

PRICING SUPPLEMENT (RED HERRING)

(THIS DOCUMENT IS ISSUED FOR THE PRICE DISCOVERY PROCESS ONLY)

This document is important, and you are advised to carefully read and understand its contents. If you are in any doubt about its contents or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor, or any other professional adviser for guidance immediately. **THIS PRICING SUPPLEMENT AND THE SECURITIES, WHICH IT OFFERS HAVE BEEN REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION. THE INVESTMENTS AND SECURITIES ACT (ISA) NO 29 OF 2007, PROVIDES FOR CIVIL AND CRIMINAL LIABILITIES FOR THE ISSUE OF A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. THE REGISTRATION OF THIS PRICING SUPPLEMENT 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 PRICING SUPPLEMENT. INVESTORS ARE ADVISED TO NOTE THAT LIABILITY FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE PRICING SUPPLEMENT IS PROVIDED IN SECTIONS 85 AND 86 OF THE ISA. INVESTING IN THIS OFFER INVOLVES RISKS. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS PLEASE REFER TO THE SECTION ON "RISK FACTORS" COMMENCING ON PAGES 32 - 35 OF THE SHELF PROSPECTUS.**

INVESTMENT IN THE BONDS IS STRICTLY FOR QUALIFIED INSTITUTIONAL INVESTORS AND HIGH NETWORTH INDIVIDUALS AS DEFINED UNDER RULE 321 OF THE RULES AND REGULATIONS OF THE SECURITIES & EXCHANGE COMMISSION (AS AMENDED).



FBNQ MB Funding SPV PLC

RC: 1482968

(INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

₦8,000,000,000 6.25% Fixed Rate Series II Subordinated Unsecured Bond Due 2030

UNDER THE ₦50,000,000,000 BOND ISSUANCE PROGRAMME

Issue Price: ₦ 1,000 per Unit

Payable in full on Application

Book Building Opens: November 12, 2020

Book Building Closes: November 25, 2020

This Pricing Supplement or Supplementary Prospectus ("Prospectus") is prepared for the purpose of Part F Rule 280 and Rule 323(5) of the Rules and Regulation of the Securities & Exchange Commission (the "Commission") and the listing requirements of FMDQ Securities Exchange ("FMDQ") and The Nigerian Stock Exchange (the "NSE") in connection with the ₦50,000,000,000 FBNQ MB Funding SPV PLC (the "Company" or the "Issuer") Bond Issuance Programme (the "Programme"). This Pricing Supplement is supplemental to and should be read in conjunction with the Shelf Prospectus dated November 22, 2018 and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement. To the extent that where there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from the Issuing Houses.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "Series 2 Bonds" or "Bonds"). An application has been made to the Board Listings and Quotations Committee of the FMDQ for the admission of the Bonds to its Daily Quotation List, and an application has been made to the Council of the NSE for the admission of the Bonds to the Daily Official List. The Bonds now being issued qualify as a security in which Trustees may invest under the Trustee Investments Act, (Cap T22) Laws of the Federation of Nigeria, 2004 and also qualifies as securities in which Pension Fund Assets can be invested under the Pensions Reform Act No 4 of 2014.

This Pricing Supplement And The Securities, Which It Offers, Have Been 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 pricing supplement 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 pricing supplement. The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the Securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No Securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than three (3) years after the date of the issue of the Shelf Prospectus. This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "Series II Bonds").

The Issuer and its directors accept full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer and its directors declare that it has taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Furthermore, the material facts contained herein are true and accurate in all material respects and the Issuer and its directors confirm that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

LEAD ISSUING HOUSE



RC: 207138

JOINT ISSUING HOUSE



RC: 370890

This pricing supplement is dated 16 December 2020 and will be available on the following websites during the Validity Period:

www.fbnquest.com; www.sec.gov.ng

INVESTORS MAY CONFIRM THE CLEARANCE OF THE PROSPECTUS AND REGISTRATION OF THE SECURITIES WITH THE SECURITIES AND EXCHANGE COMMISSION BY CONTACTING THE COMMISSION ON SEC@SEC.GOV.NG OR **+234(0)94621100;+234(0) 94621168**

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DEFINITION OF TERMS

Except where expressed otherwise, the following definitions apply throughout this document.

"Applicable Pricing Supplement" or "Pricing Supplement"	The document(s) to be issued pursuant to this Supplementary Prospectus, which shall provide final terms and conditions of a specific Series or Tranche of Bonds under the Programme
"Allotment Date"	Date on which the Bonds are allotted to investors following the approval of the allotment proposal by the Commission
"Bid"	A Participant's offer to invest in the bonds during the Book Building
"Bonds" or "Series 2 Bonds"	The debt instruments that are to be issued by the Issuer further to this Pricing Supplement under the terms of the Shelf Prospectus dated November 22, 2018
"Bondholder" or "Holder"	Any registered owner or beneficial owner of Bonds or other Debt Securities to be issued under the Programme
"Book Building"	A process of price and demand discovery by which an issuing house/ book runner attempts to determine at what price a public offer should be made, based on demand from qualified institutional and high net worth investors, as stipulated by Rule 321 of the SEC Rules and Regulations
"Business Day"	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which commercial banks are open for business in Nigeria
"CBN"	Central Bank of Nigeria
"Clearing Price"	The final Coupon Rate approved by the Issuer following review of Orders (as defined below) received during Book Building
"Coupon"	The interest paid on the Bond periodically, expressed as a percentage of the Face Value
"Coupon Commencement Date"	The date from which interest on the Bonds will begin to accrue
"Coupon Payment Date"	The date on which a coupon falls due for payment to the Bondholders, as specified in the Applicable Pricing Supplement
"Coupon Rate"	Interest rate stated on Bonds when it is issued, expressed as a percentage of the Face Value of the Bond, as specified in the Applicable Pricing Supplement.
"CSD" or the "Clearing System"	Central Securities Clearing System PLC and/or FMDQ Clear Limited
"Debt Securities"	Any securities, which include registered bonds, promissory notes, certificates, debentures and other obligations authorized to be issued under the Programme by the Issuer
"Face Value"	The par value of a Bond
"Federal Government" or "FGN"	Federal Government of Nigeria
"Fixed Rate Bonds"	Bonds in respect of which interest is to be calculated and paid on a fixed rate basis
"FMDQ"	FMDQ Securities Exchange, a securities exchange and self-regulatory organisation licensed by the SEC, Nigeria to provide an efficient platform for the registration, listing, quotation, trading and reporting of securities and financial products inter alia
"High Net Worth Investor"	As defined in Rule 321 of the SEC Rules and Regulations (as Amended)
"ISA" or "the Act"	Investments & Securities Act, No. 29, 2007 (as Amended)

DEFINITION OF TERMS

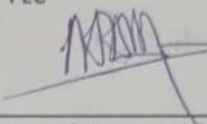
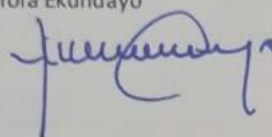

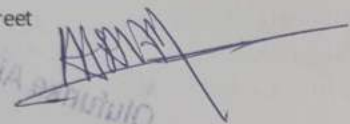

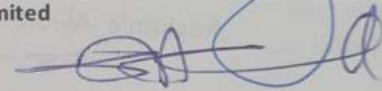


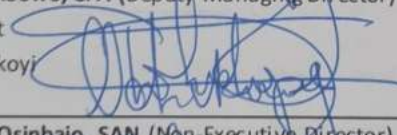
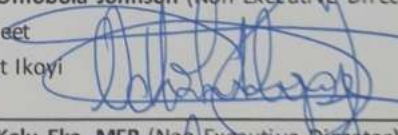
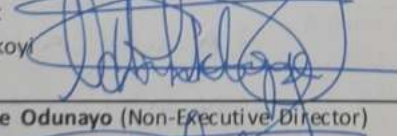

