical Engineering, with a specialization in Computer and Communication Networks, from Worcester Polytechnic Institute. In addition, Mr. Badeji holds a Master of Business Administration degree, with a specialization in Finance and Accounting from the Wharton School, University of Pennsylvania. Mr. Badeji has over 20 years' working experience in Engineering and Banking gained in the United States of America, South Africa, and Nigeria.

Mr. Badeji was appointed as an Executive Director of FCMB Group Plc on October 2, 2019.

- *Mr Adegbolahan Joshua Simisola – Executive Director, Group Chief Operating Officer*

Mr. Adegbolahan Joshua has over 21 years of banking experience across various areas, including Finance, Strategy, Business Transformation, Investor Relations, Performance Management, Treasury, Operations, Technology and Digital Banking. He has served in various leadership capacities as CFO, CIO and COO.

Prior to joining FCMB Group as Chief Operating Officer (COO), he was the Executive Director, Chief Operations and Information Officer with Fidelity Bank Plc, where he led various transformation initiatives. One of his remarkable

PROFILE OF DIRECTORS, MANAGEMENT AND COMPANY SECRETARY

achievements was the introduction of a proprietary performance management software/tool that significantly improved employee productivity and return on equity of the institution. He was the Project Director for several initiatives including the technology refresh project, digital transformation project and three (3) successful International and local debt capital raising transactions in 5 years.

He attended Kings College Lagos, is a graduate of Olabisi Onabanjo University, an Associate Member (ACA) of the Institute of Chartered Accountants of Nigeria and a Senior Member (HCIB) of the Chartered Institute of Bankers (CIBN).

He has attended executive training programs at leading business schools including Harvard, Stanford, IMD, INSEAD and IESE.

- *Alhaji Mustapha Damcida – Non-Executive Director*

Alhaji Mustapha Damcida has a Diploma in Law from Ahmadu Bello University and a B.Sc. in Business Administration from Robert Morris College, Pittsburgh, USA. He is the MD/CEO of Damus International Limited, Damus Security Solutions Limited and Damson Properties Limited. He was a Director at the Nigerian American Bank Limited between 2004 and 2005.

Prior to his joining the Board of FCMB Group Plc as a Non – Executive Director on July 1, 2013, he had served on the Board of First City Monument Bank Limited.

- *Professor Oluwatoyin Ashiru – Non-Executive Director*

Professor Oluwatoyin Ashiru is a graduate of the University of Sussex, Brighton UK where he obtained a B.Sc. in Materials Science and Engineering. He concluded his Ph.D. at the University of Birmingham, UK in Industrial Metallurgy.

Professor Oluwatoyin Ashiru is the current Pro Chancellor and Chairman of the Governing Council of Olabisi Onabanjo University. He began his career as a lecturer in Mechanical Engineering at the Universities of Lagos and Ibadan respectively before serving as Nigerian Senior Research Fellow at the International Tin Research Institute in the UK. He is currently the Managing Director and CEO of Tricontinental Oil Services Ltd. He is an accomplished Materials and Metallurgical Engineer with over 45 years of comprehensive professional experience in academia, entrepreneurship, management engineering, technology invention, and serving as an expert consultant for leading oil and gas corporations including NNPC, Shell, Chevron, Saudi Aramco, Qatar Energy, and others. He also served on various technical committees for UNIDO, UNESCO and the WORLD BANK. He is well-recognized as a world consultant in oil and gas plants development.

He invented the first instrument for real-time detection of steel cracking in sour petroleum production, which is now globally used. He holds patents in the USA, UK, Japan, and the World Intellectual Property Organization for other innovative technologies. Since 1998, he has successfully transitioned from academia to industry, finance, and entrepreneurship.

Professor Ashiru has extensive project management experience in major international refining, chemical, petrochemical, offshore oil & gas development, pipeline, infrastructure, and power generation projects ranging from \$40 million to \$2 billion. He is also a successful businessman as he has worked extensively on multinational joint venture projects representing owners or as a contractor.

He has served on Joint Venture and Consortium Executive Committees and has participated directly in claims negotiations and settlement agreements for more than \$100 million. His wealth of experience also includes membership on the Governing Board responsible for strategic and operational decisions, and he was responsible for worldwide engineering operations for proposals and projects. Professor Ashiru is an expert consultant and Board Member of many international research centers and major industrial sectors and has served worldwide on various governmental multi-disciplinary task forces and technical committees.

Professor Ashiru holds USA, British, European, Brazilian, and other international patents for products and systems that he invented. In 2022, he was awarded the National Honour of Officer of the Order of Niger (OON) and he is a recipient of several merit awards which include his recognition in the USA as a “Professional with Extraordinary Ability”, listings in Who is Who in the World and Dictionary of International Biography, and the prestigious Distinguished Innovator Award of the Association of Tin Producing Countries.

PROFILE OF DIRECTORS, MANAGEMENT AND COMPANY SECRETARY

Professor Ashiru joined the Board of FCMB Group Plc on December 23, 2013, as a Non- Executive Director.

- *Dr. (Engr.) Gregory Omisogho Ero – Non-Executive Director*

Dr. Ero is a graduate of the University of Ibadan with a B.Sc. (Hons) in Chemistry. He also attended Imperial College, London and obtained an M.Sc. and D.I.C in Petroleum Engineering, and he obtained a DMS from Templeton College, University of Oxford. He furthered his studies at the Graduate School of Business, University of Columbia, New York and the Institute of Management Development, Lausanne Switzerland.

He began his career as a Petroleum Engineer in the Lagos Office of the Federal Ministry of Petroleum and Energy, and thereafter, was posted as Head, Federal Ministry of Petroleum Resources, Warri. He spent much of his career in the Public Service, where he served in many capacities spanning three decades in the Petroleum Industry at NNPC. He has held many positions including CEO/ Group General Manager of NAPIMS- NNPC, Managing Director, National Engineering and Technical Company (NETCO) (JV owned by NNPC and Bechtel of the United States); Managing Director, Integrated Data Services Limited (IDSL), a subsidiary of NNPC, General Manager, Commercial, Nigeria LNG; General Manager, Human Resources Development – NNPC; Head, Central Purchasing and Supply Department, NNPC and Head of DPR, Federal Ministry of Petroleum Resources - Warri. He also served on the Boards of many Federal Government Parastatals, including the Economic and Finance Committee of the Federal Government during the Buhari Administration, and Petroleum Training Institute Warri, amongst others.

Dr. Gregory Ero is a Fellow of many professional bodies, including the Fellowship of the Nigerian Academy of Engineering, Fellow, Nigerian Society of Engineers; Honorary Fellow, Nigerian Society of Chemical Engineers; and Fellow, Institute of Directors of Great Britain. In the quest to develop local capability in the petroleum industry, he is presently the Chairman/CEO of Arkleen Oil & Gas Limited and Chairman of Cardinal Drilling Company Limited among others.

He joined the Board of FCMB Group Plc on December 23, 2013, as a Non- Executive Director.

- *Ms. Muibat Ijaiya – Independent Non-Executive Director*

Ms. Muibat Ijaiya is a Strategy Development and Execution expert focused on measurable transformation and impact. She is partner at Strategy Management Partners (SMP), a professional services organization focused on helping private and public organisations around the world to clarify, develop, align and execute their strategies.

Ms. Ijaiya has 22 years of consulting and advisory experience working with clients across Europe, Middle East, Africa and Asia. She provides expert-led support to private and public sector organisations to develop and actively implement their strategies to achieve measurable change, transformation and/or improved performance. She has deep experience in Financial Services, Telecom, Utilities and Energy sectors, as well as regulatory authorities and governments.

Prior to SMP, Ms. Ijaiya was a Director with Palladium Inc. (United Kingdom and United Arab Emirates), where she worked with Drs. Kaplan & Norton, the co-creators of the Strategy Focused Organisation and Balanced Scorecard Concepts. Her other advisory experience was in Corporate Finance with Ernst & Young (London) focused on Transaction Advisory, Restructuring, Turnaround and Commercial Due Diligence. At Robson Rhodes RSM Business Consulting, she focused on Transformation and Change Management.

Ms. Ijaiya holds a University of Surrey B.Sc. degree in Mathematics and Education, a M.Sc. in Management Science & Operational Research from Warwick Business School, and an MBA from Manchester Business School.

Ms. Ijaiya continues to work in advancing the science of strategy execution, particularly for organisations in complex industries and public institutions focused on transforming key sectors.

She joined the Board of FCMB Group Plc as a Non-Executive Director following the CBN approval of her appointment on April 28, 2021.

- *Mrs Tokunboh Ishmael – Non-Executive Director*

Mrs. Tokunboh Ishmael is an alumnus of the London Business School and the University of London. She is a Chartered Financial Analyst and a member of the CFA Institute and the Board of the African Venture Capital Association. She has over 20 years' experience spanning investment banking, private equity investing, technology and new business development in the USA, Europe and Africa.

PROFILE OF DIRECTORS, MANAGEMENT AND COMPANY SECRETARY

Mrs. Ishmael was Country Partner for Nigeria at Aureos Capital where she raised US\$50m for the Aureos West Africa Fund. Previously, she was a mergers & acquisitions banker at Salomon Smith Barney and Managing Director of Avante Capital Ltd. She is a co-founder and Managing Director of Alitheia Capital. She served diligently on the Board of First City Monument Bank Limited (the Bank) from January 2013 to February 2020 and has over the years been a tremendous positive influence on the Bank's innovative drive. She brings on board a wealth of experience which is of great impact to the Group.

Mrs. Ishmael joined the Board of FCMB Group Plc as a Non-Executive Director following the CBN's approval of her appointment on 28 April 2020.

- *Mrs. Olapeju Sofowora – Non-Executive Director*

Mrs. Olapeju Sofowora is one the founding Partners of Abax-OOSA Professionals (Chartered Accountants) specialising in Audit, Accountancy, Assurance, Taxation and Business Advisory Services. She started her over thirty years' experience at Cooper & Lybrand (now PricewaterhouseCoopers) where she acquired her Audit Practice License.

She joined Afribank International Limited (Merchant bankers) in 1990 as Head, Financial Control and later, as Treasurer of the Bank and left as Head of Corporate Finance in 2000 to establish Sofowora & Co (Chartered Accountants). In 2008, she brought into Abax-OOSA Professionals over seventeen years of post-qualification experience in Audit, Accountancy, Tax and Financial Advisory Service.

She is a fellow of both the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation of Nigeria. She obtained her Treasurer Dealership Certificate in 1999 and in 2002, passed the Certified Information Systems Auditor Examination. She is a graduate of Statistics from the University of Ilorin, Kwara State.

She has several publications on taxation to her credit which includes 'A Guide to Taxation in Lagos: Streamlining Taxation on various levels, a WIMBIZ Advocacy document and articles on Corporate Tax Reform in Nigeria, publications in the Acquisition International Magazine.

Olapeju serves as Director, Binary Consulting Limited, Director, Upskill Educational Initiative Ltd/Gte, Chairperson, Olashore International School Association and Chairperson, OISA Foundation. She had served as a Director, Royal Trust Assurance Company, a member on the Educational Committee of the Chartered Institute of Taxation and as an Executive Committee Member of the Money Market Association of Nigeria. She is a Member of Institute of Directors.

Mrs. Olapeju Sofowora joined the Board of FCMB Group Plc on December 27, 2017, as a Non-Executive Director.

9.2 Other Senior Management Personnel

- *Mr. Deji Fayose – Chief Financial Officer*

Mr. Deji Fayose serves as Chief Financial Officer of FCMB Group Plc since 2021. He spent the early days (from 2003 to 2004) of his career with the Treasury Department of FCMB Plc. Thereafter, he left for the UK and worked for AXA Investment Managers and Cantor Fitzgerald Europe/BGC Partners, London. Upon his return to Nigeria, he worked with Stanbic IBTC Bank, Standard Chartered Bank and First Bank of Nigeria, after which he rejoined FCMB Group Plc. He has banking experience across various areas, including finance and capital management, financial reporting, retail banking, business finance, corporate and investment banking, merger and acquisition and treasury.

Prior to his joining FCMB Group Plc, he was the Group Head, Subsidiaries Finance and Capital Management at First Bank of Nigeria Limited and its subsidiaries, where he was accountable for the Finance and Capital Management Strategy of all the First Bank subsidiaries. He is an accounting graduate of Obafemi Awolowo University and has an MBA from University of Cumbria, UK. He is a Fellow Member (FCCA) of the Association of Chartered Certified Accountants, United Kingdom (ACCA), a Fellow of the Institute of Credit Administration of Nigeria (FICA) and Certified in International Financial Reporting Standards (CertIFR).

- *Mrs. Oluwafunmilayo Adedibu – Company Secretary*

Mrs. Olufunmilayo Adedibu serves as Company Secretary and Group Legal Counsel at FCMB Group Plc and also serves as its Group Executive Compliance Officer since August 2021. She was appointed as the Company Secretary and Group Legal Counsel of FCMB Group Plc, effective January 1st, 2014. A lawyer by profession, she has a wealth of experience in Legal practice and Banking. She started her legal career with the Law firm of Adedipe and Adedipe,

PROFILE OF DIRECTORS, MANAGEMENT AND COMPANY SECRETARY

Legal Practitioners before joining the prestigious Law firm of Chris Ogunbanjo & Co. Solicitors and Advocates, where she gained knowledge about Copyright and Patent laws.

Mrs. Adedibu is a lawyer with a wealth of experience in Legal Practice and Banking. She graduated from Obafemi Awolowo University where she obtained a bachelor's degree in Law (LL. B), then proceeded to the Nigerian Law School where she obtained a B.L. She holds a Master of Law degree (LL.M) from the University of Lagos.

