

**THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ CAREFULLY. If you are in any doubt about its contents or the action to take, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately. For Information concerning certain risk factors which should be considered by prospective investors, see risk factors commencing on page 28.**



**RESORT SAVINGS & LOANS PLC**  
*MORTGAGE BANKERS* RC:198901

**Initial Public Offer**

**of**

**3,333,333,334**

**Ordinary Shares of 50kobo each**

**At**

**₦0.51kobo per share**

**Payable in Full on Application**

**Application List Opens: [.] xxx, 2013**

**Application List Closes: [.] xxx, 2013**

**FINANCIAL ADVISER/ISSUING HOUSE**



**RC: 189502**

**This Prospectus and the securities which it offers have been registered by the Securities & Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act Cap I24 Laws of the Federation of Nigeria 2004 to issue a Prospectus which contains false or misleading information. Clearance and registration of this Prospectus and the securities which it offers do not relieve the parties from any liability arising under the Act for false or misleading statements contained herein or for any omission of a material fact.**

**The Prospectus is dated xxxxxx 2013**

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## DEFINITIONS

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<b>Name</b>	<b>Abbreviation/Explanation</b>
<b>" Allotment Date"</b>	The date on which the allotment of the Shares is approved/cleared by the SEC
<b>"Business Day"</b>	Any day other than Saturday, Sunday or official public holidays (declared by the Federal Government of Nigeria from time to time) on which banks are open for business
<b>"CBN"</b>	Central Bank of Nigeria
<b>"CHN"</b>	Clearing House Number
<b>"CSCS"</b>	Central Securities Clearing System Plc
<b>"Directors"</b>	The members of the Board of Directors of Resort Savings & Loans Plc who at the date of this document are those persons whose names are set out on page "10" of this Prospectus
<b>"Daily Official List"</b>	The Daily Official List of the NSE which provides on a daily basis, transactions that take place on the Floor of The Exchange
<b>"EPS"</b>	Earnings Per Share
<b>"FGN"</b>	Federal Government of Nigeria
<b>"Greenwich"</b>	Greenwich Trust Limited
<b>"Gross Earnings"</b>	Total earnings received for the financial reporting period/year
<b>"IH"</b>	Issuing House
<b>"ISA"</b>	Investments and Securities Act No. 29 2007
<b>" Financial Adviser"/ "Issuing House"</b>	Greenwich Trust Limited
<b>"MBAN"</b>	Mortgage Banking Association of Nigeria
<b>"NHF"</b>	National Housing Fund
<b>"IPO"</b>	Initial Public Offer
<b>"Pari Passu"</b>	Equally
<b>"PAT"</b>	Profit After Tax
<b>"PBT"</b>	Profit Before Tax
<b>"Receiving Agents"</b>	Market operators authorized to receive Application Forms/Monies from investors for this offer
<b>"Receiving Banks"</b>	Keystone Bank Limited and Zenith Bank Plc
<b>"Registrars"</b>	African Prudential Registrars Plc
<b>"Resort Savings" or " The Bank"</b>	Resort Savings & Loans Plc

**DEFINITIONS**

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<b>“PMBs”</b>	Primary Mortgage Banks
<b>“PRA”</b>	Public Relations Agent
<b>“Prospectus”</b>	This document which is issued in accordance with the Rules and Regulations of the Commission
<b>“SEC” or “The Commission”</b>	The Securities & Exchange Commission
<b>“The Offer”</b>	Initial Public Offer of 3,333,333,334 Ordinary Shares of 50 kobo each at ₦0.51 kobo per share
<b>“Stockbrokers”</b>	Greenwich Securities Limited; Capital Assets Limited; Dunbell Securities Limited; Dunn Loren Merrifield Securities Limited; Imperial Asset Managers Limited; Trust Yields Securities Limited and Resort Securities & Trust Limited
<b>“The NSE”</b>	The Nigerian Stock Exchange



**ABRIDGED TIMETABLE**

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<b>Date</b>	<b>Activity</b>	<b>Responsibility</b>
Xxxx 2013	Application List Opens	Greenwich/Stockbrokers
Xxxx 2013	Application List Closes	Greenwich/Stockbrokers
Xxxx 2013	Publish notice to Receiving Agents for returns	Registrars/Greenwich
Xxxx 2013	Receive returns from Receiving Agents	Registrars/Greenwich
Xxxx 2013	Receive Range Analysis and schedule of Subscribers from Registrars	Registrars/Greenwich
Xxxx 2013	Prepare and file Allotment Proposal with Draft Newspaper announcement with SEC	Greenwich
Xxxx 2013	Receive Allotment Approval from SEC	Greenwich
Xxxx 2013	Remit Net Offer Proceeds to Issuer	Greenwich/Receiving Banks
Xxxx 2013	Return rejected/excess application monies	Greenwich/Registrars
Xxxx 2013	Publish Allotment announcement	Greenwich/PRA
Xxxx 2013	Dispatch share certificates/credit CSCS account	Registrars
Xxxx 2013	File Declaration of Compliance with the NSE	Greenwich/Stockbrokers
Xxxx 2013	Listing of newly issued shares on the Floor of the NSE	Stockbrokers/ Greenwich/Resort
Xxxx 2013	File Post Completion Report with SEC	Greenwich

## 1. THE OFFER

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Copies of this Prospectus and the documents specified herein have been delivered to the Securities & Exchange Commission for Clearance and Registration.