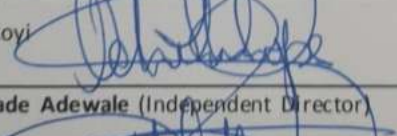
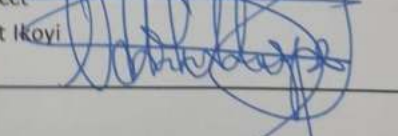
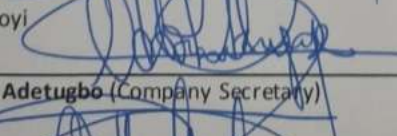

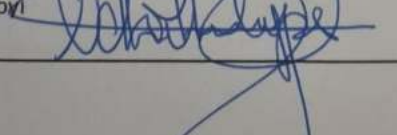
"Issuer"	FBNQ MB Funding SPV PLC
"Issue Date"	The date on which the relevant Series of the Debt Securities are issued and coincides with the Settlement Date, December 16, 2020
"Issue Price"	The price of issue of the Debt Securities under the relevant Series as specified in the Applicable Pricing Supplement
"Issuing Houses"	The Lead Issuing House and the Joint Issuing House
"Joint Issuing House"	UCML Capital Limited
"Joint Trustees"	ARM Trustees Limited FBNQuest Trustees Limited United Capital Trustees Limited UTL Trust Management Services Limited
"Lead Issuing House"	Coronation Merchant Bank Limited
"Maturity Date"	The date as specified in each Applicable Pricing Supplement on which the principal amount is due for redemption December 16, 2030
"Naira", "NGN" or "₦"	The Nigerian Naira
"Nigeria"	The Federal Republic of Nigeria and "Nigerian" shall be construed accordingly
"Notes"	Notes as referred to herein and any other debt security issued by the Sponsor to the Issuer
"Offer Period"	The period during which Participants may submit their Bids
"Participant" or "Qualified Investor"	Qualified Institutional Investors and High Net Worth Investors, in line with Rule 321 of the SEC Rules and Regulations (as amended), who participate in the Book Building process
"Participation Amount"	The Bid amount indicated on the Commitment Form
"PFAs"	Pension Fund Administrators licensed by the National Pension Commission
"Pricing Date"	The date on which the Coupon Rate on the Bond is determined
"Principal Amount"	The nominal amount of each Debt Security, as specified in the Applicable Pricing Supplement
"Professional Parties"	Professionals engaged by the Issuer to facilitate the registration and issuance of the Bonds
"Programme"	The Debt Securities Issuance Programme described in the Shelf Prospectus pursuant to which the Issuer may issue several separate Series or Tranches of Debt Securities from time to time with varying maturities and variable rates of interest, provided however that the aggregate value does not exceed ₦50,000,000,000 (Fifty Billion Naira)
"Programme Trust Deed"	The deed entered into by the Issuer and the Trustees dated November 22, 2018 which sets out the rights, duties and obligations of the Issuer and the Trustees in respect of the Transaction
"Qualified Institutional Investor"	A purchaser of securities that is financially sophisticated. These include banks, fund managers, PFAs, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered and/or verifiable private equity funds, registered and/or verifiable hedge funds, market makers, staff schemes, trustees/custodians,

DEFINITION OF TERMS

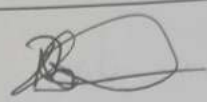
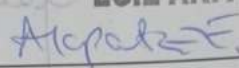
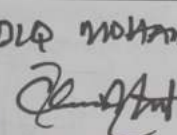
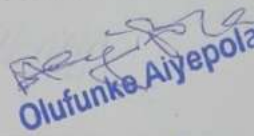
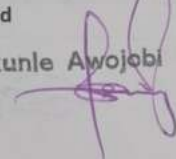

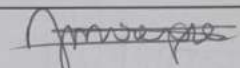
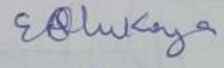
	stock broking firms and any other category as the Commission may determine as stipulated by Rule 321 of the SEC Rules and Regulations
"Rating Agency"	Agusto & Co. Limited
"Receiving Bank"	First Bank of Nigeria Limited
"Redemption Amount"	The aggregate principal amount outstanding in respect of the Bonds on the Maturity Date
"Register"	The record maintained by the Registrar detailing the particulars of Holders and respective Bonds held by each Bondholder
"Registrar"	First Registrars & Investor Services Limited
"SEC" or the "Commission"	Securities and Exchange Commission
"SEC Rules and Regulations"	The Rules and Regulations of the SEC 2013 (or as amended from time to time), issued by the SEC pursuant to the ISA
"Series"	A Tranche of Debt Securities together with any further Tranche or Tranches of Debt Securities which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects except for their respective Issue Dates and/or Issue Prices
"Settlement Date"	The date by which a Participant must pay for the Bonds allotted by the Issuer and shall be the same date as the Issue Date
"Shelf Prospectus"	The document dated November 22, 2018 issued in accordance with the Rules and Regulations of the Commission, which details the aggregate size and broad terms and conditions of the Programme
"Sponsor" or the "Bank"	FBNQuest Merchant Bank Limited
"Supplemental Trust Deed" or "Series Trust Deed"	A deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer, the Bank and the Trustees and empowering the Trustees in relation to a particular Series or Tranche of Debt Securities
"Terms and Conditions"	The terms and conditions of the Debt Securities as set out in the Shelf Prospectus and this Pricing Supplement
"The NSE" or "The Exchange"	The Nigerian Stock Exchange
"Tranche"	In relation to any particular Series, all Debt Securities which are identical in all respects (including as to listing)
"Trustees Act"	Trustee Investments Act, Chapter T22, Laws of the Federation of Nigeria 2004

PARTIES TO THE ISSUE

PARTIES TO THE ISSUE

Issuer FBNQ MB Funding SPV PLC 30 Marina Street Lagos Island Lagos 	
Board of Directors & Company Secretary of the Issuer	
Mrs. Funmilayo Tomilola Ekundayo STL Trustees Limited 30 Marina Street Lagos Island Lagos 	Mr. Mba Oko Ude STL Trustees Limited 30 Marina Street Lagos Island Lagos 
Mr. Akinwumi Moses Oni 30 Marina Street Lagos Island Lagos 	Mrs. Tolulope Adetugbo (Company Secretary) FBNQuest Merchant Bank Limited 10 Keffi Street South-West Ikoyi Lagos 
Sponsor FBNQuest Merchant Bank Limited 10 Keffi Street South-West Ikoyi Lagos 	
Board of Directors of the Sponsor	
Mr. Bello Maccido (Chairman) 10 Keffi Street South-West Ikoyi Lagos 	Mr. Kayode Akinkugbe (Managing Director/CEO) 10 Keffi Street South-West Ikoyi Lagos 
Mr. Taiwo Okeowo, CFA (Deputy Managing Director) 10 Keffi Street South-West Ikoyi Lagos 	Dr. (Mrs.) Omobola Johnson (Non-Executive Director) 10 Keffi Street South-West Ikoyi Lagos 
Mr. Akinlolu Osinbajo, SAN (Non-Executive Director) 10 Keffi Street South-West Ikoyi Lagos 	Mr. Urum Kalu Eke, MFR (Non-Executive Director) 10 Keffi Street South-West Ikoyi Lagos 
Mr. Babatunde Odunayo (Non-Executive Director) 10 Keffi Street South-West Ikoyi Lagos 	Mr. Oluyele Delano, SAN (Independent Director) 10 Keffi Street South-West Ikoyi Lagos 
Mrs. Oyinkansade Adewale (Independent Director) 10 Keffi Street South-West Ikoyi Lagos 	
Mrs. Tolulope Adetugbo (Company Secretary) 10 Keffi Street South-West Ikoyi Lagos 	