She began her banking career with Magnum Trust Bank and Fidelity Union Merchant Bank before joining First City Monument Bank in 1999 where she has served in various capacities. She has many years' of post-graduation experience and a significant portion of which has been in the banking industry with experience spanning Corporate Banking, Commercial Banking, Risk Management, Banking Operations and Group Legal Services in FCMB. She has attended a number of Leadership and Management trainings from Lagos Business School, Queen's School of Business Canada as well as EuroMoney Loan Documentation and Advanced Loan Documentation training in New York. She is a member of the Nigerian Bar Association and Toastmasters International.

10. LETTER FROM THE DIRECTORS ON THE ISSUER'S GOING CONCERN STATUS

This letter on the going concern status of the Company has been provided by the Directors:



FCMB GROUP PLC
RC No: 1079631

May 23, 2024

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

Dear Sir,

CONFIRMATION OF THE GOING CONCERN STATUS OF FCMB GROUP PLC

The Board of Directors of FCMB Group Plc ("the Company") is accountable and responsible for the performance and operations of the Company. Specifically, and in line with the provisions of the Companies and Allied Matters Act (CAP C20, LFN 2004), the Directors owe the Company a duty of care and must, at all times, act in the best interest of the Company's employees and all other stakeholders. The Board of Directors is also responsible for all resources, particularly the human, material, and financial resources - that are efficiently deployed towards attaining the set goals and objectives of the Company. The Directors are jointly and severally liable for the activities of the Company and the Board is also responsible for ensuring strict adherence to the Code of Governance.

The Directors are required to prepare financial statements at the end of each financial period, which give a true and fair view of the Company's state of affairs and of the profit and loss for the relevant accounting period. They are also responsible for ensuring that proper accounting records are maintained, and steps are taken to prevent and detect fraud and other irregularities. The Directors are also responsible for selecting suitable accounting policies and applying them consistently, making judgements and estimates that are prudent and reasonable. The applicable International Financial Reporting Standards have been followed and FCMB Group Plc's financial statements are prepared using accounting policies which comply with the Generally Accepted Accounting Standards in Nigeria, the Companies and Allied Matters Act (CAP C20, LFN 2004), the Financial Reporting Council of Nigeria Act 2011, the Banks and Other Financial Institutions Act 2020, and relevant Central Bank of Nigeria circulars.

Based on our review of the audited financial statements of the Company for the period ended December 31, 2023, the Directors of FCMB Group Plc consider that adequate resources will exist for the business to continue in operational existence as a going concern for the foreseeable future, having made appropriate enquiries and reviewing budgets, projecting cash flows and other relevant information.

Yours faithfully

Company Secretary
Olufunmilayo Adedibu

Director
Ladi Balogun

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www.fcmbgroup.com | fcmbgroupplc@fcmb.com

Mr. Oluadunso Jideemi (Chairman), Mr. Ladi Balogun (Group Chief Executive), Mr. Peter Obasoji (Chief Operating Officer), Mr. Femi Badeji (Executive Director), Prof. Oluwatoyin Ashiru (Non-Executive Director), Alhaji Mustapha Damisola (Non-Executive Director), Dr. (Engr) Gregory Omosigbo Sro (Non-Executive Director), Mrs. Olajesu Sofowara (Non-Executive Director), Mrs. Tomwboh Ifeimele (Non-Executive Director)

11. LETTER FROM THE AUDITOR ON THE ISSUER'S GOING CONCERN STATUS

This letter on the going concern status of the Company has been provided by the Auditor:

Deloitte.

P.O. Box 965
Marina
Lagos
Nigeria

Deloitte & Touche
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island
Lagos
Nigeria

Tel: +234 (1) 904 1700
www.deloitte.com.ng

23 May, 2024

The Directors
FCMB Group Plc
First City Plaza
44 Marina
Lagos.

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

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


Dear Sir/Ma,

FCMB GROUP PLC – CONFIRMATION OF GOING CONCERN STATUS

We have audited the consolidated and separate financial statements of FCMB Group Plc ("the Company") and its subsidiaries (together, "the group") for the year ended 31 December 2023, which were prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, the Banks and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria circulars .

Based on our audit of the consolidated and separate financial statements of the Company for the year ended 31 December 2023 on which we expressed our opinion on 30 April 2024 and the representation received from the Directors of the Company in connection with the audit, we confirm that nothing has come to our attention as of the date of the issuance of our audit opinion that causes us to believe that the Company will not continue in operation as a going concern for 12 months from 31 December 2023.

Yours faithfully
For: Deloitte & Touche


Joshua Ojo
Partner




CHIDI OKOROJI
NOTARY PUBLIC
Suite 20B, Entrance 7,
TBS, Lagos.
08037218355
chidiokoroji@gmail.com



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

12. SHAREHOLDERS' RESOLUTION AUTHORISING THE OFFER



FCMB GROUP PLC
RC No: 1079631

FEDERAL REPUBLIC OF NIGERIA
COMPANIES AND ALLIED MATTERS ACT, 2020
PUBLIC COMPANY LIMITED BY SHARES
SPECIAL RESOLUTION OF THE SHAREHOLDERS OF
FCMB GROUP PLC RC No. 1079631

PURSUANT TO SECTIONS 127, 237 & 238 OF THE COMPANIES AND ALLIED MATTERS ACT, 2020

At the Annual General Meeting of FCMB Group Plc (the **Company**) duly convened and held on Friday, 24 May 2024, at the Balmoral Convention Centre, Federal Palace Hotel, Ahmadu Bello Way, Victoria Island, Lagos at 10:00 am, the following resolutions were proposed and duly passed:

1. *That the issued share capital of the Company be and is hereby increased from ₦9,901,355,390.50 (Nine Billion, Nine Hundred and One Million, Three hundred and Fifty-Five Thousand, Three Hundred and Ninety Naira, Fifty Kobo) divided into 19,802,710,781 (Nineteen Billion, Eight Hundred and Two Million, Seven Hundred and Ten Thousand, Seven Hundred and Eighty-One) ordinary shares of 50k (Fifty Kobo) each, to ₦19,802,710,781.00 (Nineteen Billion, Eight Hundred and Two Million, Seven Hundred and ten Thousand, Seven Hundred and Eighty-One Naira) divided into 39,605,421,562 (Thirty-Nine Billion, Six Hundred and Five Million, Four Hundred and Twenty-One Thousand, Five Hundred and Sixty-Two) ordinary shares of ₦0.50k (Fifty Kobo) each by the creation and addition of 19,802,710,781 (Nineteen Billion, Eight Hundred and Two Million, Seven Hundred and Ten Thousand, Seven Hundred and Eighty-One) ordinary shares of ₦0.50k (Fifty Kobo) each ranking pari-passu with the existing ordinary shares of the Company (save that such additional ordinary shares shall not be considered for the dividend recommended by the Company in respect of the profit for the year ended 31 December 2023).*

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Mr. Oluwalope Adebisi (Chairman), Mr. Isah Kolagun (Group Chief Executive), Mr. Oluwalope Adebisi (Chief Operating Officer), Mr. Femi Babalola (Executive Director), Mrs. Mariapia Corrado (Non-Executive Director), Prof. Oluwalope Adebisi (Non-Executive Director), Dr. (Eng) Gregory Omosigho (Non-Executive Director), Mr. Oluwalope Adebisi (Non-Executive Director), Mr. Oluwalope Adebisi (Non-Executive Director), Mr. Oluwalope Adebisi (Non-Executive Director), Mr. Oluwalope Adebisi (Non-Executive Director), Mr. Oluwalope Adebisi (Non-Executive Director)

SHAREHOLDER RESOLUTION AUTHORISING THE OFFER

2. *That the Company be and is hereby authorised to raise additional capital of up to ₦150,000,000,000.00, (One Hundred and Fifty Billion Naira) or its equivalent in such other currency as the directors may decide, through the issuance of securities comprising ordinary shares, preference shares, convertible or non-convertible notes, bonds or any other instruments, in the Nigerian and/or international capital markets, either as a standalone issue(s) or by the establishment of capital raising programme(s), whether by way of public offerings, private placements, rights issues and/or such other transaction modes, at price(s), coupon or interest rates determined through book building or any other acceptable valuation method or combination of methods, in such tranches, series or proportions, within such maturity periods and at such dates and upon such terms and conditions, as may be determined by the Board of Directors (the "Board" or the "Directors"), subject to obtaining the requisite approvals of the relevant regulatory authorities.*
3. *That the Board be and is hereby authorised to take such further action and do such further things as may be required to give effect to the above resolutions including but not limited to obtaining the approvals of the relevant regulatory authorities, including the Central Bank of Nigeria and the Securities and Exchange Commission as well as complying with the requirements of the Corporate Affairs Commission and the directive(s) of any relevant regulatory authority.*
4. *That all necessary steps be hereby taken to file the resolutions above at the Corporate Affairs Commission and to take all necessary steps to effect the resolutions herein.*

Dated this 24th day of MAY 2024



DIRECTOR

GBOLAHAN JOSHUA



SECRETARY

FUNMI ADEDIBU

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Mr. Okunribido Jacobus (Chairman), Mr. Ladipo Agun (Group Chief Executive), Mr. Gbolahan Joshua (Chief Operating Officer), Mr. Femi Badeji (Executive Director), Adigun Joseph Damaso (Non-Executive Director), Prof. Chibweh Adin (Non-Executive Director), Dr. (Eng) Gregory Omosigho Ibi (Non-Executive Director), Mrs. Chigodo Solomon (Non-Executive Director), Mrs. Yacobina Idinsole (Non-Executive Director), Mr. Hubert Ajayi (Non-Executive Director)

13. BOARD RESOLUTION AUTHORIZING THE OFFER



FCMB GROUP PLC

RC No: 1079631

**THE FEDERAL REPUBLIC OF NIGERIA
COMPANIES AND ALLIED MATTERS ACT, 2020
PUBLIC COMPANY LIMITED BY SHARES
RESOLUTION
OF
THE BOARD OF DIRECTORS
OF
FCMB GROUP PLC
RC No. 1079631**

PURSUANT TO SECTION 289(8) OF THE COMPANIES AND ALLIED MATTERS ACT, 2020

Following the approval of the Board of Directors of FCMB Group Plc. (the **Company**) on **June 3, 2024**, the following resolutions were considered and duly passed:

IT IS HEREBY RESOLVED that:

1. In furtherance of the Resolution of the Shareholders of the Company dated 24 May 2024 authorising the increase in the share capital of the Company and the raising of additional capital by the Company the Board hereby resolves as follows:
 - a. That the proposed Public Offer of 15,197,289,219 (Fifteen Billion, One Hundred and Ninety-Seven Million, Two Hundred and Eighty-Nine Thousand, Two Hundred and Nineteen) ordinary shares of 50 Kobo each at ₦7.30 per share (the **Offer**) by the Company and on such other terms as currently being offered be and is hereby approved (the **Transaction**).
 - b. That in the event of an oversubscription beyond the maximum limit prescribed under the Offer (the **Offer Size**), the Company be and is hereby authorised to absorb the surplus amount, provided such absorption shall not exceed 15% (Fifteen Percent) of the Offer Size, subject to the Securities and Exchange Commission Rules or as may be prescribed or approved by the Securities and Exchange Commission.

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Mr. Oluwalope Jideemi (Chairman), Mr. Ladilokun (Group Chief Executive), Mr. Gbolahan Joshua (Chief Operating Officer), Mr. Femi Bodeji (Executive Director), Mr. Alhaji Mathpho Danisola (Non-Executive Director), Prof. Oluwalayin Akilu (Non-Executive Director), Dr. (Eng) Gregory Omosigho Iru (Non-Executive Director), Mrs. Olayemi Solomona (Non-Executive Director), Mrs. Tolulope Ishinwa (Non-Executive Director), Mr. Hubert Iyayi (Non-Executive Director)

BOARD RESOLUTION AUTHORISING THE OFFER

- c. The Company be and is hereby authorised to enter into and execute all such agreements, deeds or any documents as may be necessary for or incidental to the Transaction.
- d. Any two directors of the Company or a director and the company secretary be and are hereby authorised to consent to, approve, enter into and execute any agreements, deeds, or any documents and make any statutory or regulatory filings necessary for or incidental to the Transaction.
- e. The management of the Company be and is hereby authorised to take such further action and do such further things as may be required to give effect to the above resolutions including but not limited to the appointment of such professional advisers and obtainment of approvals of the relevant regulatory authorities, including the Central Bank of Nigeria and the Securities and Exchange Commission as well as complying with the requirements of the Corporate Affairs Commission and the directive(s) of any relevant regulatory authority.

Dated this3rd..... day of June 2024



Director
Femi Badeji



Director
Gbolahan Joshua

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M. Oluwalupo Jideemi (Chairman), M. Ladipo Agun (Group Chief Executive), M. Gbolahan Joshua (Chief Operating Officer), M. Femi Badeji (Executive Director), Abaj Mathpho Damiso (Non-Executive Director), Prof. Oluwalayomi Ashiru (Non-Executive Director), Dr. (Eng) Gregory Omosigho Ito (Non-Executive Director), Mrs. Chinyere Sofowola (Non-Executive Director), Ms. Tolunbo Ishioye (Non-Executive Director), M. Hubat Jaiye (Non-Executive Director)

14. EXTRACT FROM THE REPORTING ACCOUNTANT'S REPORT



Ernst & Young
10th Floor, UBA House
57, Marina
Lagos, Nigeria

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The Directors
FCMB Group Plc
First City Plaza Tower
44, Marina Plaza
Lagos

and

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

and

The Directors
FMCB Capital Markets
First City Plaza
44 Marina
Lagos

Independent Accountant's Review Report

Report on the Consolidated Financial Statements

We have reviewed the accompanying consolidated financial statements of FCMB Group Plc (the Group) ,which comprise the consolidated statement of financial position as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and material accounting policy information and other explanatory information. KPMG Nigeria Professional services were the auditors of the group for the year ended 31 December 2019, Deloitte and Touche audited the group consolidated financial statements for the years ended 31 December 2020, 31 December 2021, 31 December 2022, and 31 December 2023. Unmodified audit opinions were issued by the auditors for each of the years.

