

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (the “EGM”) of the shareholders of FCMB Group Plc (the “Company”, or, the “Group”), will be held virtually at 10.00am on Thursday, December 19th, 2024 to transact the following business;

Special Business: To consider, and if thought fit, pass the following resolutions as Ordinary Resolutions:

1. That the authorised additional capital raise of the Company be and is hereby increased from up to N150,000,000,000.00 (One Hundred and Fifty Billion Naira) to up to N340,000,000,000.00 (Three Hundred and Forty Billion Naira) or its equivalent in such other currency as the Board of Directors of the Company (the “Board” or the “Directors”) may decide, through the issuance of securities comprising ordinary shares, preference shares, convertible or non-convertible notes and/or loans, 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 such 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, subject to obtaining the requisite approvals of the relevant regulatory authorities.
2. That the Board also be and is hereby authorised to divest a portion of the Company’s stake in one or more of its subsidiaries as it may see fit, and as the Board deems fit, invest such portions of the proceeds of the divestments into First City Monument Bank Limited, as parts of steps to meet its capital raise objectives outlined in Resolution 1 above, at such price(s) as may be determined by such valuation methods acceptable to the Board, at such dates and upon such terms and conditions as may be determined by the Board, subject to obtaining the requisite approvals of the relevant regulatory authorities.
3. That pursuant to the Company’s Public Offer which commenced on July 29, 2024 and closed on September 4, 2024, that the Company be and is hereby authorized to accept surplus monies (if any) arising from oversubscription of the Public Offer in such proportion as may be determined by the Board, subject to the Company’s issued share capital and obtaining relevant regulatory approvals.
4. That the issued share capital of the Company be and is hereby increased from N19,802,710,781.00 (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 50k (Fifty Kobo) each by the creation and addition of the exact number of ordinary shares which would be required to give effect to Resolution 1 above.
5. That pursuant to Resolution 4 above, the Board be and is hereby authorised to: (a) pass the relevant resolutions increasing the Company’s issued share capital by the specific number of new ordinary shares required for the capital raise; and (b) allot such said number of new ordinary shares to relevant investors upon completion of the capital raising exercise.
6. That the new ordinary shares referred to in Resolutions 4 and 5 above shall rank pari-passu with all existing ordinary shares of the Company.
7. With reference to Resolution 1 above, that the Company be and is hereby authorised to raise capital of up to US\$15,000,000.00 (Fifteen Million, United States Dollars) or its equivalent in Nigerian Naira, via a mandatory convertible loan offered to a select group of qualified investors and that the mandatory convertible loan inclusive of any accrued interest be converted into ordinary shares of the Company on such terms and conditions as the Board may deem fit, subject to obtaining the requisite approvals of the relevant regulatory authorities.
8. That the Board be and is hereby authorised to seek the listing and admission to trading of its securities issued pursuant to the foregoing resolutions, on the Official List of the Nigerian Exchange Limited (the “NGX”), or on such other stock exchange(s) or securities market(s) (as the case may be).
9. That the Board be and is hereby authorised to appoint such professional advisers and other parties and to enter into and execute all such agreements, deeds, notices and other documents as may be necessary for and/or incidental to the foregoing resolutions, (including without limitation, the conversion of any convertible securities into ordinary shares of the Company) and that all lawful actions previously taken by the Board with respect to the foregoing resolutions be and are hereby ratified.
10. 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, the Securities and Exchange Commission and the NGX as well as complying with the requirements of the Corporate Affairs Commission (the “CAC”) and the directive(s) of any relevant regulatory authority.
11. That the Company Secretary be and is hereby authorized to do all things necessary to give effect to the resolutions passed at this EGM at the CAC.

Dated this 27th day of November 2024.