PARTIES TO THE ISSUE

PROFESSIONAL PARTIES	
Lead Issuing House	
<p>Banjo Adegbohunge</p>	<p>Coronation Merchant Bank Limited 10 Amodu Ojikutu Street Victoria Island Lagos</p> 
Joint Issuing House	
<p>UCML Capital Limited 7 Fatai Durosinmi Etti Crescent Off Ligali Ayorinde Street, Victoria Island Lagos</p>	
<p>EGIE AKPATA</p> 	
Joint Trustees	
<p>ARM Trustees Limited 1 Mekunwen Road Off Oyinkan Abayomi Drive Ikoyi, Lagos</p> <p>SADIQ MOHAMMED</p> 	<p>UTL Trust Management Services Limited ED Building (2nd Floor) 47 Marina Street Lagos Island, Lagos</p> <p>Olufunke Aiyepola</p> 
<p>FBNQuest Trustees Limited 10 Keffi Street South-West Ikoyi Lagos</p> <p>Adekunle Awojobi</p> 	<p>United Capital Trustees Limited Afriland Towers 3rd & 4th Floors 97/105, Broad Street, Lagos</p> <p>LED OKAFOR</p> 
<p><i>Legal Advisers to the Trustees</i> Banwo & Ighodalo 48 Awolowo Road Ikoyi, Lagos</p>	
Solicitors to the Issue	
<p>G. Elias & Co. 6 Broad Street Lagos Island Lagos</p> <p>SEGUN OMOREGIE</p> 	
Rating Agency	
<p>Agusto & Co. Limited 5th Floor, UBA 57 Marina Lagos</p> <p>ADEBIYI OLUKOYA</p> 	

PARTIES TO THE ISSUE

Registrars First Registrars & Investor Services Limited Plot 2 Abebe Village Access Road Iganmu, Marina, Lagos	MODUPEOLA AJIGBOTAFE <i>Modupeola Ajigbotafe</i>
Receiving Bank First Bank of Nigeria Limited 35 Marina Lagos	<i>Rotimi Adegbesile</i>

SPONSOR'S AUDIT COMMITTEE
The Audit committee of the Sponsor is comprised of the following persons:

1. Mr. Oluyele Delano, SAN (Chairman)
2. Dr. (Mrs.) Omobola Johnson (Member)
3. Mr. Urum Kalu Eke, MFR (Member)
4. Mr. Babatunde Odunayo (Member)

DOCUMENTS INCORPORATED BY REFERENCE

The following is a list of documents that have been filed with the SEC and are incorporated by reference in this Pricing Supplement:

- The Shelf Prospectus dated November 22, 2018;
- The Programme Trust Deed dated November 22, 2018;
- The Series 2 Trust Deed dated December 16, 2020;
- The Master Notes Issuance Agreement dated November 22, 2018;
- The Deed of Undertaking dated December 16, 2020;
- The Sponsor's Rating Report by Agosto & Co. Limited;
- The Series 2 Bond Rating Report by Agosto & Co. Limited;
- The Sponsor's audited financial statements for the years ended 31 December – 2015, 2016, 2017, 2018 & 2019
- The Sponsor's Management Accounts for six (6) month ended 30 June 2020; and
- The Reporting Accountant Report on the two years audited financial statements of the Sponsor for the years ended 31 December 2018 and 31 December 2019 respectively by PKF Professional Services.

A copy of any or all the documents above, or portions thereof are incorporated by reference herein, and will be made available for viewing without charge, to each person to whom a copy of this Pricing Supplement has been delivered, upon the oral or written request of such person. In addition, such documents or portions thereof will be available from the offices of the Issuing Houses, as stated below from 8:00am till 5:30pm on Business Days, during the Offer Period:

Coronation Merchant Bank Limited

10 Amodu Ojikutu Street
Victoria Island
Lagos

UCML Capital Limited

7 Fatai Durosinmi Etti Crescent
Off Ligali Ayorinde Street,
Victoria Island, Lagos

TERMS OF THE OFFER

1. Issuer: FBNQ MB Funding SPV PLC
2. Description of the Bond: 10-Year 6.25% Fixed Rate Subordinated Unsecured Bond Due 2030
3. Series Number: 2
4. Specified Currency: Naira (“~~N~~”)
5. Aggregate Nominal: ~~₦~~8,000,000,000.00
6. Issue Price: At par (100%) at ~~₦~~1,000 per unit of the Bond
7. Net proceeds: ~~₦~~7,874,235,335.00
8. Minimum Subscription: Minimum of ~~₦~~10,000,000 (i.e. 10,000 units @ ~~₦~~1,000/unit) and multiples of ~~₦~~1,000,000 thereafter
9. Issue Date: December 16, 2020
10. Coupon Commencement Date: Coupon shall accrue from the Issue date
11. Maturity Date: December 16, 2030
12. Principal Moratorium: Not Applicable
13. Coupon Basis: Fixed Rate
14. Coupon: 6.25% p.a.
15. Principal Redemption Basis: Bullet payment at maturity or on call, at par

- The Bond is callable by the Issuer at Par after 5 years on any Coupon Payment Date subject to a notice period
16. Source of Repayment: The Bonds shall be redeemed from the Bank’s operational cash flows

17. Status: The bonds will constitute subordinated and unsecured obligations of the Issuer and shall rank pari passu without any preference among themselves and at least rank pari passu in right of payment with all other present and future subordinated and unsecured obligations of the Issuer.

The bonds will qualify as securities in which Pension Fund Administrators may invest under the Pension Reform Act, Cap P4, LFN 2004.

The bonds will qualify as securities in which Trustees may invest under the Trustee Investments Act Cap T22 LFN 2004.

18. Payment Undertaking: The payment of the coupon and repayment of principal in relation to the Bonds shall be fully supported by the credit of FBNQest Merchant Bank Limited, via a Deed of Undertaking between the Sponsor, the Issuer and the Joint Trustees on behalf of the Bondholders

19. Negative Pledge: For as long as any of the Bonds are outstanding, the Issuer/Sponsor shall not, and shall procure that none of its Affiliates shall:

- (i) create (without the written consent of the Trustees, such consent not to be unreasonably withheld) any mortgage, charge, pledge, lien or any Encumbrance upon the whole or any part of its present or future undertaking, business, assets or revenue to secure any indebtedness, unless the Sponsor/Issuer’s obligations under the Bonds are secured equally and rateably with the said obligations or have the benefit of such other security, guarantee, indemnity or

TERMS OF THE OFFER

- other arrangement as the Trustee in its absolute discretion shall deem not to be materially less beneficial to the Bondholders; and
- (ii) not directly or indirectly secure any other financial indebtedness
- (iii) represented by bonds or any other debt securities which are, or are capable of being, traded or listed on any stock exchange or over-the-counter or similar securities market without the prior consent of the Trustees.
20. Listing(s): Application for listing of the Bonds will be made to the FMDQ Securities Exchange and/ or The Nigerian Stock Exchange

PROVISIONS RELATING TO COUPON PAYABLE

21. Fixed Rate Bond Provisions
- (i) Coupon Payment Date(s)/Payment Dates: Each June 16 and December 16 in each year commencing on 16 June 2020 until the Maturity Date (each a "Payment Date")
- (ii) Coupon Amount(s): See Appendix B
- (iii) Day Count Fraction: Actual/Actual
- (iv) Business Day Convention: Modified Following: Where a Coupon Payment Date falls on a non-Business Day, such payment shall be postponed to the next day which is a Business Day provided that if such a Business Day falls into the next calendar month, such Coupon Payment Date shall be brought forward to the immediately preceding Business Day.
- (v) Other terms relating to method of calculating Coupon for Fixed Rate Bonds: Not Applicable
- (vi) Floating Rate Bond Provisions: Not Applicable
- (vii) Zero Coupon Note Provisions: Not Applicable
- (viii) Index Linked Coupon Note Provisions: Not Applicable
- (ix) Dual Currency Note Provisions: Not Applicable