Directors' Responsibility for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the relevant provisions of the Companies and Allied Matters Act, 2020, the Investment and Securities Act, the Banks and Other Financial Institutions Act, 2020, Pension Reform Act 2014, the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and the relevant Central Bank of Nigeria circulars, and for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

.....



Independent Accountant's Responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these consolidated financial statements of FCMB Group Plc as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023, and its financial performance and consolidated cash flows for the years then ended do not present fairly, in all material respects, in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the relevant provisions of the Companies and Allied Matters Act, 2020, the Investment and Securities Act, the Banks and Other Financial Institutions Act, 2020, Pension Reform Act 2014, the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and the relevant Central Bank of Nigeria circulars.

The financial information is prepared for inclusion in the prospectus to be issued in connection with the proposed capital raise transaction. As a result, the financial information may not be suitable for another purpose.

Adewuyi Adeyemo FCA



FRC/2012/PRO/ICAN/004/00000000148
For: Ernst & Young
Lagos, Nigeria
28 May 2024

15. HISTORICAL FINANCIAL INFORMATION

Financial Statements

The following is a summary of FCMB Group Plc's consolidated audited financial statements for the financial years ended December 31, 2019 through December 31, 2023. The audited financial statements are available and can be downloaded from the Company's website www.fcmbgroup.com/investor-relations.

15.1 Statement of Profit or Loss of the Group

| For the Fiscal Period Ending: (N# million) | Dec-31- 2023 | Dec-31- 2022 | Dec-31- 2021 | Dec-31- 2020 | Dec-31- 2019 |
|---|------------------|------------------|-----------------|-----------------|-----------------|
| Gross Earnings | 516,335.1 | 282,981.6 | 212,012.4 | 199,439.1 | 181,249.9 |
| Interest and discount income | 354,992.9 | 219,551.6 | 162,041.6 | 151,023.4 | 137,447.2 |
| Interest expense | (178,396.6) | (97,554.2) | (71,127.8) | (60,265.8) | (61,470.8) |
| Net Interest Income | 176,596.3 | 121,997.4 | 90,913.8 | 90,757.6 | 75,976.4 |
| Fee and commission income | 62,248.2 | 44,039.0 | 35,593.2 | 30,163.0 | 29,722.7 |
| Fee and commission expense | (16,830.6) | (10,024.6) | (6,840.2) | (10,607.8) | (9,000.6) |
| Net fee and commission income/(expense) | 45,417.6 | 34,014.4 | 28,753.0 | 19,555.2 | 20,722.1 |
| Net trading income/(loss) | 9,106.0 | 12,865.6 | 9,367.1 | 7,117.7 | 6,904.5 |
| Net income from financial instruments mandatorily measured at FVTPL | - | - | - | 12.5 | 1,952.5 |
| Other gains/(losses) | 89,308.4 | 5,308.0 | 3,407.9 | 9,472.9 | 4,075.9 |
| | 98,414.4 | 18,173.6 | 12,775.0 | 16,603.1 | 12,932.9 |
| Other income | 699.7 | 1,217.4 | 1,602.6 | 581.7 | 1,147.2 |
| Net impairment losses on financial instruments | (59,510.1) | (24,966.3) | (15,238.2) | (21,239.7) | (13,747.6) |
| Personnel expenses | (49,577.1) | (35,614.9) | (31,262.7) | (29,518.8) | (29,603.4) |
| Depreciation and amortization expenses | (11,174.2) | (9,671.9) | (8,027.7) | (7,574.2) | (6,712.9) |
| General and administrative expenses | (63,732.8) | (44,757.2) | (35,657.3) | (30,475.4) | (31,892.6) |
| Other operating expenses | (32,702.3) | (23,822.4) | (21,237.2) | (16,777.8) | (8,691.6) |
| | 104,431.4 | 36,570.1 | 22,621.3 | 21,911.7 | 20,130.4 |
| Share of post-tax result of associate | - | - | 95.4 | - | - |
| Profit before minimum tax and income tax | 104,431.4 | 36,570.1 | 22,716.7 | 21,911.7 | 20,130.4 |
| Minimum tax | (2,218.2) | (1,242.2) | (465.3) | (433.7) | (1,040.6) |
| Taxation charge | (9,195.6) | (4,199.2) | (1,334.7) | (1,867.5) | (1,752.6) |
| Profit for the period | 93,017.6 | 31,128.7 | 20,916.7 | 19,610.5 | 17,337.3 |
| Basic and diluted earnings per share (Naira) | 4.7 | 1.6 | 1.1 | 1.0 | 0.9 |

HISTORICAL FINANCIAL INFORMATION

15.2 Statement of Financial Position of the Group

| Balance Sheet as of: (N'million) | Dec-31-2023 | Dec-31-2022 | Dec-31-2021 | Dec-31-2020 | Dec-31-2019 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| ASSETS | | | | | |
| Cash and Equivalents | 579,167.5 | 247,485.6 | 362,700.1 | 221,078.6 | 223,545.8 |
| Non-pledged trading assets | 170,302.7 | 160,730.8 | 41,538.2 | 9,301.8 | 51,087.2 |
| Derivative assets held for risk mgt. | 1,520.7 | 853.7 | - | 1,884.4 | 11,666.1 |
| Investment securities | 794,746.4 | 524,573.0 | 372,548.3 | 406,665.6 | 239,935.8 |
| Assets pledged as collateral | 86,714.3 | 79,009.2 | 115,456.7 | 189,216.5 | 118,653.2 |
| Loans and advances to customers | 1,841,516.2 | 1,195,626.6 | 1,063,589.2 | 822,772.6 | 715,880.6 |
| Other assets | 56,885.2 | 192,385.1 | 127,410.9 | 25,258.9 | 31,554.3 |
| Restricted reserve deposits | 799,640.4 | 493,359.7 | 329,739.1 | 311,746.2 | 208,916.2 |
| Investment in subsidiaries | - | - | - | - | - |
| Investment in associates | - | - | 6,810.7 | - | - |
| Property and equipment | 54,132.9 | 50,967.5 | 47,084.6 | 46,202.5 | 43,697.2 |
| Intangible assets | 31,264.8 | 29,637.6 | 17,156.0 | 16,321.7 | 15,624.5 |
| Deferred tax assets | 8,003.5 | 8,423.7 | 9,163.9 | 7,944.8 | 7,944.8 |
| Total Assets | 4,423,894.6 | 2,983,052.6 | 2,493,197.6 | 2,058,393.5 | 1,668,505.8 |
| LIABILITIES | | | | | |
| Trading liabilities | - | 1,883.9 | 5,174.9 | 8,362.0 | 37,082.0 |
| Derivative liabilities held for risk mgt. | 998.3 | 1,699.9 | - | 1,871.9 | 7,563.6 |
| Deposits from banks | 280,478.1 | 124,365.5 | 160,746.9 | 119,365.2 | 90,060.9 |
| Deposits from customers | 3,082,971.0 | 1,944,908.6 | 1,554,413.6 | 1,257,130.9 | 943,085.6 |
| Retirement benefit obligations | 123.6 | 23.4 | 14.9 | 325.6 | 132.5 |
| Current income tax liabilities | 11,296.2 | 7,180.3 | 5,449.1 | 4,502.7 | 4,743.7 |
| Deferred tax liabilities | 2,355.0 | 391.9 | 308.7 | 316.1 | 345.9 |
| Other liabilities | 245,099.1 | 196,902.2 | 199,465.2 | 111,457.6 | 103,105.6 |
| Provision | 10,896.5 | 7,514.9 | 6,747.3 | 6,325.4 | 5,598.2 |
| On-lending facilities | 57,425.1 | 249,191.7 | 157,873.8 | 60,366.8 | 70,912.2 |
| Debt securities issued | 133,142.3 | 84,745.8 | 78,493.5 | 101,531.2 | 71,864.9 |
| Borrowings | 136,482.8 | 88,365.0 | 80,704.1 | 159,718.0 | 133,344.1 |
| Total Liabilities | 3,961,268.1 | 2,707,172.9 | 2,249,391.9 | 1,831,273.3 | 1,467,839.1 |
| EQUITY | | | | | |
| Share Capital | 9,901.4 | 9,901.4 | 9,901.4 | 9,901.4 | 9,901.4 |
| Additional Tier 1 (AT1) Capital Issued | 46,686.0 | - | - | - | - |
| Share Premium | 115,392.4 | 115,392.4 | 115,392.4 | 115,392.4 | 115,392.4 |
| Retained Earnings | 144,380.8 | 74,561.5 | 62,872.1 | 47,482.4 | 34,187.9 |
| Other reserves | 144,592.1 | 75,045.9 | 55,058.8 | 53,964.4 | 40,952.6 |
| Total Common Equity | 460,952.7 | 274,901.2 | 243,224.7 | 226,740.6 | 200,434.2 |
| Non-controlling Interests | 1,673.9 | 978.4 | 581.1 | 379.6 | 232.4 |
| Total Equity | 462,626.6 | 275,879.6 | 243,805.7 | 227,120.2 | 200,666.6 |
| Total Liabilities and Equity | 4,423,894.6 | 2,983,052.6 | 2,493,197.6 | 2,058,393.5 | 1,668,505.8 |

HISTORICAL FINANCIAL INFORMATION

15.3 Statement of Cash Flows of the Group

| For the Fiscal Period Ending: | Dec-31- 2023 | Dec-31- 2022 | Dec-31- 2021 | Dec-31- 2020 | Dec-31- 2019 |
|---|--------------------|--------------------|-------------------|--------------------|-------------------|
| (A' million) | | | | | |
| Cash Flow from Operating Activities | | | | | |
| Profit for the period | 93,017.6 | 31,128.7 | 20,916.7 | 19,610.5 | 17,337.3 |
| Adjustments for: | | | | | |
| Net impairment loss on financial assets | 59,510.1 | 24,966.3 | 15,238.2 | 22,307.7 | 13,747.6 |
| Fair value gain on financial assets held for trading | (816.7) | (893.8) | (3,490.7) | - | (1,556.5) |
| Net gain/(loss) from other financial instruments at FVTPL | - | - | - | (12.5) | (1,952.5) |
| Amortisation of intangibles | 3,094.5 | 2,005.6 | 1,564.9 | 1,779.6 | 1,423.7 |
| Depreciation of property and equipment | 8,079.7 | 7,666.3 | 6,462.8 | 5,794.6 | 5,289.2 |
| Gain on disposal of property and equipment. | (39.4) | 10.6 | (514.6) | 993.6 | (115.2) |
| Gain on disposal of investment securities | - | - | - | - | (1.3) |
| Items written-off during the year | 439.7 | 259.0 | 244.0 | 81.8 | 160.6 |
| Modification loss /(gain) on restructured facilities | (3,644.0) | (32.9) | 3,560.5 | - | - |
| Unrealised foreign exchange gains | (83,956.1) | (4,297.6) | (6,138.2) | (10,011.4) | (3,549.0) |
| Share of profit of associates | - | - | (95.4) | - | - |
| Other operating expenses | 2,525.0 | 915.0 | 864.4 | 719.4 | (6,457.2) |
| Net interest income | (176,596.3) | (121,997.4) | (90,913.8) | (90,757.6) | (75,976.4) |
| Dividends received | (1,708.3) | (977.5) | (830.2) | (529.5) | (526.9) |
| Tax expense | 11,413.8 | 5,441.4 | 1,799.9 | 2,301.3 | 2,793.1 |
| | (88,680.4) | (55,806.3) | (51,331.3) | (47,722.6) | (49,383.5) |
| Changes in operating assets and liabilities | | | | | |
| Net increase in restricted reserve deposits | (306,280.7) | (163,620.6) | (17,993.0) | (102,829.9) | (62,419.1) |
| Net decrease in derivative assets held for risk management | (667.0) | (853.7) | 1,884.4 | 9,781.7 | (11,655.6) |
| Net decrease / (increase) in trading assets | (10,388.6) | (120,086.3) | (32,236.5) | 41,785.4 | (4,122.0) |
| Net decrease in loans and advances to customers | (745,091.6) | (136,807.1) | (244,207.6) | (117,019.2) | (69,502.0) |
| Net decrease in other assets | 149,124.6 | (56,659.7) | (96,508.7) | 11,306.8 | 8,436.0 |
| Net (increase) / decrease in trading liabilities | (1,884.0) | (3,291.0) | (3,187.0) | (28,720.1) | 4,605.4 |
| Net decrease in deposits from banks | 156,112.7 | (36,381.5) | 41,381.8 | 29,304.2 | 50,920.9 |
| Net decrease in deposits from customers | 1,138,062.4 | 390,494.9 | 297,282.7 | 314,045.3 | 121,338.2 |
| Net decrease in on-lending facilities | (191,766.6) | 91,317.9 | 97,506.9 | (10,676.6) | 12,615.0 |
| Net increase in assets pledged as collateral | (12,894.2) | 26,143.9 | 65,478.2 | (64,521.7) | (35,671.3) |
| Net decrease in derivative liabilities held for risk management | (701.6) | 1,699.9 | (1,871.9) | (5,704.3) | 5,600.6 |
| Net increase in provision | (1,069.1) | 1,999.4 | 1,765.9 | 727.2 | 610.0 |
| Net decrease / (increase) in other liabilities | 72,159.3 | 6,650.3 | 94,187.5 | 11,061.4 | (19,011.4) |
| | 156,035.5 | 65,740.3 | 152,151.3 | 40,817.7 | (47,638.9) |
| Interest received | 395,505.0 | 216,005.1 | 162,471.3 | 156,594.7 | 133,288.7 |
| Interest paid | (189,361.6) | (104,320.8) | (73,812.3) | (58,275.2) | (63,347.9) |
| Dividends received | 1,708.3 | 977.5 | 830.2 | 529.5 | 526.9 |
| VAT paid | (6,332.6) | (1,643.9) | (1,260.4) | (571.3) | (1,053.9) |
| Income taxes paid | (5,380.7) | (2,957.0) | (1,847.2) | (2,419.8) | (2,434.3) |
| Net cash generated from operating activities | 352,173.8 | 173,801.2 | 238,533.0 | 136,675.7 | 19,340.5 |
| Cash flows from investing activities | | | | | |
| Investment in associates | - | - | (6,715.3) | - | - |
| Purchase of property and equipment | (11,599.6) | (11,386.1) | (7,155.5) | (9,595.8) | (7,579.7) |
| Purchase of intangible assets | (2,615.7) | (4,134.0) | (1,268.8) | (1,492.3) | (1,496.8) |
| Purchase of intangible assets work-in-progress | (1,928.5) | (842.7) | (1,126.5) | (864.3) | (375.6) |
| Proceeds from sale of property and equipment | 1,043.4 | 34.3 | 198.8 | 328.7 | 333.7 |
| Acquisition of investment securities | (482,051.1) | (266,944.1) | (63,443.7) | (245,209.6) | (83,975.6) |
| Proceeds from sale and redemption of investment securities | 274,377.1 | 97,240.2 | 77,066.9 | 75,144.7 | 72,855.1 |
| Acquisition of ALLCO Pension (net of cash acquired) | - | (2,541.4) | - | - | - |
| Net Cash generated / (used in) from investing activities | (224,774.5) | (188,573.8) | (2,444.1) | (181,688.7) | (20,238.8) |
| Cash flows from financing activities | | | | | |
| Interest paid on interest bearing borrowings | (7,108.8) | (8,549.9) | (11,583.7) | (5,211.3) | (3,888.9) |
| Interest paid on interest debt securities issued | (5,298.0) | (1,421.8) | (8,887.7) | (5,543.3) | (1,138.8) |
| Proceeds from Additional Tier 1 capital issued | 4,6686.0 | - | - | - | - |
| Payments on Issuing cost of Additional Tier 1 capital | (821.1) | - | - | - | - |
| Coupon paid on Additional Tier 1 capital | (1,641.3) | - | - | - | - |
| Deposit for Notes | - | - | - | - | - |
| Proceeds from long term borrowings | 24,391.2 | 29,436.9 | 51,297.1 | 101,945.3 | 142,036.1 |