By Order of the Board



MRS. OLUFUNMILAYO ADEDIBU
Company Secretary
FRC/2014/NBA/0000005887

NOTES:

Explanatory Notes to the Shareholders of FCMB Group Plc (the “Group” or “Company”) on the Resolutions Proposed for Adoption at the Extraordinary General Meeting (“EGM”) of December 19, 2024

Dear shareholders, as you are aware, on March 28, 2024, the Central Bank of Nigeria (“CBN”) announced an upward review of the minimum capital requirements for banks in Nigeria, which impacts the Group’s flagship banking subsidiary, First City Monument Bank Limited (“**FCMB Limited**” or the “**Bank**”), a Nigerian bank with an international license. These new capital requirements for banks are to be achieved within 24 months from April 1, 2024 to March 31, 2026.

At the 11th Annual General Meeting (“AGM”) of May 24, 2024, the Group obtained shareholders’ approval for a capital raise plan of up to N150 billion and to increase the company’s share capital by the creation of additional 19,802,710,781 ordinary shares. As a first step in executing the Group’s capital raise plan, the Group launched a public offer to raise up to N110 billion, which closed on September 4, 2024, is currently undergoing regulatory review.

The offer, based on feedback received from the Issuing Houses, and subject to regulatory approvals, was oversubscribed, receiving strong demand from investors across various classes. This oversubscription reflects robust investor confidence and underscores the Group’s strong performance in recent years and its significant growth potential.

To address the anticipated oversubscription in the Public Offer and to achieve execution of further steps in the Group’s capital raise plan, the Directors have proposed the resolutions above to:

- i. Increase the Group’s capital raise from up to N150 billion to N340 billion to fully address the capital needs of FCMB Limited in line with the CBN’s revised capital requirements.
- ii. Leverage on the strong investor demand by accepting surplus monies from the oversubscription of the public offer, subject to requisite regulatory approvals.
- iii. Increase the Group’s share capital by the creation and addition of ordinary shares required to achieve the N340bn capital raise.
- iv. Ensure full allotment for investors in the public offer, thereby reducing the amount of capital that may be required for subsequent capital raise phases, and brings the Group closer to achieving its recapitalization goals.

The Directors have also proposed the issuance of a convertible loan of up to US\$15,000,000 (Fifteen Million United States Dollars) which protects shareholder returns and leverages on the momentum from the public offer. The capital raised from select investors will convert into common equity on a mandatory basis at a future date.

Opting for a convertible loan instead of a direct equity capital raise such as the recently concluded public offer ensures that no ordinary shares will be created or issued to the loan providers at financial close, thereby limiting any dilutive effects of a further increase in the number of shares.

The Group is evaluating several non-dilutive capital-raising options, including the potential divestment of a minority stake in one or more of its operating subsidiaries, subject to the creation of value. Where any such divestment transactions are undertaken, the Group will invest the proceeds thereof into the Bank to further meet the recapitalisation requirements. This would not result in any changes to existing shareholders’ holdings in the Group, with the subsidiaries remaining a part of the Group post transaction.

Action to be Taken

The Directors appreciate the support and confidence reposed in the Group’s management by the shareholders and hereby request that you vote in favour of all the resolutions that will be proposed for adoption at the EGM of December 19, 2024.

Proxy

Only a member (shareholder) of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. All valid instruments of proxy should be completed and deposited at the office of the Company’s Registrars, Cardinal Stone Registrars Limited, 335/337 Herbert Macaulay Way, Sabo Yaba, Lagos; Or emailed to: registrars@cardinalstone.com not later than 48 hours before the time fixed for the meeting. Payment of stamp duties for all instruments of proxy shall be at the company’s expense. A copy of the Proxy Form and other information relating to the meeting can be found on the Company’s website at www.fcmbgroup.com

Closure of Register

The Register of Members will be closed from 9 December 2024 to 12 December 2024 (both days inclusive).

Virtual Meeting Link

Further to the signing into law of the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this EGM would be held virtually. The Virtual Meeting Link for the Extraordinary General Meeting is <https://on.fcmb.com/EGM>

Live Streaming of the Extraordinary General Meeting

The meeting will be live streamed online and on social media platforms, to enable shareholders and stakeholders, to follow the proceedings.

Rights of Shareholders to Ask Questions

Shareholders and other holders of the Company’s securities reserve the right to ask questions not only at the meeting, but also in writing prior to the meeting, and such questions should be submitted to the Company on or before 13 December 2024.