PROVISIONS RELATING TO REDEMPTION

22. Optional Early Redemption
- (i) Call Option: Applicable
The Bond is callable by the Issuer at Par after 5 years on any Coupon Payment Date subject to a notice period
- (ii) Put Option: Not Applicable
23. Scheduled Amortization: Not Applicable
24. Redemption Amount(s): Not Applicable
25. Scheduled Redemption Dates: Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE BONDS

26. Form of Bonds: Dematerialized
27. Registrar: First Registrars & Investor Services Limited
28. Joint Trustees: FBNQuest Trustees Limited
ARM Trustees Limited
United Capital Trustees Limited
UTL Trust Management Services Limited

TERMS OF THE OFFER

- | | | |
|-----|------------------------------------|---|
| 29. | Record Date: | No Bondholder may require the transfer of a Bond to be registered during the period of fifteen (15) days ending on the due date for any payment of principal or Coupon on the Bond. |
| 30. | Other terms or special conditions: | See "Terms and Conditions of the Programme" on pages 23 -30 of the Shelf Prospectus |
| 31. | Payment Agent: | First Registrars & Investor Services Limited |

DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

- | | | |
|-----|-------------------------|--|
| 32. | Method of Distribution: | Offer for subscription by Book Building |
| 33. | Underwriting: | Not Applicable |
| 34. | Delivery: | Delivery against payment following clearance by regulator |
| 35. | Clearing System: | Central Securities Clearing System PLC and/ or FMDQ Clear Limited |
| 36. | Method of Distribution: | Offer for Subscription via Book Building |
| 37. | Selling Restrictions: | Strictly to Qualified Institutional Investors and High Networth Investors as stipulated by Rule 321 of the SEC Rules and Regulations |
| 38. | Offer Period: | See timetable on page 14 |

GENERAL

- | | | |
|-----|--------------|------------------------------|
| 39. | Rating | |
| | (i) Sponsor: | 'A' by Agosto & Co. Limited |
| | (ii) Issue: | 'A-' by Agosto & Co. Limited |

An issue rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

- | | | |
|-----|----------------|---|
| 40. | Taxation: | See "Tax Considerations" on page 31 of the Shelf Prospectus |
| 41. | Risk Factors: | See "Risk Factors" on pages 32 - 35 of the Shelf Prospectus dated November 22, 2018 |
| 42. | Governing Law: | The Bonds will be governed by, and construed in accordance with the Laws of the Federal Republic of Nigeria |
| 43. | Appendices | |
| | A | Indicative Abridged Timetable |
| | B | Bond Repayment Schedule |
| | C | Extract of the Bond Rating Report |
| | D | Procedure for Application and Allotment |
| | E | Commitment Form |

USE OF PROCEEDS

After deducting offer costs of ₦125,764,665.00, i.e., 1.55% of the gross issue proceeds, the net issue proceeds of ₦7,874,235,335.00 will be utilized for the purchase of 10-year 6.25% Subordinated Unsecured Notes issued by FBNQuest Merchant Bank Limited.

S/n	Details	Amount (₦)	Percentage	Timeline
1	Purchase of 10-year Subordinated Unsecured Notes issued by FBNQuest Merchant Bank Limited	7,874,235,335.00	98.43%	Immediate
2	Offer costs	125,764,665.00	1.57%	Immediate
	Gross Proceeds	8,000,000,000.00	100%	

The Sponsor will utilize the proceeds from its Notes issuance to create risk assets.

APPENDIX A: INDICATIVE ABRIDGED TIMETABLE

Date	Activity	Responsibility
November 11, 2020	Receive SEC approval of the Pricing Supplement	Issuing Houses
November 12, 2020	Commence Book Building	Book Runners
November 25, 2020	Conclude Book Building	Book Runners
November 27, 2020	Determine coupon rate and aggregate amount of Bonds to be issued	Issuing Houses
November 27, 2020	Dispatch allotment notices to investors	Book Runners
November 27, 2020	Update documents and file with the SEC	Issuing Houses
December 16, 2020	Effect payment for allotment	Investors
December 16, 2020	Conduct signing of offer documents	All Parties
December 17, 2020	Remit net issue proceeds to the Issuer	Receiving Bank
December 18, 2020	File executed Offer Documents and the Basis of Allotment with SEC	Issuing Houses
December 28, 2020	Receive SEC 'No Objection' to the Basis of Allotment	Issuing Houses
December 30, 2020	Publish allotment announcement	Issuing Houses
December 30, 2020	Credit CSCS accounts of investors	Registrars
December 30, 2020	File for listing of the bonds	Issuer
January 12, 2021	Listing of the Bonds	Issuer/ Sponsor
January 13, 2021	File Post Allotment report	Issuing Houses

APPENDIX B: BOND REPAYMENT SCHEDULE

The payment of coupon and repayment of principal on the Bond will be made in accordance with the below repayment schedule:

Bond Obligation Payment Date	Principal Obligation (Naira)	Semi-Annual Coupon Payment (Naira)	Principal Payment (Naira)	Principal Obligation Outstanding (Naira)
03-Jun-21	8,000,000,000	250,000,000	-	8,000,000,000
03-Dec-21	8,000,000,000	250,000,000	-	8,000,000,000
03-Jun-22	8,000,000,000	250,000,000	-	8,000,000,000
03-Dec-22	8,000,000,000	250,000,000	-	8,000,000,000
03-Jun-23	8,000,000,000	250,000,000	-	8,000,000,000
03-Dec-23	8,000,000,000	250,000,000	-	8,000,000,000
03-Jun-24	8,000,000,000	250,000,000	-	8,000,000,000
03-Dec-24	8,000,000,000	250,000,000	-	8,000,000,000
03-Jun-25	8,000,000,000	250,000,000	-	8,000,000,000
03-Dec-25	8,000,000,000	250,000,000	-	8,000,000,000
03-Jun-26	8,000,000,000	250,000,000	-	8,000,000,000
03-Dec-26	8,000,000,000	250,000,000	-	8,000,000,000
03-Jun-27	8,000,000,000	250,000,000	-	8,000,000,000
03-Dec-27	8,000,000,000	250,000,000	-	8,000,000,000
03-Jun-28	8,000,000,000	250,000,000	-	8,000,000,000
03-Dec-28	8,000,000,000	250,000,000	-	8,000,000,000
03-Jun-29	8,000,000,000	250,000,000	-	8,000,000,000
03-Dec-29	8,000,000,000	250,000,000	-	8,000,000,000
03-Jun-30	8,000,000,000	250,000,000	-	8,000,000,000
03-Dec-30	8,000,000,000	250,000,000	8,000,000,000	-
TOTAL		5,000,000,000	8,000,000,000	

FBNQ MB FUNDING SPV PLC

Series 2 ₦8 billion 10-year Unsecured Bond under the ₦50 billion Debt Issuance Programme

Rating Assigned:

A-

Outlook: Stable

Issue Date: 28 July 2020

Expiry Date: 28 July 2021

Previous Rating: N/A

Bond Tenor: 10 years

The rating is valid throughout the life of the instrument but will be subject to annual monitoring and review.

Industry: Banking

Analysts:

Ayokunle Olubunmi, CFA

kunleolubunmi@agusto.com

Yinka Adelekan

yinkaadelekan@agusto.com

Agusto & Co. Limited

UBA House (5th Floor)

57, Marina

Lagos

Nigeria

www.agusto.com

RATING RATIONALE

Agusto & Co. assigns an "A-" rating to the Series 2 ₦8 billion 10-year Unsecured bond ("the Issue" or "the Bond") by FBNQ MB Funding SPV Plc ("the Issuer"). The Issuer is a Special Purpose Vehicle set up by FBNQ Merchant Bank Limited ("the Bank", "FBNQ MB" or "the Sponsor") for the issuance of debt securities. The net proceeds of Bond will be used exclusively to procure a subordinated unsecured note to be issued by the Bank. Therefore the rating assigned to the Bond is a notch lower than the standalone "A" credit rating of the Sponsor as the Issue will be unsecured and subordinated to other senior debt of FBNQ MB.