HISTORICAL FINANCIAL INFORMATION

| For the Fiscal Period Ending: | Dec-31- 2023 | Dec-31- 2022 | Dec-31- 2021 | Dec-31- 2020 | Dec-31- 2019 |
|--|------------------|--------------------|--------------------|-------------------|------------------|
| <i>(₦'million)</i> | | | | | |
| Repayment of long-term borrowings | (44,734.1) | (13,189.1) | (122,163.1) | (88,258.4) | (124,353.7) |
| Proceeds from debt securities issued | - | 2,121.1 | 848.2 | 79,313.8 | 17,013.3 |
| Repayment of debt securities issued | - | - | (26,000.0) | (51,210.9) | - |
| Lease payment | (703.6) | (561.2) | (456.7) | (466.5) | (315.9) |
| Dividends paid to owners | (4,950.7) | (3,995.4) | (2,984.8) | (2,772.4) | (2,772.4) |
| Net cash generated/ (used in) from financing activities | 5,819.6 | 3,840.6 | (119,930.6) | 27,796.5 | 26,579.6 |
| Net increase / (decrease) in cash and cash equivalents | 135,218.8 | (131,871.9) | 116,158.3 | (17,216.5) | 25,681.2 |
| Cash and cash equivalents at start of year | 247,510.9 | 362,729.8 | 221,114.6 | 223,578.3 | 185,165.5 |
| Increase /(decrease) in cash and cash equivalents | 135,218.8 | (131,871.9) | 116,158.3 | (17,216.5) | 25,681.2 |
| Effect of exchange rate movement on cash | 197,849.6 | 16,653.0 | 14,884.9 | 1,843.6 | 2,189.9 |
| Cash and cash equivalents at end of year | 579,208.6 | 247,510.9 | 362,729.8 | 221,114.6 | 223,578.3 |

16. RISK FACTORS

Investors should consult their advisers if in any doubt as to the nature of this investment and its suitability in the light of their particular circumstances. The value of any securities traded (whether listed or not) are subject to investment risks, can and do fluctuate, and any individual security may experience upward or downward movements. There is an inherent risk that losses may be incurred rather than a profit made as a result of buying and selling securities. Past performance is not a guide to future performance. Certain types of investments may not be suitable for all investors.

Economic Risk

The Group's operations are predominantly conducted in Nigeria, where most of its customers also reside. Accordingly, the Group's business, the result of operations, and/or financial condition, and the ability to recover on its loans and other assets, depend significantly on the economic and political conditions prevailing in Nigeria.

These are risks that impact macroeconomic variables such as GDP, exchange rate, interest rates, oil prices, inflation, and monetary and fiscal policies which will adversely affect the business and financial performance of the Group.

The Nigerian economy is largely dependent on crude oil production, which has, in the past, been affected by incessant security crisis and political disturbances in the Niger Delta region. Up until recently, activities in this region have been volatile affecting the entire spectrum of the oil and gas industry.

In addition, a number of manufacturing/trading companies have been impacted by the difficulty in accessing foreign exchange for the purchase of raw materials or finished goods, leading to a significant decline in output and an increase in prices. This has hindered the ability of such companies to service their loan facilities, thereby impacting the profitability of some banks and leading to higher impairments.

Also, given that receipts from the sale of oil form a major source of foreign exchange for the Federal Government, changes in oil production or global oil prices may cause a substantial drop in foreign currency reserves and the strength of the currency which could have significant effects on production and inflation..

Political Risk

These are risks related to political instability, security, religious differences and ethnicity in Nigeria. Over the past five years, there has been an increase in the number and frequency of attacks and cases of kidnapping across various parts of Nigeria.

In recent times, Nigeria has witnessed considerable unrest, terrorism and political and religious conflicts. Divisions based on geography can be magnified by religious differences, particularly between the north, which has a predominantly Muslim population, and the south, which has a predominantly Christian population. These regional affiliations have in the past contributed to, and may continue to contribute to, political and religious tension, which can also lead to societal unrest.

Sectarian conflicts in the Middle Belt and Northern region of the country also continue to pose a threat to Nigeria's political stability. The intermittent crisis and insurgence of bandits have been identified as major contributors to the region's security challenges, especially in the North-Eastern part of Nigeria. The Federal Government is working to curtail the operations of these insurgent group, but this risk persists. In recent times also, the country has witnessed political demonstrations and tensions including calls for restructuring; protests around protecting the principles of the rule of law, and constitutionalism, amongst others.

Until the Federal Government is able to address the root of the problems that contribute to this risk (such as poverty, low level of education, religious intolerance, weak enforcement of law and order and insecurity), insurgent groups are likely to continue to operate.

RISK FACTORS

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting due obligations associated with financial liabilities that are settled by delivering cash or any other financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

Market Risk

This is the risk of losses in on- or off-balance sheet positions that arise from movement in market prices. Changes in equity prices, interest rates, credit spreads, foreign exchange rates, commodity prices, and other financial assets may impact the Group. The Group also faces this risk from the perspective of its subsidiaries, whereby a downturn in the capital markets or other such unfavourable market developments may affect the profitability of the brokerage and investment banking businesses. It is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Group's financial performance.

Regulatory and Compliance Risk

The Issuer's subsidiaries are subject to the regulatory purview of regulators such as the CBN, FRCN, PENCOM and the SEC, whose sanctions could have a material adverse effect on the Group's businesses, results of operations, financial condition and or prospects.

The Issuer and the Bank are subject to the risk of being sanctioned by the CBN and the SEC for non-compliance with applicable regulations. Failure by the Group to monitor, report and act on suspected financial crime and money laundering activities could expose the Group to losses, penalties or reputational damage.

Foreign Exchange Risk

These are risks that arise from the change in the price of one currency against another. The Group undertakes financial transactions domiciled in foreign currencies. Unfavourable movement in exchange rates may affect these foreign currency transactions, affect the value of the subsidiaries' foreign currency-denominated assets and liabilities and have a negative impact on the financial condition of such subsidiaries and/or the Issuer.

Operational Risk

This is the risk of direct or indirect loss arising from inadequate and/or failed internal processes, people and systems or external events. They include fraud, fines or expenses incurred as a result of settlement delays and regulatory infractions; litigation processes including out of court settlements; damage to the physical assets of the Issuer and its subsidiaries; system downtime; malfunction or disruption and the losses arising thereof.

This also includes risks associated with both deliberate and deceitful actions such as fraud, unauthorized breaches of policy and procedure, collusion, or sabotage, as well as inadvertent occurrences stemming from errors or mistakes resulting from a lack of awareness of established policies and procedures, all of which have the potential to lead to financial losses for the Group.

Legal Risk

Legal risk encompasses the potential hazards stemming from the Group's contractual commitments, including the vulnerability to litigation that these contracts may entail. Failure to mitigate these risks could lead to the gradual erosion of the Group's value. Additionally, the Group faces exposure to various risks concerning its permits, licenses, and approvals necessary for its operations. Should any of its subsidiaries fail to renew, obtain, or adhere to these permissions, or if they face suspension, termination, or amended adverse conditions, it could disrupt the operations of that subsidiary and impact the Group's financial standing.

RISK FACTORS

Technology/Cyber Security Risk

Technology risk encompasses threats to the integrity of the Group's information systems and technology infrastructure, which could arise from unauthorized access, use, disclosure, modification, disruption, or destruction of information technology assets and systems.

Environmental Risk

The operations of the Group are exposed to certain environmental challenges, which include but are not limited to pollution, environmental degradation, global warming, severe flooding and other natural hazards. The nature of environmental risks is that they are often sudden, unpredictable and unforeseeable. There is no guarantee that such processes will prevent all accidents, which may impose a variety of liabilities and adversely affect the Group's business.

Investment Risk

The price of the Issuer's shares may be subject to market price volatility on the secondary market, as a result of sales or a real or perceived possibility of sales of a significant number of its shares in the secondary market which could adversely affect the prevailing market prices for the Issuer's shares. Also, the market price of the Issuer's shares may decline disproportionately in response to adverse economic developments, market forces, changes to the regulatory environment in which the Group operates or economic conditions that are unrelated to the Group's performance. Additionally, there may not always be available a liquid market for the secondary trade of the Issuer's shares due to the state of the Nigerian equity capital market, when compared to other markets. Thus, investors may not always find a ready buyer for their shares or may not be able to sell their shares at prices that will provide them with a return that is comparable to other developed secondary markets. Relatedly, by the provisions of CAMA, dividend on shares are only payable out of distributable profits. As a result, shareholders may not always receive dividend on their investment in the Issuer's shares due to certain factors such as the absence of distributable profits available to pay dividends or where dividend payments are restricted by the CBN due to the failure of any of the Issuer's subsidiaries to comply with capital adequacy requirements or meet any other requirements of applicable laws or regulations.

17. USE OF PROCEEDS

The CBN's March 24 Circular (the "Circular") stated that the only permissible form of capital would be share capital and share premium.

The Issuer's flagship subsidiary, FCMB Limited, has an international banking license and a total paid-up capital of ₦102.85 billion. In line with the Circular, the Bank requires the injection of additional capital up to ₦98 billion for a national banking license and ₦398 billion for an international banking license.

Consequently, the Issuer will invest the net proceeds of the Offer in FCMB Limited as a first step in ensuring that the Bank is able to achieve its plan in complying with the CBN's new minimum capital requirements.

FCMB Limited will utilise the net proceeds as presented in the table below:

| Description | Amount (₦) | % of net proceeds | Duration |
|--|---------------------------|-------------------|--|
| Business Growth & Expansion | | | |
| Lending to wholesale banking segment | 38,981,421,000.00 | 36.05 | 36 months from receipt of net offer proceeds |
| Lending to retail & SME segments | 35,322,644,574.16 | 32.67 | 36 months from receipt of net offer proceeds |
| Lending to agricultural and non-oil export | 10,270,669,000.00 | 9.50 | 36 months from receipt of net offer proceeds |
| Sub-total | 84,574,734,574.16 | 78.22 | |
| Investment in IT & Cybersecurity Infrastructure | | | |
| Upgrade of information technology infrastructure | 11,000,000,000.00 | 10.17 | 36 months from receipt of net offer proceeds |
| Investment in cybersecurity capabilities | 5,232,000,000.00 | 4.83 | 36 months from receipt of net offer proceeds |
| Sub-total | 16,223,000,000.00 | 15.00 | |
| Human Capital | | | |
| Investment in human capital | 7,320,000,000.00 | 6.77 | 24 months from receipt of net offer proceeds |
| Sub-total | 7,320,000,000.00 | 6.77 | |
| Total | 108,117,734,574.16 | 100.00 | |

18. MARKET PRICE INFORMATION

The Issuer's shares are listed on the NGX. The annual high and low market prices of the Issuer's shares for the five years to December 31, 2023, are shown below:

| Year | ₦ Low (date) | ₦ High (date) |
|-----------|---------------|---------------|
| 2019..... | 1.46 (Aug 15) | 2.18 (Feb 11) |
| 2020..... | 1.45 (Mar 16) | 3.80 (Nov 12) |
| 2021..... | 2.66 (Apr 16) | 3.50 (Feb 04) |
| 2022..... | 2.85 (Jan 4) | 3.88 (Apr 29) |
| 2023..... | 3.47 (Apr 19) | 7.70 (Dec 21) |