The Sponsor's rating reflects its membership of the FBN Group, one of the oldest, largest and diversified financial services group with interest in banking, pension asset custody, trusteeship, asset management, among others. The rating also considers the Sponsor's good quality of capitalisation with a Tier 1 capital of ₦27.8 billion (31 May 2020: ₦30.8 billion) grown largely through retained earnings. The Basel II ratio is at acceptable level with a ratio of 17.7% (31 May 2020: 18%) as at 31 December 2019. The rating also reflects the Bank's experienced management team and its low impaired loan ratio which stood at 3% (31 May 2020: 3.2%) as at FYE 2019.

Offsetting these positive factors are the concentration risk in the loan book and the Sponsor's subpar profitability. As at FYE 2019, the top 20 obligors accounted for 97.8% of the loan book with an obligor singly representing 14.7% of gross loans and 25.4% of shareholders' funds. We are concerned that the obligor which operates in the oil and gas sector has been negatively impacted by the COVID-19 pandemic, oil shock and some governance issues. Furthermore, the manufacturing and oil and gas sectors, both severely affected by the pandemic, together accounted for 52.3% of the loan book. We expect the Bank to leverage the regulatory forbearance for loan restructuring to moderate the pressure on asset quality and keep the impaired loan ratio below the 5% regulatory guidance.

During the financial year ended 31 December 2019, FBNQ MB recorded a 22.5% increase in profit before taxation to ₦2.8 billion, bolstered by a 10.5% growth in non-interest income which accounted for 67.1% of net earnings. However, funding based income

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maintained its downward trajectory and the net interest spread (NIS) declined to 23.7%, the lowest since the transition to a merchant bank in 2015. The Bank implemented a cost optimisation programme in 2019 which supported the contraction of the cost-to-income ratio to 71.9% (FY 2018: 76.3%). Profitability ratios improved with pre-tax return on average assets (ROA) and pre-tax return on average equity (ROE) of 1.9% (FY 2018: 1.6%) and 10.3% (FY 2018: 8.7%) respectively. While we acknowledge the improvement, we believe the Sponsor's profitability is low by Industry standard. Subsequent to the year end, in the five-month ended 31 May 2020, annualised ROA and ROE further improved markedly to 3.7% and 21.6% respectively. Agosto & Co. expects the Bank's profitability to remain moderate in the near term due the elevated macro economic risks and the impact on the customers of the Sponsor.

Agusto & Co. has attached a stable outlook to the rating of the Issue, reflective of the financial condition of the Sponsor and our expectation that this will remain adequate to meet the bond obligations. We will continue to monitor the Sponsor and assess the impact of the COVID-19 pandemic on FBNQuest Merchant Limited.

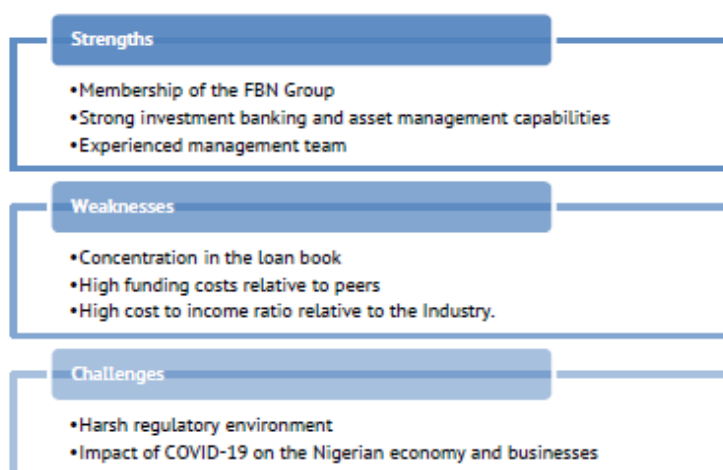


Table 1: Background Information

Financial Data	31 December 2018	31 December 2019	31 May 2020*
Total assets & contingents	₦142.6 billion	₦155.5 billion	₦190.7 billion
Deposit liabilities (excl. interbank)	₦91 billion	₦76 billion	₦105.5 billion
Pre-tax return on average assets & contingents (ROA)	1.6%	1.9%	3.7%**
Pre-tax return on average equity (ROE)	8.7%	10.3%	21.6%**

*Unaudited

**Annualised

APPENDIX D: OTHER DISCLOSURES

I. Authorization of the Series 2 Bond

At the meeting held on 18 December 2017, the Board of Directors of the Sponsor passed a resolution approving the issuance of bonds under the ₦50,000,000,000 Bond Issuance Programme and by the written resolution of the Board of Directors of the Issuer dated 04 August 2020, the issuance of the Series 2 Bond was approved. The extract of the written resolution of the Board of Directors of the Issuer is as follows:

- (1) *“The Company is hereby authorized to raise up to ₦10,000,000,000.00 (Ten Billion Naira) for the Series 2 issuance under the terms and conditions contained in the Shelf Prospectus, Series 2 Supplementary Prospectus, Programme Trust Deed and Series 2 Trust Deed; subject to the approval of relevant regulatory authorities;*
- (2) *That the terms of, and the transactions contemplated by the Trust Deed, the Vending Agreement, the Master Note Issuance Agreement and all other documents related to or connected therewith, to which the Company is a party and as may be varied or supplemented from time to time, (altogether called “the Agreements”) be and are hereby approved;*
- (3) *That the Company be and is hereby authorized to enter into the transactions contemplated under the Agreements (“the Proposed Transactions”) on the terms contained therein; and*
- (4) *That anyone Director and/or Company Secretary be and is hereby authorized to appoint parties, execute all applicable documents, notices, letters or certificates and take any decisions or actions that are Snecessary for the Proposed Transactions.”*

By a letter dated 06 July 2018, the Central Bank of Nigeria passed a ‘No Objection’ to FBNQuest Merchant Bank Limited to issue bonds under the ₦50,000,000,000 through FBNQ MB Funding SPV PLC.

II. Shareholding Structure of the Sponsor

As at 31 December 2019, the shareholding structure of the Bank was as follows:

Shareholders	Number of Shares	Percentage of Shareholding
FBN Holdings PLC	4,301,576,999	100%
Seye Kosoko	1	-

III. Summary of the Capital Structure of the Sponsor

As at 31 December 2019, the capital structure of FBNQuest Merchant Bank Limited was as follows:

	Items	₦' million
a)	Cash and cash equivalent	8,302
b)	Placement with banks and other financial institutions	7,378
c)	Short-term debt	27,649
d)	Long-term debt	-
e)	Total shareholders' equity	30,044
f)	Guarantees	-

IV. Directors Beneficial Interests

As at 31 December 2019, the directors did not have any direct and indirect interests in the issued share capital of the Bank.

APPENDIX D: OTHER DISCLOSURES

V. Statement of Indebtedness

As at 31 December 2019, the Issuer had no debt while the Sponsor had an outstanding debt of ~~₹~~27,648,648,000 comprising of short-term borrowings from financial institutions. The Issuer however issued ~~₹~~5,000,000,000 Series 1 Bond on 05 February 2020.