The monthly high and low market prices of the Issuer's shares on NGX for each of the twelve months ending June 2024 are presented in the table below:

| Month | ₦ Low (date) | ₦ High (date) |
|---------------------|---------------|----------------|
| July 2023..... | 5.40 (Jul 3) | 7.00 (Jul 10) |
| August 2023..... | 5.64 (Aug 24) | 6.49 (Aug 3) |
| September 2023..... | 5.78 (Sep 26) | 6.80 (Sep 8) |
| October 2023..... | 5.87 (Oct 11) | 6.20 (Oct 30) |
| November 2023..... | 6.20 (Nov 2) | 7.00 (Nov 10) |
| December 2023..... | 6.75 (Dec 11) | 7.70 (Dec 21) |
| January 2024..... | 7.50 (Jan 2) | 12.00 (Jan 16) |
| February 2024..... | 7.20 (Feb 28) | 10.25 (Feb 2) |
| March 2024..... | 7.20 (Mar 6) | 8.85 (Mar 27) |
| April 2024..... | 6.50 (Apr 23) | 8.70 (Apr 4) |
| May 2024..... | 6.50 (May 16) | 8.10 (May 13) |
| June 2024..... | 7.60 (Jun 19) | 8.00 (Jun 4) |

19. STATUTORY AND GENERAL INFORMATION

19.1 Incorporation and Share Capital History

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

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

As at the date of this Prospectus, the issued share capital of the Company is ₦9,901,355,390.50 divided into 19,802,710,781 ordinary shares of ₦0.50k each. There have been no changes in the Share Capital of the company since incorporation as shown below:

| Year | Number of Shares | Issued & Fully Paid | | Consideration/Method of Issue |
|------|------------------|---------------------|----------------|-------------------------------|
| | | Increase | Cumulative | |
| 2013 | 19,802,710,781 | - | 19,802,710,781 | Migration from FCMB Bank Plc |
| 2023 | 19,802,710,781 | - | 19,802,710,781 | No Change |

19.2 The Group's Strategic Plan

The Group's vision is to be the premier financial services group of African origin. To achieve this, our future development plans encompass several strategic initiatives aimed at driving sustainable growth, scale and enhancement of our competitive position in the market. These initiatives include:

- a) **Consolidating our Ecosystem Strategy:** In line with our mission, to build a supportive ecosystem rooted in Africa, that connects people, capital and markets, we are integrating our diverse portfolio of products and services to create a synergistic environment that drives sustainable growth. By aligning our resources, technologies, and partnerships, we will continue to deliver solutions that meet the evolving needs of our customers. This strategic consolidation not only strengthens our market position but also fosters innovation, operational efficiency, and customer loyalty. As we continue to build and refine our ecosystem, we remain committed to providing exceptional value and driving long-term success for our stakeholders.
- b) **Digital Transformation:** By strategically leveraging our technology capabilities, we are transforming our operations, enhancing our competitive edge, and creating new opportunities for innovation and growth through:
 - **Proprietary core banking platform:** We have successfully developed and implemented our proprietary core banking system, with three members of the Group completing migration and the main bank commencing migration in 2024. This will accelerate our speed of innovation and reduce the cost of technology ownership.
 - **Digital transformation of existing businesses:** In addition to migrating to our proprietary core banking system, our consumer finance business is transforming into a FinTech entity. Loan origination, credit underwriting and disbursements are fully automated, while customer fulfilment/self-service will be fully automated by H1 2025.
 - **Build versus buy:** Our engineering organisation (over 50 engineers) has made us more innovative and agile in responding to customer and market needs. In addition to core banking, we now build and maintain all integration/API, backend layers and front-end interfaces, including web and mobile applications, for the United Kingdom and Nigerian markets.

STATUTORY AND GENERAL INFORMATION

- **New Businesses:** We have launched our borderless retail banking app proposition in the United Kingdom (comprising multicurrency, current accounts and fixed deposits, cards and cross-border payments). The platform facilitates diaspora flows to Nigeria and fully digitizes our United Kingdom franchise in preparation for scaling.
 - **New technologies:** Additionally, we are leveraging AI technology to enhance SME and consumer credit underwriting for our banking partners.
- c) **Expansion into New Markets:** We plan to explore opportunities for geographic expansion into new markets, leveraging our existing strengths and capabilities to capture untapped growth potential. We believe this is a pivotal step in our growth strategy, enabling us to diversify our revenue streams and increase our global footprint. By entering these emerging and established markets, we can tap into new customer bases, leverage local opportunities, and mitigate risks associated with our existing region. Our approach involves thorough market research, strategic partnerships, and tailored offerings that meet the specific needs of each new market. This expansion not only enhances our competitive edge but also drives innovation and provides us with invaluable insights that can be applied across our entire operation.
- d) **Sustainability and ESG Initiatives:** Our commitment to sustainability and ESG (Environmental, Social, and Governance) initiatives underscores our dedication to long-term value creation. Our future development plans include increased integration of environmental, social, and governance (ESG) considerations into our business practices and pursuing initiatives that promote sustainability and social impact. By integrating sustainable practices across our operations, we aim to minimize our environmental footprint, promote social well-being, and uphold the highest standards of corporate governance. By prioritizing sustainability and ESG, we not only fulfill our ethical responsibilities but also strengthen our resilience and competitive advantage, driving positive outcomes for all our stakeholders.
- e) **Organizational Culture:** Our people are our most valuable asset, and we remain committed to nurturing a culture of excellence, collaboration, and innovation. We will continue to invest in talent development programs and initiatives to attract, retain, and develop top talent, ensuring that we have the capabilities and expertise to execute our growth plans successfully. Our culture has also been reinforced by a clear sense of purpose: to foster inclusive and sustainable growth in the communities we serve; and proprietary technological capabilities unlocked by the 4th and 5th industrial revolutions that are coming in rapid succession.

We will continue to leverage our Group structure to build a technology-driven ecosystem that will foster inclusive and sustainable growth in the communities we serve.

19.3 ESG and Social Responsibility Contributions

Despite a turbulent year marked by global economic challenges, including high inflationary pressures, climate change, volatile FX, insecurity, and local market challenges, the Group remained guided by its purpose, core values, and commitment to drive transformative change for all stakeholders.

Our approach is “to foster inclusive and sustainable growth in the communities we serve.” This drives our commitment to improve access to financial services for the unbanked and underbanked through different layers of partnership engagements. We empower women and youths by unlocking their potential to create wealth. In our quest to make energy affordable and accessible, we secure access to affordable and reliable clean energy sources to illuminate homes and businesses in various communities nationwide. Furthermore, we are building resilience on Environmental, Social, and Governance (ESG) issues, which are of utmost importance to our institution, employees, partners, communities, and stakeholders.

We work alongside passionate stakeholders, such as partners and investors, who share our mission to drive positive change. The good news is that we are not alone, and there are abundant opportunities for growth, innovation, and impact within the markets we serve. Alongside those sharing the same goals, we will leverage partnerships to attain greater effectiveness and scale to deliver the desired impact. This partnership model enables us to significantly leverage our internal capabilities to deliver and enhance our financial and impact scorecards, which are consistently ranked among the best in the country. Our services are benchmarked against rigorous global standards within a highly regulated system like the United Nations (UN) Global Compact that champions positive change.

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Some notable initiatives during the year ended 31 December 2023 were as follows:

- **Small and Medium Scale Enterprises (SMEs) Funding:** We provided over ₦13bn worth of microloans to 120,000 SMEs across Nigeria, of which over 80% were women-owned businesses, and disbursed over ₦430bn digital loans to over 67,000 SMEs.
- **Community Impact and Partnerships:** Through strategic partnerships, we reached 506,425 people - men, women, youths, persons with disabilities, and internally displaced persons in Nigeria. This activity has built partnerships with 80 private sector partners, out of which 31 of them have received catalytic grants to scale or expand their businesses in Northeast Nigeria, resulting in the creation of 14,453 jobs and facilitating US\$53,000,000 in sales and US\$15,000,000 in loans (access to credit) by participants. This has also mobilised US\$7,000,000 in leverage - monies contributed by private-sector partners to the activity's goals.
- **Localised Human Capacity Building:** We also helped smallholder farmers improve their technical, business management/financial literacy, and soft skills through technical and enterprise development training and information deployed by trained service providers. The farmers were supported to adopt the best agronomic practices and supported to cultivate over 4,300 hectares of land for farming (one hectare per farmer) in communities cutting across 23 local governments in Borno, Adamawa, Yobe, and Gombe. They engaged in the production of rice, maize, cowpea, groundnuts, sheep, and goats.
- **Responding to Climate Issues:** We responded to climate-pressing issues by providing loans worth ₦7 billion to firms in the renewable energy sector to enable them to deploy clean energy systems, such as solar home systems and mini-grids, to meet household and commercial demands in rural areas and cities. We financed mini-grid and hybrid energy-efficient projects for 3,949 homes and SMEs across the country, bringing the total electricity connection to 13,548.
- **Ensuring Equity:** Through SheVentures, our women in business proposition, we have offered up to One Billion Naira in zero-interest loans to hundreds of women SMEs nationwide and supported over 2,000 female entrepreneurs through free training, mentorship, and capacity-building programmes.

19.4 Shareholding Structure

As of June 07, 2024, the 19,802,710,781 ordinary shares of ₦0.50k each in the share capital of the Issuer were beneficially held as follows:

| Shareholders | No. of ordinary shares Held | % |
|---|-----------------------------|---------------|
| FCMB Nominees Capital Capita IRG Trustees Ltd | 2,041,172,788 | 10.31 |
| Balogun M.O.; C.O.N. | 1,442,904,175 | 7.29 |
| Primrose Investments Ltd | 1,070,145,152 | 5.40 |
| Bluechip Holdings Ltd | 1,000,050,000 | 5.05 |
| Others | 14,248,438,666 | 71.95 |
| TOTAL | 19,802,710,781 | 100.00 |

Except as disclosed above, no other shareholder holds more than 5% of the issued share capital of the Company.

19.5 Directors' Interests

The direct and indirect interests of directors in the issued share capital of the company as recorded in the register of directors' shareholding and/or as notified by the directors for the purposes of sections 301 and 302 of CAMA and the listing requirements of the Exchange are as follows:

| Directors | Direct Shareholding | Indirect Shareholding | Total Shareholding |
|-------------------|---------------------|-----------------------|--------------------|
| Mr. Ladi Jadesimi | 190,463,000 | Nil | 190,463,000 |
| Mr. Ladi Balogun | 205,166,756 | Nil | 205,166,756 |

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| Directors | Direct Shareholding | Indirect Shareholding | Total Shareholding |
|--------------------------------|---------------------|-----------------------|--------------------|
| Mr Adegbolahan Joshua Simisola | 7,500,000 | Nil | 7,500,000 |
| Mr. Femi Badeji | 7,500,000 | Nil | 7,500,000 |
| Alhaji Mustapha Damcida | Nil | Nil | Nil |
| Professor Oluwatoyin Ashiru | 2,055,187 | Nil | 2,055,187 |
| Dr (Engr) Gregory Omosigho Ero | Nil | Nil | Nil |
| Mrs. Olapeju Sofowora | 100,000 | Nil | 100,000 |
| Mrs. Tokunboh Ishmael | Nil | | Nil |
| Ms. Muibat Ijaiya | 8,000 | Nil | 8,000 |

19.6 Statement of Indebtedness

As of March 31, 2024, the Group had a total indebtedness of ₦14.90 billion which consisted of the following:

| Total Indebtedness | ₦millions |
|----------------------------|-----------|
| Debt securities issued | 171,024 |
| Interest bearing borrowing | 343,879 |

19.7 Off-Balance Sheet Items

As of March 31, 2024, the Group recorded nil off-balance sheet liability.

19.8 Relationship between the Issuer and Its Advisers

As at the date of this Prospectus and in compliance with SEC Rule 288 (g) as amended, we hereby state that there is no shareholding relationship between FCMB Group Plc and the Lead Issuing House, Chapel Hill Denham Advisory Limited. However, the Group Chief Executive Officer of the Issuer is related to the CEO of Chapel Hill Denham Advisory Limited.

There is a shareholding relationship between FCMB Group Plc, FCMB Capital Markets Limited and CSL Stockbrokers. FCMB Capital Market Limited and CSL Stockbrokers are subsidiaries of FCMB Group Plc.

Other than as disclosed in this Prospectus, there is no other relationship between FCMB Group Plc, its respective Directors, major shareholders, principal officers and Parties to the Offer, except in the ordinary course of business.

19.9 Corporate Governance

FCMB Group Plc remains committed to institutionalizing corporate governance principles as part of the Issuer's corporate structure. The Issuer continues to ensure adherence to the implementation of the corporate governance rules of the CBN, the NGX and the SEC.

The Board continues to operate in line with its responsibilities as contained in the Regulatory Codes of Corporate Governance, the Issuer's Memorandum and Articles of Association and CAMA. Its oversight of the operations and activities of the Issuer are carried out transparently, without undue influence.

Essentially, fair value corporate governance depends on the quality and integrity of directors. Consequently, the Issuer has undertaken to create the institutional framework conducive to defending the integrity of its directors and is convinced that on account of this, the Board of FCMB Group Plc is functioning in a highly effective manner.

It is intended that the Issuer continues to challenge itself to improve the standard in areas of improvement which have been identified.

Board Composition and Independence:

The Board is composed of ten (10) Directors: seven Non-Executive Directors and three Executive Directors, in line with international best practice which requires the number of Non-Executive Directors to be more than the Executive Directors.

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The appointment of Board members is in line with SEC Corporate Governance Guidelines for public companies and the Nigerian Code of Corporate Governance, CBN Code of Corporate Governance for Financial Holding Companies in Nigeria, 2023, and the Company's selection criteria for Directors.

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

Guiding Principles of FCMB Group Plc's Code of Corporate Governance

The guiding principles of FCMB Group's Code of Corporate Governance remain as follows:

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

Role of the Board

Investment and capital management, investor relations, Group financial and statutory reporting, articulation and approval of Group policies, setting overall Group strategic direction, monitoring and coordinating Group performance, succession planning for key positions on the Boards of FCMB Group and the operating companies.

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

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Compliance Reporting

Insider credit applications are presented to the Board Credit Committee and related party transactions are disclosed in the Annual Reports and to the CBN. The Issuer has established effective whistle-blowing procedures and the implementation of the Corporate Governance Code is monitored and reported.

Communication with Shareholders

FCMB Group Plc maintains regular contact with its shareholders through its Investor Relations team and through meetings with, inter alia, the Group Managing Director, Chief Financial Officer and various members of the divisional management of the Group's operating companies. The presentations from these investor events are also available on FCMB Group's investor relations website.

Board Committees

- 1. Board Investment Committee (BIC):** The primary purpose of the Investment Committee is to assist the Board in fulfilling its oversight responsibility as it relates to investment execution, capital and portfolio management, liquidity planning and ensuring that the overall Investments align with the Group's goals. Mrs. Tokunboh Ishmael chairs this committee.
- 2. Board Risk Management Committee (BRC):** The primary purpose of the Risk Management Committee is to assist the Board in fulfilling its oversight responsibility as it relates to risk management, strategy, and compliance, as well as overseeing the establishment of policies, standards and guidelines for monitoring and managing risks, compliance, and strategy. As part of its risk management oversight functions, the Committee will also ensure corporate oversight and guidance for compliance activities and strategic initiatives. Ms. Muibat Ijaiya chairs this committee.
- 3. Board Audit Committee (BAC):** The primary purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibility as it relates to audit, finance and budget matters as well as ascertaining the integrity of the financial statements and financial reporting process of the Group, independence and the performance of external and internal audit functions. Mrs. Olapeju Sofowora chairs this committee.
- 4. Board Governance & Remuneration Committee (BGRC):** The primary purpose of the Governance and Remuneration Committee is to advise the Board on its oversight responsibilities in relation to governance, appointment and re-election, appraisal and removal of Directors. The Committee is also responsible for Board evaluation, the review of the performance of Chief Executives Officers (CEOs) and Executive Directors (EDs) as well as recommendation of the appropriate remuneration for Executive Directors and Management to the Board. Prof. Oluwatoyin Ashiru chairs this committee.

Composition of the Board Committees:

| Board Members | BIC | BRC | BAC | BGRC |
|-----------------------------|-----|-----|-----|------|
| Mr. Oladipupo Jadesimi | | | | |
| Mr. Ladi Balogun | | | | |
| Mr. Olufemi Badeji | | | | |
| Mr. Adegbolahan Joshua | | | | |
| Dr. (Engineer) Gregory Ero | | | | |
| Professor Oluwatoyin Ashiru | | | | |
| Alhaji Mustapha Damcida | | | | |
| Mrs. Olapeju Sofowora | | | | |

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| Board Members | BIC | BRC | BAC | BGRC |
|------------------------|-----|-----|-----|------|
| Mrs. 'Tokunboh Ishmael | | | | |
| Ms. Muibat Ijaiya | | | | |

| | |
|---|--------------------------|
|  | Board committee Member |
|  | Board committee Chairman |

Statutory Audit Committee

| Committee Member | Position |
|----------------------------------|---------------------------------------|
| Evangelist Akintola Soares Peter | Chairman/Shareholders' representative |
| Alhaji S.B. Daranijo | Shareholders' representative |
| Mr. Hakeem Batula Abayomi | Shareholders' representative |
| Mrs. Olapeju Eniola Sofowora | Non-Executive Director |
| Professor Oluwatoyin Ashiru | Non-Executive Director |

19.10 Related Party Transactions

Transactions between the Issuer and its related parties are conducted at arm's length and disclosed in accordance with IAS 24 (*Related Party Disclosures*).

19.11 Research and Development (R&D)

Through the Issuer's R&D functions, FCMB Group seeks to maintain a sound basis for creating market-driven products and services as well as providing unique offerings, wherever the Group has a presence.

19.12 Costs and Expenses

The costs and expenses of this Offer including fees payable to SEC, NGX and professional parties, filing fees, stamp duties, Brokerage Commission, printing and advertising costs and miscellaneous expenses are estimated at ₦2,822,476,724.54 representing 2.54% of the total amount to be raised.

19.13 Material Contracts

As at May 24, 2024, save for the underlisted agreements, and the Vending Agreement dated July 23, 2024 amongst the Issuer and the Issuing Houses, the Issuer has not entered into any agreements outside the ordinary course of business:

In respect of FCMB Group Plc series I AT₁ subordinated bonds issuance:

- Programme Trust Deed amongst FCMB Group Plc, ARM Trustees Limited and FCMB Trustees Limited dated February 16, 2023;
- Series 1 Trust Deed amongst FCMB Group Plc, ARM Trustees Limited and FCMB Trustees Limited dated February 16, 2023;
- Note Issuance Agreement amongst FCMB Limited, FCMB Group Plc, ARM Trustees Limited and FCMB Trustees Limited dated February 16, 2023;
- Vending Agreement amongst FCMB Group Plc, Chapel Hill Denham Advisory Limited and FCMB Capital Markets Limited February 16, 2023;

In respect of FCMB Group Plc series II AT₁ subordinated bonds issuance:

- Series 2 Trust Deed amongst FCMB Group Plc, ARM Trustees Limited and FCMB Trustees Limited dated October 24, 2023;

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- (f) Note Issuance Agreement amongst First City Monument Bank Limited, FCMB Group Plc., ARM Trustees Limited and FCMB Trustees Limited dated October 24, 2023;
- (g) Vending Agreement amongst FCMB Group Plc., Chapel Hill Denham Advisory Limited and FCMB Capital Markets Limited dated October 24, 2023;

19.14 Mergers and Takeovers

The Group through FCMB Pensions Limited acquired 96.3% of AllCO Pensions Managers Limited in 2021. Subsequently, the two entities were merged into one surviving entity – FCMB Pensions Limited. The acquisition was a private sale with a purchase price of ₦10.37 per share.

FCMB Group Plc is not aware of any investor trying to acquire a majority stake in the Issuer.

19.15 Unclaimed Dividends

The Issuer's total amount of unclaimed dividends as of December 31, 2023 was ₦2.1 billion.

To ensure adequate access to shareholders for dissemination of information, documentation and dividends, the Registrar takes the following steps which ultimately reduce the level of unclaimed dividends:

- Maintains its deposits at branches apart from its Lagos branch to serve as distribution points for shareholders in the different parts of the country.
- Publishes a list of its branches, with the names and details of contact people in national newspapers.
- Ensures effective communication with shareholders.
- Encourages shareholders to mandate their accounts for E-dividends.
- Makes the E-dividend forms readily available for shareholders to access at all its branches.
- Publishes the unclaimed dividend list periodically.

E-dividend forms are also available online on the FCMB Group Plc website and in the published annual reports. This ensures that dividends can be paid directly into shareholders' accounts when due.

19.16 Declaration

Except as otherwise disclosed herein:

- No share of the Issuer is under option or agreed conditionally or unconditionally to be put under option;
 1. Save for the SEC approved commissions (by way of the brokerage fee payable to Receiving Agents), no commissions, discounts, brokerages or other special terms have been granted by the Issuer to any person in connection with the issue or sale of any share of the Issuer;
 2. Save as disclosed herein, the Directors of FCMB Group Plc have not been informed of any shareholding representing 5% or more of the issued share capital of the Issuer;
 3. There are no founders, management or deferred shares or any options outstanding;
 4. There are no material service agreements between FCMB Group Plc and any of its Directors and employees other than in the ordinary course of business;
 5. There are no long-term service agreements between the Issuer and any of its Directors and employees;
 6. No Director of the Issuer has had any interest, direct or indirect in any property purchased or proposed to be purchased by the Issuer in the three years prior to the date of this Prospectus; and
 7. No Director or key management personnel is or has been involved in any of the following (in or outside Nigeria):
 - i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he / she was a partner or any company of which he / she is or was a director or key personnel;

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ii) A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and

iii) The subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a Nigerian company and engaging in any type of business practice or activity.

8. There are no amounts or benefits paid or intended to be paid or given to any promoter within the last 2 (two) years preceding the date of this Prospectus.

19.17 Consents

The following have given and have not withdrawn their written consents to the issue of the Prospectus:

| | |
|---------------------------------|--|
| Directors of the Company | Mr. Ladi Jadesimi (Chairman) |
| | Mr. Ladi O Balogun (Group Chief Executive) |
| | Mr. Adegbolahan Joshua Simisola (Executive Director) |
| | Mr. Femi Badeji (Executive Director) |
| | Alhaji Mustapha Damcida |
| | Professor Oluwatoyin Ashiru |
| | Dr (Engr) Gregory Omosigho Ero |
| | Mrs. Olapeju Eniola Sofowora |
| | Mrs. Tokunboh Ishmael |
| | Ms. Muibat Ijaiya |
| Company Secretary | Mrs. Olufunmilayo Adedibu |
| Lead Issuing House | Chapel Hill Denham Advisory Limited |
| Joint Issuing Houses | FCMB Capital Markets Limited |
| | Capital Bancorp Plc |
| | Coronation Merchant Bank Limited |
| | FBNQuest Merchant Bank Limited |
| | FSDH Capital Limited |
| | Futureview Financial Services Limited |
| | Meristem Capital Limited |
| | Stanbic IBTC Capital Limited |
| United Capital Plc | |
| Stockbrokers | CSL Stockbrokers Limited |
| | APT Securities Limited |
| | Bancorp Securities Limited |
| | Chapel Hill Denham Securities Limited |
| | Coronation Securities Limited |
| | Network Capital Limited |
| | RenCap Securities Nigeria Limited |
| Auditors | Deloitte & Touche |
| Registrars | CardinalStone Registrars Limited |
| Receiving Bank | Access Bank Plc |
| | Guaranty Trust Bank Limited |
| | FSDH Merchant Bank Limited |
| | Zenith Bank Plc |
| Solicitors to the Issuer | Olaniwun Ajayi LP |
| Solicitors to the Offer | Banwo & Ighodalo |

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19.18 Claims and Litigation

The following is the opinion on claims and litigation involving the FCMB Limited, prepared by the Solicitors to the Issue, Banwo & Ighodalo in connection with the Offer:

"In connection with the Public Offer, FCMB Group Plc. confirmed by a letter dated June 7, 2024, that it is not involved in any: (i) legal action or claim either as claimant, defendant, appellant, respondent, or any other capacity (ii) on-ongoing third-party claim, administrative or regulatory proceedings, arbitration, or any other alternative dispute resolution proceedings; and (iii) on-going or anticipated arbitration or other alternative dispute resolution proceedings.

In view of the foregoing and given that First City Monument Bank Limited (the Bank) is the principal subsidiary of FCMB Group Plc., we reviewed the Bank's litigation portfolio.

First City Monument Bank Limited is, in its ordinary course of business, sued as Defendant in Three Hundred and Ninety-Two (392) cases.

In the context of the contemplated Transaction, we set a materiality threshold of N500,000,000.00 (Five Hundred Million Naira) (the "Materiality Threshold") with regard to the monetary reliefs claimed in cases against the Bank. We identified and reviewed Sixteen (16) case files maintained by the Bank (comprising copies of processes filed in court), within and above the Materiality Threshold. These cases represent over 80% of the value of all the claims against the Bank.

Following our review, we understand that One (1) case has been struck out for lack of diligent prosecution, thereby leaving a total of Fifteen (15) ongoing cases within the Materiality Threshold.

Of the said Fifteen (15) cases, the Bank is Appellant in Two (2) cases in which judgment had previously been delivered against its interest. The total judgment sum in the Two (2) cases in which judgment had been delivered against the Bank, is approximately N1,529,053,206.00 (One Billion, Five Hundred and Twenty-Nine Million, Fifty-Three Thousand, Two Hundred and Six Naira) excluding interests which may accumulate on the judgment sums until same is finally liquidated. We note that the Bank's above-referenced appeals are yet to be determined.

Following our due diligence review, the total value of claims against the Bank in the Fifteen (15) ongoing cases within and above the Materiality Threshold is approximately N36,014,477,994.86 (Thirty-Six Billion, Fourteen Million, Four Hundred and Seventy-Seven Thousand, Nine Hundred and Ninety-Four Naira, Eighty-Six Kobo) excluding interests and costs, which may be awarded by the courts after the final resolution of each matter.

We are of the opinion that majority of the cases instituted against the Bank are exaggerated, frivolous and speculative. Most of these cases involve claims by loan defaulters who instituted the suits as pre-emptive actions to delay the Bank's recovery efforts in respect of outstanding facilities.

Based on our assessment of the information contained in the case files provided for our review, our experience in litigation matters and our understanding of the disposition of Nigerian courts in the award of damages and other claims, we believe that the liability that would arise from the cases against the Bank, where same are diligently defended, would not have a material adverse effect on the proposed transaction.

We also identified and reviewed counterclaims filed by the Bank in Eleven (11) cases within and above the Materiality Threshold. Following our due diligence review, the total value of the Bank's counterclaims is approximately N4,132,257,531.75 (Four Billion, One Hundred and Thirty-Two Million, Two Hundred and Fifty-Seven Thousand, Five Hundred and Thirty-One Naira, Seventy-Five Kobo) excluding interests and costs, which may be awarded by the courts after the final resolution of each counterclaim.

We note that the majority of the counterclaims by the Bank involve claims against loan defaulters to recover outstanding facilities and we are of the opinion the Bank's counterclaims have a good chance of success if diligently prosecuted.

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Our opinion herein is based solely on our review of case files in respect of the cases instituted against the Bank which are within and above the Materiality Threshold and the Bank's counterclaims in the above-referenced cases. Please note that we did not conduct independent reviews of records maintained at the various courts hearing these cases. Also, we have not held discussions with any of the external counsel handling these cases on behalf of the Bank.

Therefore, the Solicitors to the Transaction are of the view that the contingent liability that may arise from the cases involving the Bank where same are competently and diligently defended, is not likely to have a material adverse effect on the Bank or the Transaction.