VI. Material Contracts

The following agreements are considered material to the transaction:

- A Programme Trust Deed dated 22 November 2018 executed between FBNQ MB Funding SPV PLC, FBNQuest Merchant Bank Limited and FBNQuest Trustees Limited, ARM Trustees Limited, United Capital Trustees Limited and UTL Trust Management Services Limited in respect of the Programme;
- A Master Notes Issuance Agreement dated 22 November 2018 executed between FBNQ MB Funding SPV PLC, FBNQuest Merchant Bank Limited and FBNQuest Trustees Limited, ARM Trustees Limited, United Capital Trustees Limited and UTL Trust Management Services Limited in respect of the Programme;
- The Series 2 Bond Trust Deed to be executed between FBNQ MB Funding SPV PLC, FBNQuest Merchant Bank Limited and FBNQuest Trustees Limited, ARM Trustees Limited, United Capital Trustees Limited and UTL Trust Management Services Limited;
- A Deed of Undertaking to be executed between FBNQ MB Funding SPV PLC, FBNQuest Merchant Bank Limited and FBNQuest Trustees Limited, ARM Trustees Limited, United Capital Trustees Limited and UTL Trust Management Services Limited; and
- A Vending Agreement to be executed between FBNQ MB Funding SPV PLC, FBNQuest Merchant Bank Limited and Coronation Merchant Bank Limited and UCML Capital Limited.

VII. Declarations

Except as otherwise disclosed in this Supplementary Prospectus:

- (a) Other than Employee Share Scheme, no share of the Sponsor or the Issuer is under option or agreed conditionally or unconditionally to be put under option;
- (b) No commissions, brokerages or other special terms have been granted by the Sponsor or the Issuer to any person in connection with the Bond Issuance Programme or sale of any securities of the Sponsor or the Issuer;
- (c) Save as disclosed herein, the directors of the Sponsor and the Issuer have not been informed of any holding representing 5% or more of the issued share capital of the Sponsor or the Issuer;
- (d) There are no founders' or management or deferred shares or any options outstanding in the Sponsor or the Issuer;
- (e) There are no material service agreements between the Sponsor or the Issuer or any of their Directors and employees other than in the ordinary course of business;
- (f) There are no long-term service agreements between the Sponsor or the Issuer or any of their Directors and employees other than in the ordinary course of business;
- (g) No Directors of the Sponsor and the Issuer has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Sponsor or the Issuer in the five years prior to the date of this Shelf Prospectus;
- (h) No prosecution has commenced against the Sponsor or the Issuer or any of their subsidiaries in respect of any breach of any securities or banking laws or the Companies and Allied Matters Act 2020; and
- (i) No action has been taken against the Sponsor or the Issuer by the NSE or FMDQ in respect of any breach of the listing requirements of the NSE or FMDQ respectively.

It is further declared that to the best of knowledge of Directors of the Sponsor and the Issuer as at 31 December 2019:

APPENDIX D: OTHER DISCLOSURES

- (a) None of the Directors/ shareholders/ key management staff is under any bankruptcy or insolvency proceedings in any court of law;
- (b) None of them has been convicted in any criminal proceeding;
- (c) None of them is subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty

VIII. Corporate Contact Information

A. Contact details of the Issuer are given below:

FBNQ MB Funding SPV PLC

30 Marina Street
Lagos Island
Lagos

B. Contact details of the Sponsor are given below:

FBNQuest Merchant Bank Limited

Lagos Office (Head Office):

10 Keffi Street
South-West Ikoyi
Lagos State

Abuja Office:

18 Mediterranean Street
Imani Estate
Federal Capital Territory

Port-Harcourt Office:

3rd Floor, First Bank of Nigeria Building
22/24 Aba Road, Port Harcourt
Rivers State

Website: www.fbnquest.com
Email: info@fbnquestmb.com
Telephone: +234 1 270 2290 (Head Office)

C. Contact details of the Registrar are given below:

First Registrars & Investor Services Limited

Lagos Office (Head Office):

2, Abebe Village Road
Iganmu
Lagos State

Abuja Office:

First Bank of Nigeria Limited Building
Plot 451, Jos Street,
Area 3, Garki
Federal Capital Territory

Port-Harcourt Office:

2nd Floor, First Bank of Nigeria Building
(Main Branch)
22/24 Aba Road, Port Harcourt
Rivers State

Ibadan Office:

First Bank of Nigeria Limited Building
48, Abdulazeez Arisekola Alao Way
Challenge, Ibadan
Lagos State

Enugu Office:

First Bank of Nigeria Limited Building
(Main Branch)
21, Okpara Avenue
Enugu, Enugu State

Kaduna Office:

First Bank of Nigeria Limited Building
(Area Office)
Bank Road
Kaduna State

Website: www.firstregistrarsnigeria.com
Email: info@firstregistrarsnigeria.com
Telephone: +234 1 279 9880, +234 1 270 1078 (Head Office)

APPENDIX D: OTHER DISCLOSURES

IX. Consents

The following have given and not withdrawn their written consents to the issue of this Pricing Supplement with their names and reports (where applicable) included in the form and context in which they appear:

Directors of the Issuer	Mrs. Funmilayo Tomilola Ekundayo Mr. Akinwumi Moses Oni Mr. Mba Oko Ude
Company Secretary	Mrs. Tolulope Adetugbo (Company Secretary)
Directors of the Sponsor	Mr. Bello Maccido Mr. Kayode Akinkugbe Mr. Taiwo Okeowo Dr. (Mrs.) Omobola Johnson Mr. Akinlolu Osinbajo, SAN Mr. Urum Kalu Eke, MFR Mr. Babatunde Odunayo Mr. Oluyele Delano, SAN Mrs Oyinkansade Adewale
Company Secretary	Mrs. Tolulope Adetugbo
Issuing Houses	Coronation Merchant Bank Limited UCML Capital Limited
Trustee	FBNQuest Trustees Limited ARM Trustees Limited United Capital Trustees Limited UTL Trust Management Services Limited
Solicitors to the Issue	G. Elias & Co.
Rating Agency	Agusto & Co. Limited
Registrar	First Registrars & Investor Services Limited
Receiving Bank	First Bank of Nigeria Limited

X. Documents Available for Inspection

Copies of the following documents can be inspected at the offices of Coronation Merchant Bank Limited, FBNQuest Merchant Bank Limited and UCML Capital Limited located at 10 Amodu Ojikutu Street, Victoria Island, Lagos; 10 Keffi Street, off Awolowo Road, Ikoyi, Lagos, and 7 Fatai Durosini Etti Crescent, Off Ligali Ayorinde Street, Victoria Island, Lagos - Nigeria respectively, during normal business hours on any weekday (except public holidays), from 8.00am to 5.00pm (West African Time):

- (a) The Certificate of Incorporation of the Issuer and the Sponsor;
- (b) The Memorandum and Articles of Association of the Issuer and the Sponsor;
- (c) The Board Resolution of the Sponsor dated 18 December 2017 authorizing the Programme;
- (d) The Board Resolution of the Issuer dated 27 April 2018 authorizing the Programme;
- (e) The Board Resolution of the Issuer 04 August 2020 authorizing the Series 2 Bond;
- (f) The Shelf Prospectus issued in respect of the Issue;
- (g) The audited financial statements of the Sponsor for each of the years ended 31 December - 2016, 2017, 2018 and 2019;
- (h) The Sponsor's Management Accounts for six (6) month ended 30 June 2020;
- (i) The Reporting Accountant Report on the two years audited financial statements of the Sponsor for the years ended 31 December 2018 and 31 December 2019 respectively by PKF Professional Services;

APPENDIX D: OTHER DISCLOSURES

- (j) The Programme Trust Deed dated 22 November 2018;
- (k) The Master Notes Issuance Agreement dated 22 November 2018;
- (l) The Series 2 Bond Trust Deed to be executed;
- (m) The Deed of Undertaking to be executed;
- (n) The written consents of parties referred to on page 21;
- (o) The CBN's "no objection" to the Programme;
- (p) Letter from the SEC confirming registration of the Prospectus; and
- (q) Letter of approval from FMDQ and the NSE for the listing of the bonds.

APPENDIX E: PROCEDURE FOR APPLICATION AND ALLOTMENT

1. Invitation for Participation

Qualified Investors are hereby invited to participate in the Issue through any of the Issuing Houses/Book Runners, who are also acting as Receiving Agents for the Offer.