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

19.19 Documents available for Inspection

Copies of the following documents may be inspected at the office of the Lead Issuing House during normal business hours on any weekday (except public holidays):

- (a) The Prospectus issued in respect of this Offer;
- (b) The resolution of the shareholders passed at the AGM, dated May 24, 2024, authorising the Offer;
- (c) The board resolution authorising the Offer, dated June 3, 2024 passed at a meeting of the Board of Directors;
- (d) The Material Contracts referred to on page 57;
- (e) Certificate of Incorporation of the Issuer duly certified by the CAC;
- (f) Memorandum and Articles of Association of the Issuer duly certified by the CAC;
- (g) The certified Status Report issued by the CAC, which reflects the current directors and shareholding of the Bank;
- (h) Certified True Copy of the Certificate of Increase in Share Capital;
- (i) Audited Financial Statements for each of the five financial years ended December 31, 2019 to 2023;
- (j) Schedule of Claims and Litigations referred on page 60;
- (k) Reporting accountant's report the Issuer's historical financial statements for the five-year period up to the year ended 31 December 2023;
- (l) Written consents of each of the parties referred to on page 59;
- (m) CBN letter of No-Objection;
- (n) SEC Approval letter; and
- (o) NGX Approval letter.

The documents may be inspected at Chapel Hill Denham Advisory Limited's office at No.10, Bankole Oki Street, Ikoyi, Lagos.

19.20 Extracts from the Memorandum and Articles of Association

Memorandum of Association

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

a) To carry on business as a financial holding company

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

c) The respective subsidiaries of the company shall carry out business as commercial bankers, pension fund administrators, asset management services providers, stockbrokers, Trustees, Issuing house, investment managers bureau De Change financial industry-related services, as the company may deem fit. The Company shall also

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incorporate subsidiaries to carry out such other functions or business as may be authorized by the Central Bank of Nigeria from time to time.

d) To invest in and to purchase, acquire, hold and develop any lands, buildings, landed property or real estate of any kind whatsoever (including proprietary rights) and to mortgage, charge, deal in and dispose of the company's properties (real or personal) in any desired manner.

e) To invest in, subscribe for, purchase, acquire and hold the shares, stock, debentures stock, bonds, notes, obligations and securities of any company, corporation, authority or body and develop all lawful and desirable measures to protect the company's investment.

f) To provide (on such terms as may be agreed) the fund to finance any transaction, enterprise, business or undertaking whatsoever and provide any person or persons (Corporate or incorporated) with ideas, plans, strategy, advice, information and all assistance required to improve and enhance the financial circumstances of any organization, establishment, project, body or person.

g) To where necessary and appropriate, provide shared services and support to some or all of its subsidiaries.

Articles of Association

1. Borrowing Powers

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

2. Notices

A notice may be given by the company to any member or director either personally or by sending it by post to him or to his registered address, or (if he has no registered address within Nigeria) to the address, if any, within Nigeria supplied by him to the company for the giving of notice to him, or by electronic means howsoever. Where a notice is sent by post, service the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected on the fifth day after the letter containing the same is posted. A meeting of the directors shall not be called by less than fourteen days' notice. A meeting may, however, be convened by shorter notice provided that it is so agreed to by all directors in writing.

The Articles of Association of the Issuer incorporates the model articles under the Companies Regulations, 2021. Relevant provisions of the Articles of Association as culled from the Companies Regulations, 2021 are as follows -

Members Can Call General Meeting If Not Enough Directors

28. If—

(a) the company has fewer than two directors, and

(b) the director is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,

then two or more members may call a general meeting (or instruct the company secretary to do so) for the purpose of appointing one or more directors.

Chairing General Meetings

29.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within one hour of the time at which a meeting was due to start—

(a) the directors present, or

(b) (if no directors are present), the meeting, must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

STATUTORY AND GENERAL INFORMATION

Voting: General

32. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

Powers to Issue Different Classes of Share

41.—(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

(2) The company may issue shares which are to be redeemed or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Certificates to Be Issued Except in Certain Cases

44.—(1) The company must issue each member with one or more certificates in respect of the shares which that member holds.

(2) This article does not apply to—

(a) uncertificated shares, or

(b) shares in respect of which the Act permit the company not to issue a certificate.

(3) Except as otherwise specified in the articles, all certificates must be issued free of charge.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

Consolidated Share Certificates

46.—(1) When a member's holding of shares of a particular class increases, the company may issue that member with—

(a) a single, consolidated certificate in respect of all the shares of a particular class which that member holds, or

(b) a separate certificate in respect of only those shares by which that member's holding has increased.

(2) When a member's holding of shares of a particular class is reduced, the company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the company need not (in the absence of a request from the member) issue any new certificate if—

(a) all the shares which the member no longer holds as a result of the reduction, and

(b) none of the shares which the member retains following the reduction, were, immediately before the reduction, represented by the same certificate.

(3) A member may request the company, in writing, to replace—

(a) the member's separate certificates with a consolidated certificate, or

(b) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify.

(4) When the company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.

(5) A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation.

Company's Lien Over Partly Paid Shares

49.—(1) The company has a lien ("the company's lien") over every share which is partly paid or any part of—

(a) that share's nominal value, and

(b) any premium at which it was issued,

which has not been paid to the company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

(2) The company's lien over a share—

(a) takes priority over any third party's interest in that share, and

STATUTORY AND GENERAL INFORMATION

(b) extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.

(3) The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

Transfers of Certificated Shares

60.—(1) Certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of—

(a) the transferor, and

(b) (if any of the shares is partly paid) the transferee.

(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

(3) The company may retain any instrument of transfer which is registered.

(4) The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.

(5) The directors may refuse to register the transfer of a certificated share if—

(a) the share is not fully paid;

(b) the transfer is not lodged at the company's registered office or such other place as the directors have appointed;

(c) the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;

(d) the transfer is in respect of more than one class of share; or

(6) If the directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transfer of Uncertificated Shares

61. A transfer of an uncertificated share must not be registered if it is in favour of more than four transferees.

Transmission of Shares

62.—(1) If title to a share passes to a transmittee, the company shall recognise the transmittee as having title to that share.

(2) Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.

Procedure for Declaring Dividends

67.—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with members' respective rights.

(4) Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

STATUTORY AND GENERAL INFORMATION

Payment of Dividends and Other Distributions

69.—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

- (a) transfer to a bank account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

- (a) the holder of the share; or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

20. RECEIVING AGENTS AND RECEIVING BANKS

This prospectus can be downloaded from www.fcmbgroup.com and printed copies obtained at any branch of FCMB Limited or the offices of the Issuing Houses. The completed Application Form together with a cheque or bank draft or evidence payment if via bank transfer for the full amount payable may be returned to any of the following Receiving Agents registered as market operators with the SEC to whom brokerage will be paid at the rate of **₦0.50k per ₦100.00** worth of shares allotted in respect of Application Forms bearing their official stamp. Investors in the Offer who wish to submit their application digitally can also access the e-Offer Portal at invest.ngxgroup.com or through the FCMB mobile app.

The Issuer and Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own independent enquiries before choosing an agent to act on their behalf. Payment for shares can be made online via the payment options provided on the e-Offer Portal at invest.ngxgroup.com or directly through any of the Issuing Houses or Receiving Agents listed below (See "Procedure for Application and Allotment"). An application under this Offer will be completed only when the applicant makes payment for the shares applied for and a confirmation is received. Evidence of lodgment of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House, cannot give rise to a liability on the part of the Issuing House under any circumstances.

BANKS

| | | |
|--|---|--|
| Access Bank PLC Citibank Nigeria Limited Ecobank Nigeria PLC Fidelity Bank PLC First Bank of Nigeria PLC First City Monument Bank Limited | Guaranty Trust Bank Limited Polaris Bank Limited Stanbic IBTC Bank Limited Standard Chartered Bank Nigeria Limited Sterling Bank PLC Union Bank of Nigeria Limited | United Bank for Africa PLC Unity Bank PLC Wema Bank PLC Zenith Bank PLC |
|--|---|--|

STOCKBROKERS AND OTHERS

| | | | |
|--|---|--|---|
| Issuing Houses Capital Bancorp Plc Chapel Hill Denham Advisory Limited Coronation Merchant Bank FBNQuest Merchant Bank FCMB Capital Markets Limited FSDH Capital Limited Futureview Financial Services Limited Meristem Capital Limited Stanbic IBTC Capital Limited United Capital Plc Stockbrokers Adonai Stockbrokers Limited African Alliance Stockbrokers Limited Afrinvest Securities Limited Amyn Investments Limited Anchorage Securities and Finance Limited Anchoria Investment and Securities Limited Apel Asset Limited Apt Securities and Funds Limited Arm Securities Limited Arthur Steven Asset Management Limited Associated Asset Managers Limited Atlas Portfolios Limited Bauchi Investment Corporation Limited Belfry Investments and Securities Limited Bestworth Asset and Trust Limited Calyx Securities Limited Camry Securities Limited Capital Assets Limited Capital Bancorp PLC Capital Express Securities Limited Capital Trust Brokers Limited Cardinalstone Securities Limited Cashcraft Securities Limited Cashville Investments & Securities Limited Cdl Capital Markets Limited Centre Point Investments Limited Century Securities Limited Chapel Hill Denham Securities Limited Chartwell Securities Limited Citi Investment Capital Limited City Code Trust & Investment Company Limited Clearview Investments Co. 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Limited Lead Securities & Investment Limited Mgnartis Finance & Investment Limited | Lighthouse Assets Management Limited Longterm Global Capital Limited Mainstreet Bank Securities Limited Marimpex Finance & Investment Co. Limited Marriot Securities & Investment Co. Limited Maven Asset Management Limited Maxifund Investments and Securities PLC Mbc Securities Limited Mbl Financial Services Limited Mega Equities Limited Meristem Securities Limited Midas Stockbrokers Limited Milestone Capital Management Limited Mission Securities Limited Molten Trust Limited Morgan Capital Securities Limited Mountain Investment and Securities Limited Mutual Alliance Investment & Securities Limited Network Capital Limited Networth Securities & Finance Limited Newdevco Investment & Securities Co. Limited Nigerian International Securities Limited Nigerian Stockbrokers Limited Nova Finance & Securities Limited Pac Securities Limited Parthian Partners Limited Partnership Securities Limited Peace Capital Market Limited Phronesis Securities Limited Pilot Securities Limited Pinefields Investments Services Limited Pipc Securities Limited Pivot Trust & Investment Company Limited Primera Africa Securities Limited Primewealth Capital Limited Prominent Securities Limited Psi Securities Limited Pyramid Securities Limited Quantum Securities Limited Rainbow Securities and Investment Co. Limited Readings Investments Limited Regency Assets Management Limited Rencap (Securities) Nigeria Limited Reward Investments & Services Limited RMB Nigeria Stockbrokers Limited Rostrum Investment and Securities Limited Royal Guaranty and Trust Limited Royal Trust Securities Limited Santrust Securities Limited Regency Assets Management Limited Securities Africa Financial Limited Securities And Capital Mgt. Company Limited Security Swaps Limited Sfc Securities Limited Shelong Investment Limited Sigma Securities Limited Signet Investments & Securities Limited Skyview Capital Limited Smadac Securities Limited Solid-Rock Securities & Investment PLC | Spring Trust & Securities Limited Springboard Trust & Investment Limited Stanbic Ibt Stockbrokers Limited Standard Alliance Capital & Asset Management Limited Standard Union Securities Limited Supra Commercial Trust Limited Taraba Investment & Properties Limited Tfs Securities & Investment Company Limited The Bridge Securities Limited Tiddo Securities Limited Tomil Trust Limited Topmost Securities Limited Tower Assets Management Limited Tower Securities & Investment Company Limited Tradelink Securities Limited Traders Trust And Investment Company Limited Transafica Financial Services Limited Transworld Investment & Securities Limited Trust Yields Securities Limited Trustbanc Capital Management Limited Trusthouse Investments Limited Trw Stockbrokers Limited Tyndale Securities Limited Unex Capital Limited Union Capital Markets Limited United Capital Securities Limited Valmon Securities Limited ValueLine Securities & Investment Limited Vetiva Securities Limited Woodland Capital Market PLC Wstc Financial Services Limited Zenith Securities Limited Zion Stockbrokers & Securities Limited |
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21. PROCEDURE FOR APPLICATION AND ALLOTMENT

Offering Discretion

1. Your application for the Offer is subject to the matters set out below and any further disclaimers and instructions on the e-Offer Portal or Application Form. The Issuer and the Issuing Houses reserve the general discretion to relax or deviate from the specific process or procedures set out herein, subject to applicable regulatory approvals.
2. Further, the Issuer and the Issuing Houses shall have the right at any time and from time to time to take any action they consider reasonably necessary to correct any errors or omissions whatsoever which may occur in connection with the Offer and is authorised by each Applicant to take such steps. The steps or actions to be taken by the Issuer and the Issuing Houses will not contravene the provisions of the ISA 2007 and the Commission's rules, as they relate to transactions of the type envisaged by this Prospectus.
3. Although the Issuer and the Issuing Houses accept no obligation to do so, this right includes the right to correct payment errors and/to reverse allocations and/or issues of Offer Shares which are allocated to an applicant as a result of another applicant using the incorrect details, and to transfer the relevant Offer Shares to the intended applicant. This paragraph applies notwithstanding anything to the contrary in this Prospectus.

Process for Participating in the Offer

Invitation to Participate in the Offer

1. The general investing public is hereby invited to apply for the Offer through the NGX Invest portal or any of the Receiving Agents listed on page 66 of this Prospectus.
2. If you are in doubt as to the action to take, please consult your financial adviser, stockbroker, solicitor, accountant, tax consultant, banker or an independent investment adviser for guidance. Care must be taken to follow these instructions as applications that do not comply with the instructions will not be accepted.

21.1 Application via NGX Invest

Kindly note that this option is available to ALL individual applicants and available to the Issuing Houses and authorised Receiving Agents listed on page 66 of this Prospectus to document application submitted through them.