- 1.1 The Book Build opens on November 12, 2020 and closes November 25, 2020. Orders must be for a minimum of ₦10,000,000 (Ten Million Naira) and in integral multiples of ₦1,000,000 (One Million Naira) thereafter.
- 1.2 Participation Amount(s) and Bid Coupon Rate(s) (“Orders”) should be entered in the space provided in the prescribed Commitment Form attached to this Pricing Supplement.
- 1.3 By completing and submitting the Commitment Form, each Participant hereby agrees that the Order is irrevocable and, to the fullest extent permitted by law, the obligations in respect thereof shall not be capable of rescission or termination by any Participant.
- 1.4 Participants may place an Order for the Bonds at any price within the price range subject to the Minimum Subscription and the terms and conditions stated in this Pricing Supplement.
- 1.5 A corporate Participant should affix its official seal in the box provided and state its incorporation number (RC) or, in the case of a corporate foreign subscriber, its appropriate identification/incorporation number in the jurisdiction in which it is constituted.
- 1.6 An individual Participant should sign the declaration and write his/her full name, address and daytime telephone number on the Commitment Form. Joint Participants must all sign the Commitment Form.
- 1.7 Upon the completion and submission of the Commitment Form, the Participant is deemed to have authorized the Issuer and the Issuing Houses/Book Runners to effect the necessary changes in the Pricing Supplement as would be required for the purposes of filing an application for the clearance and registration of the Final Pricing Supplement with the SEC. The Commitment Form shall be considered as the Application Form for the purposes of registration of the Final Pricing Supplement with the SEC.
- 1.8 Participants shall be entitled to one (1) bid per Commitment Form
- 1.9 After determination of the Coupon Rate, the maximum Participation Amount specified by a Participant at or below the Clearing Price will be considered for allocation; any Order above this price will become automatically invalid.
- 1.10 The Issuer in consultation with the Book Runners reserves the right not to proceed with the Issue at any time including after the Book Building Opening Date but before the Allotment Date without assigning any reason thereof, subject to notifying the Commission.

2. Payment Instructions

Successful Participants should ensure that payment of the Participation Amounts is received on the Settlement Date via the Real Time Gross Settlement (“RTGS”) or NIBSS Electronic Fund Transfer (“NEFT”) into the following designated Issue Proceeds Account domiciled with the Receiving Bank:

Bank	Account Name	Account Number
First Bank of Nigeria PLC	FBNQ MB Funding SPV PLC Series 2 Bond Issue Proceeds account	2036298291

3. Allocation




- 3.1 On the Pricing Date, the Issuing Houses will analyze the demand of submitted bids and in consultation with the Issuer, finalize the allocations to each Participant. Allocation Notices will be sent to successful Participants thereafter.

- 1.2 The members of the Board of Directors of the Issuer and the Issuing Houses reserve the right to accept or reject any application in whole or in part for not complying with the terms and conditions of the Issue.
- 1.3 Upon clearance of the Basis of Allotment by the SEC, delivery of the Bonds shall be effected in dematerialized (uncertificated) form. Participants will receive the Bonds in dematerialized form and are mandatorily required to specify their CSCS Account Number, the name of their Stockbroking Firm, their Member Code and the Clearing House Number in the spaces provided on the Commitment Form.
- 1.4 Participants must ensure that the name specified in the Commitment Form is exactly the same as the name in which the CSCS Account Number is held. In case the application is submitted in joint names, it should be ensured that the beneficiary's CSCS Account is also held in the same joint names and are in the same sequence in which they appear in the Commitment Form.

4. Bank Account Details

- 4.1 Participants are required to indicate their bank account details in the space provided on the Commitment Form for the purposes of future payments of Coupon and the Principal Amount.
- 4.2 Participants are advised to ensure that bank account details stated on the Commitment Form are correct as these bank account details shall be used by the Registrar for all payments indicated in 4.1 above in connection with the Bonds.
- 4.3 Failure to provide correct bank account details could result in delays in credit of such payments or issuance of cheques/warrants which shall be sent by registered post to the specified addresses of the affected investors.
- 4.4 The Issuer, the Sponsor, the Joint Trustees and the Registrar shall not have any responsibility 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 Participant for the purposes of all cheques posted.

APPENDIX F: COMMITMENT FORM

Book Building Opening Date November 12, 2020	ON BEHALF OF  FBNQ MB Funding SPV PLC <small>INC 1402916</small> Offer for Subscription by Book Build Up to N10,000,000,000 [•]% Fixed Rate Series II Subordinated Unsecured Bond Due [•] Under the N50,000,000,000 Debt Issuance Programme Issue Price : N1,000 per unit PAYABLE IN FULL ON APPLICATION	Book Building Closing Date November 25, 2020
LEAD ISSUING HOUSE:  <small>INC 302188</small> JOINT ISSUING HOUSE:  <small>INC 475882</small>		
Orders must be made in accordance with the instructions set out in the Shelf Prospectus and Pricing Supplement. Care must be taken to follow these instructions as applications that do not comply may be rejected. If in doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any professional adviser for guidance.		
Please complete all relevant sections of this Form USING BLOCK LETTERS WHERE APPLICABLE		
PARTICIPANT STATUS (PLEASE TICK <input type="checkbox"/>)	DATE (DD/MM/YYYY)	CONTROL NO. (FOR REGISTRARS' USE ONLY)
<input type="checkbox"/> High Networth Investors <input type="checkbox"/> Fund Managers <input type="checkbox"/> Pension Fund Administrators <input type="checkbox"/> Insurance Companies <input type="checkbox"/> Investment/Unit Trusts <input type="checkbox"/> Multilateral/Bilateral Inst. <input type="checkbox"/> Market Makers <input type="checkbox"/> Staff Schemes <input type="checkbox"/> Trustees/Custodians <input type="checkbox"/> Stock-broking Firms <input type="checkbox"/> Resident Corporate Investors <input type="checkbox"/> Non-Residential Investors <input type="checkbox"/> Hedge Funds <input type="checkbox"/> Banks	/ / 2 0 2 0 Declaration <input checked="" type="checkbox"/> I/We hereby confirm that I am/ we are qualified persons to participate in this Bond Issue in accordance with applicable SEC Rules and Regulations. <input checked="" type="checkbox"/> I/We confirm that I/we have read the Shelf Prospectus dated November 22, 2019 and the Pricing Supplement and that my/our Order(s) is/are made on the terms set therein. <input checked="" type="checkbox"/> I/We have the requisite knowledge, skill and experience in business, financial and investment matters. I/We am/are, thus, capable of evaluating the merits and risks of an investment in the Issue. <input checked="" type="checkbox"/> I/We have made an independent evaluation and judgment of all merits and risks before investing in the Issue and to the extent necessary, I/We have also made my/our own legal, tax, accounting and financial evaluation of the merits and risks of investing in the Issue. <input checked="" type="checkbox"/> I/We hereby irrevocably undertake and confirm my/our Order(s) for the Bonds equivalent to my/our Participation Amount (s) set below at the fixed Coupon Rate. <input checked="" type="checkbox"/> I/We authorise the Issuer to make the necessary changes in the Prospectus for filing of the final Prospectus with the SEC without intimation to me/us and use this Commitment Form as the Application Form for the purpose of this Issue. <input checked="" type="checkbox"/> I/We note that the Issuer and the Issuing Houses are entitled in their absolute discretion to accept or reject this Order. <input checked="" type="checkbox"/> I/We agree to accept the Participation Amount as may be allocated to me/us subject to the terms in the Pricing Supplement. <input checked="" type="checkbox"/> I/We authorise you to enter my/our name on the Register of Holders as holders of the Bonds that may be allotted to me/us and to register my/our address as given below. By signing this Commitment Form, I/We make this Declaration, believing same to be true.	[Grid for Control No.]
PARTICIPANT DETAILS (INDIVIDUAL/CORPORATE/JOINT)		
Participants have to make orders on the commitment form and such orders shall not be considered as multiple applications. All orders must be for a minimum amount of N10,000,000 (Ten Million Naira) and in multiples of N1,000 (One Thousand Naira) thereafter.		
ORDER 1		
Participation Amount (Minimum amount of N10,000,000 and in multiple of N1,000 thereafter)		BID COUPON RATE (%)
IN FIGURES N	[Grid for Amount]	[Grid for Rate]
IN WORDS	[Grid for Amount]	[Grid for Rate]