- A. Application in respect of the Offer may be made electronically via NGX Invest (invest.ngxgroup.com)
- B. On accessing the Portal, applicants will register and log on with the details sent to his/her email address or telephone number, depending on the platform
- C. Once logged on, the applicant should select "FCMB Group Plc Public Offer"
- D. Input the number of shares you want to apply for
- E. Select your Stockbroker and accept your broker as your commission receiver, where required.
- F. Payment for the shares being applied for can be made online through any of the options listed below:
 - a. Bank debit or credit cards; and
 - b. Bank transfer
- G. Purchase of shares will only be completed when the applicant makes payment for the shares applied for and a confirmation is received on the applicant's registered email address and/or phone number.

E-Offer Portal Enquiries

You may contact publicoffers@ngxgroup.com or call 02013304080 or contact your stockbroker for further support in applying through NGX Invest. If any of your contact details change after the close of the Offer, please contact your stockbroker to update your details directly with the Depository.

PROCEDURE FOR APPLICATION AND ALLOTMENT

21.2 Application via the (Physical) Application Form

Kindly note that this option is ONLY available to applicants who are applying through an authorised Receiving Agent as listed on page 66 of this Prospectus.

It is important that the Application Form is correctly completed. Applicants in doubt should consult any of the Receiving Agents for assistance. The Offer is open from 8:00 am (WAT) on July 29, 2024 and closes at 5:00 pm (WAT) on September 04, 2024. **Applications received after the Offer has closed shall not be considered.**

Applicants may obtain Application Forms from the Issuing Houses and Receiving Agents whose details are shown on page 66 of this Prospectus or download a copy at www.fcmbgroup.com. Please note that terms defined in this Prospectus have the same meaning when used in the Application Form. All applicants are advised to read this Prospectus in its entirety and consult a stockbroker, solicitor, accountant, tax consultant, banker or an independent investment adviser registered by the Securities and Exchange Commission for further guidance before completing the Application Form.

There are multiple sections of the Application Form for this Offer. Please ensure that you complete the appropriate sections of the Application Form and return the completed and signed form to a Receiving Agent.

Completing the Application Form

- A. Applications for the Offer must be made in accordance with the instructions set out in this section.
- B. An applicant may apply to purchase the Offer Shares through an Application Form, as set out in this section, with effect from 8:00 am (WAT) on July 29, 2024 and closes at 5:00 pm (WAT) on September 04, 2024 .
- C. Care must be taken to follow these instructions, as applications, which do not comply, will be rejected. Specifically, it is mandatory that applicants state their Bank Account Number and Bank Verification Numbers (BVN) otherwise their applications would be rejected.
- D. Applications must be for a minimum of 1,000 Ordinary Shares and multiples of 1,000 Ordinary Shares thereafter. The value for which an application is made should be entered in the boxes provided on the Application Form.
- E. The subscription currency for the Offer is the Nigerian Naira (₦).
- F. The applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
- G. Individual applicants should sign the declaration and write his/her full names, address, daytime telephone number and mobile telephone number in the appropriate space on the Application Form. Where the application is being made on behalf of a minor, the full names of the applicant and the minor as well as the date of birth of the minor should be provided. The appropriate space on the Application Form should be used by joint applicants. A corporate applicant should affix its seal in the box provided and state its Incorporation Registration (RC) Number.
- H. Joint applicants must all sign the Application Form.
- I. An application from a group of individuals should be made in the names of those individuals with no mention of the name of the group. An application by a firm which is not registered under the Companies and Allied Matters Act, 2020, should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the firm be mentioned.
- J. An application from a corporate body must bear the corporate body's seal and be completed under the hand of a duly authorised official.
- K. An application from a pension or provident fund must be in the name of each individual trustee unless the trustee is a limited liability company.
- L. An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the Receiving Agent at which the application is lodged who must first have explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumb print of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his thumb impression. The witness must also state his name, address and signature.

PROCEDURE FOR APPLICATION AND ALLOTMENT

- M. The applicant should not print his signature. If he is unable to sign in the normal manner, he should be treated for the purpose of this Offer as an illiterate and his right thumbprint should be clearly impressed on the Application Form.
- N. Completed Application Forms should be forwarded to any of the Issuing Houses or Receiving Agents listed on page 66 of this Prospectus, and payment made to the Issuing House or Receiving Agent on or before 5:00 pm WAT on September 04, 2024. All bank commissions and transfer charges must be prepaid by the applicant. All unfunded applications will be rejected.
- O. Applicants who choose to post their Application Forms by registered mail to any of the Receiving Agents are advised to use registered mail services. However, all documents mailed to any of the Receiving Agents by the applicants will be at the applicant's own risk.

21.3 Payment

The completed Application Form should be submitted together with proof of payment. Where payment is made by bank cheque, the Application Form with the bank cheque or draft for the full amount payable should be lodged with any of the Receiving Agents listed on page 66 of this document. The cheque or draft must be made payable to the Receiving Agent and crossed "CHDA/ FCMB Group 2024 Public Offer" with your name, address, mobile number and email address written on the back of the cheque/draft. All cheques or drafts will be presented upon receipt and all Application Forms in respect of which cheques are returned unpaid will be rejected.

Any payment being made electronically or with a value exceeding ₦10 million should be made via SWIFT, RTGS or NEFT into the designated Offer Proceeds Accounts provided below. Such payments must include the following narrative in the transfer instruction: "[SHAREHOLDER'S FULL NAME] PAYMENT FOR FCMB GROUP PUBLIC OFFER".

| Bank Name | Access Bank PLC | FSDH Merchant Bank Limited |
|----------------|--|--|
| Account Name | CHDA/FCMB Group 2024 Public Offer Proceeds Account | CHDA/FCMB Group 2024 Public Offer Proceeds Account |
| Account Number | 1884147263 | 1000161692 |
| Sort Code | 44150149 | 501150019 |

| Bank Name | Guaranty Trust Bank Limited | Zenith Bank PLC |
|----------------|--|--|
| Account Name | CHDA/FCMB Group 2024 Public Offer Proceeds Account | CHDA/FCMB Group 2024 Public Offer Proceeds Account |
| Account Number | 0924040235 | 1312707991 |
| Sort Code | 185008 | 057151164 |

21.4 Depository Details

- A. The Ordinary Shares are traded compulsorily in dematerialized form. Accordingly, the relevant details of the Depository and the beneficiary account must be provided in the "Depository Account Details" section on the e-Offer Portal.
- B. Applicants must ensure that the sequence of names provided on the e-Offer Portal matches that of the account held by the applicant with the depository and are required to indicate in the application the relevant account numbers of the applicant.
- C. Applicants without a stockbroking account are advised to open a stockbroking account through any of the stockbroking firms mandated in respect of the Offer.

PROCEDURE FOR APPLICATION AND ALLOTMENT

- D. Applicants who subscribe through the e-Offer Portal who do not have CHN and depository account are provided with the option of having a CHN and depository account opened for them on the basis of the information provided on the e-Offer Portal.
- E. It is advisable that CHN and Depository accounts be obtained before completing an application.
- F. In accordance with the SEC Directive on Dematerialization of Share Certificates, and in the event that a CHN and Depository account cannot be created prior to or at the point of submitting an application, (and investors and/or subscribers do not provide valid CHN and Depository account numbers), such investors and/or subscribers will have their shares credited at the Depository using a RIN. A RIN is a number allocated to shareholders who do not have valid CHN and Depository account numbers in order to warehouse their units of shareholding in public companies listed on NGX under the Registrar's custody at the Depository. The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and Depository account numbers are provided.

21.5 Allotment

- A. The Issuing Houses and the Issuer reserve the right to accept or reject any application in whole or in part for not meeting the conditions of the Offer.
- B. The allotment of units shall be based on the accepted application.
- C. The Offer Shares will be allotted in accordance with the SEC Rules that prescribe that all subscribers receive the minimum application in full, and thereafter the residual balance shall be pro-rated, with subscribers being allotted equal proportions of the amount of the shares applied for within the Offer.
- D. The Depository accounts of successful applicants will be credited not later than fifteen (15) Business Days from the Allotment Date.
- E. Applicants are advised to ensure that the name of their stockbroker, as well as their CHN and Depository account numbers are provided in the relevant spaces on the e-Offer Portal. Applicants must ensure that the name provided in the application is exactly the same as the name in which the Depository account is held. Where the application is submitted in joint names, it should be ensured that the beneficiary's Depository account is also held in the same joint names and are in the same sequence in which they appear in the application submitted.
- F. All irregular or suspected multiple applications will be rejected.
- G. In the event of an over-subscription, additional Ordinary Shares, not exceeding 15% of the Shares, may be offered by the Issuer, subject to the approval of the Board and subsequent approval of the SEC.











21.6 Application Monies

If any application is not accepted or is accepted for fewer Ordinary Shares than the number applied for, the application monies in full or the surplus amounts (as the case may be) will be transferred to the account number of the affected applicant as stated on the application, within five (5) Business Days of the Allotment Date.

21.7 Bank Account Details

- A. Applicants are required to indicate their bank account details in the space provided on the e-Offer Portal for the purposes of future payments of dividends.
- B. Applicants are advised to ensure that bank account details provided are correct as these bank account details shall be used by the Registrar for all payments indicated above in connection with the Ordinary Shares.
- C. Failure to provide correct bank account details could result in delays in credit of such payments or, where applicable, issuance of cheques/warrants which shall be sent by registered post to the specified addresses of the affected investors. The Issuer, the Issuing Houses, the Receiving Banks and the Registrar shall not have any responsibility following posting of cheques/warrants nor will any of these specified parties undertake any liability for the same as the postal authority shall be deemed to be the agent of the applicant for the purposes of all cheques posted.

22. APPLICATION FORM

| | | |
|------------------------------|---|------------------------------------|
| Offer Opens July 29, 2024 | Lead Issuing House  CHAPEL HILL DENHAM RC 1381308 Joint Issuing Houses: <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  CAPITAL BANGORP P&G RC 446561 </div> <div style="text-align: center;">  RC 207138 </div> <div style="text-align: center;">  RC 434206 </div> <div style="text-align: center;">  FBNQuest Merchant Bank RC 264978 </div> <div style="text-align: center;">  Futureview RC 217005 </div> <div style="text-align: center;">  MERISTEM CAPITAL LIMITED RC 1297664 </div> <div style="text-align: center;">  United Capital RC 444999 </div> <div style="text-align: center;">  Stanbic IBTC Capital RC 1031358 </div> </div> on behalf of <div style="text-align: center; margin-top: 10px;">  RC 1079631 FCMB GROUP PLC </div> Public Offering by way of an Offer for Subscription of 15,197,289,219 Ordinary Shares of No.50k each at ₦7.30k per share PAYABLE IN FULL ON APPLICATION | Offer Closes September 04, 2024 |
|------------------------------|---|------------------------------------|

Applications must be in accordance with the instructions set out in the Prospectus. Care must be taken to follow these instructions as applications that do not comply may be rejected. Before subscribing, please contact your Stockbroker, Solicitor, Banker or an independent investment adviser registered by the Securities and Exchange Commission, for guidance.

| | |
|-------------------------------|----------------|
| Guide to Application | |
| Minimum Number of Shares | Amount Payable |
| 1,000 minimum | ₦7,300.00 |
| Subsequent multiples of 1,000 | ₦7,300.00 |

| | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|
| D | D | / | M | M | / | Y | Y | Y | Y |
| CONTROL NO. (for Registrars' use only) | | | | | | | | | |
| | | | | | | | | | |

DECLARATION

| | |
|--|--|
| | I/We am/are 18 years of age or over |
| | I/We note that allotment will only be electronically to the CSCS accounts of allottees and no physical share certificate would be issued |
| | I/We note that FCMB Group Plc and the Issuing Houses are entitled in their absolute discretion to accept or reject this application |
| | I/We attach the amount payable in full on application for the number of ordinary shares in FCMB Group Plc |
| | I/We agree to accept the same or any smaller number of units in respect of which allotment may be made upon the terms of the Prospectus |
| | I/We declare that I/we have read a copy of the Prospectus, issued by the Issuing Houses on behalf FCMB Group Plc |

PLEASE COMPLETE IN BLOCK LETTERS

APPLICATION DETAILS

| | |
|-------------------------------|--|
| NUMBER OF SHARES APPLIED FOR: | VALUE OF SHARES APPLIED FOR / AMOUNT PAID: |
| | ₦ |

INVESTOR DETAILS (INDIVIDUAL / CORPORATE)

TITLE MR MRS MISS OTHERS (PLEASE SPECIFY)

SURNAME / CORPORATE NAME (AS REFLECTED ON CSCS STATEMENT)

FIRST NAME (FOR INDIVIDUALS ONLY) OTHER NAMES (FOR INDIVIDUALS ONLY)

FULL POSTAL ADDRESS (PLEASE DO NOT REPEAT APPLICANT NAME) POST BOX NO. ALONE IS NOT SUFFICIENT

CITY/TOWN STATE COUNTRY

PHONE NUMBER DATE OF BIRTH

E-MAIL ADDRESS

NEXT OF KIN (FOR INDIVIDUAL APPLICANTS ONLY) / CONTACT PERSON (CORPORATE ONLY)

CHN NUMBER (CLEARING HOUSE NUMBER) DEPOSITORY NUMBER

NAME OF YOUR STOCKBROKER MEMBER CODE

JOINT APPLICANT DETAILS

TITLE MR MRS MISS OTHERS (PLEASE SPECIFY)


SURNAME

FIRST NAME OTHER NAMES

BANK DETAILS (FOR E-PAYMENTS)

| | |
|----------------|---|
| BANK NAME | BVN (OF ACCOUNT SIGNATORIES) |
| ACCOUNT NUMBER | 2 ND BVN (CORPORATE APPLICANT) |
| BRANCH | CITY/STATE |

SIGNATURE (OR THUMBPRINT) 2ND SIGNATURE (CORPORATE/JOINT) SEAL & RC. NO. (CORPORATE APPLICANT)

| | | |
|---|--------------|--|
| NAME: | NAME: | RC |
| DESIGNATION: | DESIGNATION: | |
| STAMP OF ISSUING HOUSE OR RECEIVING AGENT | | CardinalStone Registrars Limited 335/337, Herbert Macaulay Road Yaba, Lagos  |