SEE NEXT PAGE

APPENDIX F: COMMITMENT FORM

ORDER 2	
Participation Amount (Minimum amount of N10,000,000 and in multiple of N1,000 thereafter)	BID COUPON RATE (%)
IN FIGURES N	
IN WORDS	
PARTICIPATION DETAILS (INDIVIDUAL/CORPORATE/JOINT) (Please use one box for one alphabet leaving one box blank between first word and second)	
SURNAME/CORPORATE NAME	
FIRST NAME (FOR INDIVIDUALS ONLY) OTHER NAMES (FOR INDIVIDUALS ONLY)	
JOINT APPLICANT'S FIRST NAME (IF APPLICABLE) OTHER NAMES (FOR JOINT APPLICANT ONLY)	
CONTACT PERSON (FOR CORPORATE APPLICANT)/NEXT OF KIN (FOR INDIVIDUAL APPLICANT)	
ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANTS(S) NAME. POST BOX NO. ALONE IS NOT SUFFICIENT)	
TEL NO:	
CITY	STATE E-MAIL
E-ALLOTMENT DETAILS (FOR BOOK-ENTRY ALLOTMENTS ONLY)	
Please credit my/our CSCS Account as detailed below with the allotted bonds.	
PARTICIPANT'S CSCS ACCOUNT NO.	CHN (CLEARING HOUSE NUMBER) MEMBER CODE
NAME OF STOCKBROKING FIRM	
BANK DETAILS (FOR E-PAYMENTS)	
BANK NAME	BRANCH
ACCOUNT NO.	CITY/STATE
BVN	
SIGNATURES	
SIGNATURE	2ND SIGNATURE (CORPORATE/JOINT) OFFICIAL SEAL/RC. NO.
NAME OF AUTHORISED SIGNATORY (Corporate only)	NAME OF SIGNATORY (Corporate/JOINT)
DESIGNATION (Corporate only)	DESIGNATION (Corporate only)
STAMP OF SELLING GROUP MEMBER	
<i>(ISSUER/ISSUING HOUSES/STOCKBROKERS TO THE ISSUE ONLY)</i>	

APPENDIX G: SUMMARY OF FINANCIAL INFORMATION

FBNQUEST MERCHANT BANK LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED		
<i>In thousands of Nigerian Naira</i>	NOTE	30 JUNE 2020 =N='000
Interest income	7	6,876,242
Interest expense	8	(3,249,640)
Net interest income		3,626,602
Impairment (charges)/writeback for credit losses	9	(165,615)
Net interest income after impairment charge for credit losses		3,460,987
Fee and commission income	10a	1,321,720
Fee and commission expense	10b	(82,096)
Net gains / (Loss) on foreign exchange	11	(5,867)
Net gains from financial assets held for trading	11a	1,566,444
Other operating income	12	54,441
Operating income		6,315,629
Personnel expenses	14	(1,435,486)
Depreciation of property, plant and equipment	28	(206,621)
Amortisation of intangible assets	28	(442,447)
Other operating expenses	13	(1,033,268)
Operating expenses		(3,117,822)
Profit before tax		3,197,808
Income tax (expense)/credit	15	(639,562)
Profit for the period		2,558,246
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net fair value (losses)/gain on financial assets at FVOCI		
-Unrealised net loss arising during the period		2,717,638
Other comprehensive (loss)/ income for the period		2,717,638
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		5,275,885
Basic/diluted earnings per share (kobo) - annualized		119

APPENDIX G: SUMMARY OF FINANCIAL INFORMATION

FBNQUEST MERCHANT BANK LIMITED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED		
<i>In thousands of Nigerian Naira</i>		
	NOTE	30 JUNE 2020 =N='000
ASSETS		
Cash and balances with Central Bank of Nigeria	17	53,404,524
Balances with local & foreign banks	19	4,446,456
Loans and advances to customers	20	53,694,094
Financial assets at fair value through profit or loss	21	7,615,608
Investment securities:		
- Fair value through OCI	22	36,693,558
- Amortised cost	23	12,276,930
Other assets	25	5,645,874
Investment in Subsidiaries	26	1,313,329
Property and equipment	28	1,267,127
Intangible assets	28	370,625
Deferred tax asset	30	9,113,548
Total assets		185,841,673
LIABILITIES		
Due to banks	31	33,341,876
Due to customers	32	96,399,360
Current income tax liability	15b	862,515
Other liabilities	33	22,011,510
Total liabilities		152,615,262
EQUITY		
Share capital		4,301,577
Share premium		3,904,731
Retained earnings		13,819,254
Statutory reserve		7,878,900
Credit risk reserve		920,039
Fair value reserve		2,401,910
Total equity		33,226,411
Total equity and liabilities		185,841,673

PKF Professional Services



16 October 2020

The Directors
FBNQuest Merchant Bank Limited
10 Keffi street
Ikoyi
Lagos

and

The Directors
Coronation Merchant Bank Limited
10, Amodu Ojikutu Street
Victoria Island
Lagos

Gentlemen,

Accountants' Report on the Audited Financial Statements of FBNQuest Merchant Bank Limited for the two years ended 31 December 2019 Regarding ₦10 Billion Bond Issuance Programme and Subsequent Issuance of Notes Under the Programme

We have reviewed the audited financial statements of FBNQuest Merchant Bank Limited ("the Bank") that comprise the statements of financial position as at 31 December 2019 and 2018, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for each of the two years then ended, and notes to the financial statements and a summary of significant accounting policies, for the proposed ₦10 billion Bond Issue. The financial statements are the responsibility of the directors of the Bank and were prepared in accordance with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and the Banks and Other Financial Institutions Act. Messrs. PricewaterhouseCoopers, Chartered Accountants were the auditors of the Bank for the years ended 31 December 2019 and 2018, and their reports on the financial statements for the two years were unqualified. Our responsibility is to issue a report on these financial statements based on our review.

The financial information is based on the audited financial statements for the two years ended 31 December 2019 and 2018, after making such adjustments, as we considered necessary. The Directors of the Bank are responsible for the contents of the Bond Document in which this report is included.

We conducted our review in accordance with the International Standards on Review Engagement (ISRE) 2400, *Engagements to Review Historical Financial Statements*. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

Our review of the financial statements has been limited primarily to the working papers of the Bank's auditors, Messrs. PricewaterhouseCoopers, Chartered Accountants and enquiries of the Bank's personnel and analytical procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit conducted in accordance with International Standards on Auditing, and accordingly, we do not express an audit opinion on these financial statements.

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Offices in: Abuja • Jos • Kaduna • Kano.

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Based on our review, nothing has come to our attention that cause us to believe that these financial statements are not presented fairly, in all material respect, the financial position of FBNQuest Merchant Bank Limited as at 31 December 2019 and 2018, and their financial performance and cash flows for each of the two years then ended, in accordance with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and the Banks and Other Financial Institutions Act.

This report is solely for the use of the Directors of FBNQuest Merchant Bank Limited and other relevant parties to the Bond Issue. No part of this report may be quoted or circulated outside these parties without written approval of PKF Professional Services.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Ayodeji Sonukan', written over a circular stamp or seal.

Ayodeji Sonukan, FCA
FRC/2013/ICAN/02431
For: **PKF Professional Services**
Lagos, Nigeria

Date: 16 October 2020