This Prospectus is being issued in compliance with the provisions of the Investments and Securities Act No. 29 2007, the Rules and Regulations of the Commission and the Listing requirements of The Exchange and contains particulars in compliance with the requirements of The Commission and The Exchange, for the purpose of giving information to the public with regard to the Initial Public Offering of 3,333,333,334 ordinary shares of 50 kobo each in Resort Savings & Loans Plc by Greenwich Trust Limited. An application has been made to the Council of The Exchange for the admission to its Daily Official Lists of the entire 3,333,333,334 ordinary shares of 50 Kobo each being offered for subscription.

The Directors of Resort Savings individually and collectively accept full responsibility for the accuracy of the information contained in this Prospectus. The 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.

### Financial Adviser/Issuing House



RC: 189502

On behalf of



**RESORT SAVINGS & LOANS PLC**  
**MORTGAGE BANKERS** RC:198901

is authorised to receive applications for

**Initial Public Offer of 3,333,333,334 Ordinary Shares of 50 kobo each at ₦0.51 kobo per share**

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The Application List for the shares now being offered will open on xxxx, 2013 and close on xxxx, 2013.

**Share capital and reserve of the Bank for the 9 months ended September 30, 2012**

		<b>₦ 000</b>
(Extracted from the 9 months, 2012 Audited Accounts)		
AUTHORIZED SHARE CAPITAL	Ordinary Shares of 50 kobo each	10,000,000
ISSUED AND FULLY PAID	Ordinary Shares of 50 kobo each	5,664,866
EQUITY	Ordinary Share Capital	5,664,866
	Other Component of Equity	1,918,042
	Retained Earnings	(2,874,926)
	Statutory Reserve	97,754
	<b>TOTAL EQUITY</b>	<b>4,805,737</b>

**Indebtedness:** As at September 30, 2012, the Bank had no outstanding debentures, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business.

## 2. SUMMARY OF OFFER

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The following information should be read in conjunction with the full text of this Prospectus, from which it was derived:

- 1. Issuer:** Resort Savings & Loans Plc
- 2. Financial Adviser/ Issuing House:** Greenwich Trust Limited
- 3. Share Capital:**
  - Authorized:** ₦10,000,000,000 made up of 20,000,000,000 Ordinary Shares of 50 Kobo each
  - Issued and fully paid:** ₦5,664,866,202 made up of 11,329,732,404 Ordinary Shares of 50 Kobo each
  - Now being Offered:** 3,333,333,334 Ordinary Shares of 50k each
- 4. Method of Offer:** Offer for subscription
- 5. Minimum Subscription:** Minimum of 1,000 Ordinary Shares and multiples of 500 Ordinary Shares thereafter
- 6. Offer Price:** ₦0.51 kobo per share
- 7. Offer Size:** ₦1,700,000,000
- 8. Market Capitalization at Offer Price (Pre Offer):** ₦5,778,163,526
- 9. Market Capitalization at Offer Price (Post-Offer):** ₦9,278,163,526.38 (inclusive of 3,600,000,000 Ordinary Shares of 50 kobo each at ₦0.50 kobo per share to be offered by way of Rights)
- 10. Payment:** In full on application
- 11. Purpose of the Offer:** The primary purpose of the Offer is to enable Resort Savings meet the minimum capital requirements of the Central Bank of Nigeria to enable it continue to operate as a National PMB.
- 12. Use of Proceeds:** The Bank is expected to raise ₦3,500,000,000 via the issuance of 6,933,333,334 new shares made up of Initial Public Offer for Subscription of 3,333,333,334 Ordinary Shares and Rights Issue of 3,600,000,000 Ordinary Shares of 50 kobo each at ₦0.51 kobo and ₦0.50 kobo per share respectively.

The net proceeds of the Offer shall be used to meet the CBN's minimum requirement for the Bank to carry on business as a national PMB. Funds raised shall also be deployed towards the implementation of the Bank's strategic expansion plan, upgrade of its ICT Facility and also to meet its Working Capital requirements. The

## SUMMARY OF OFFER

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net proceeds of ₦3,389,995,100 after deducting the estimated cost of Offer of ₦110,004,900 (representing 3.14% of gross proceeds) would be utilised as set out in the table below:

Items	₦	%	Estimated Completion Period
Upgrade of ICT infrastructures	125,000,000	3.69%	12 months
Branch expansion (Aba, Kano, Ilorin, Ibadan, Kaduna and Owerri)	120,000,000	3.54%	12 months
Acquisition of head office building (Ikeja)	400,000,000	11.80%	24 months
Investments in Mortgage Refinancing Company	200,000,000	5.90%	24 months
Working capital	2,544,995,100	75.07%	Continuous
<b>Total</b>	<b>3,389,995,100</b>	<b>100%</b>	

**13. Opening Date:**

TBD

**14. Closing Date:**

TBD

**15. Status:**

The shares being issued shall rank pari passu in all respects with the existing Ordinary Shares of the Bank.

**16. Quotation:**

An application has been made to the Council of the Nigerian Stock Exchange for the admission to its Daily Official List of the entire 3,333,333,334 Ordinary Shares being offered for subscription.

**17. Indebtedness:**

As at September 30, 2012 the Bank had no outstanding debentures, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business.

**18. Claims and Litigations:**

Resort Savings in the ordinary course of business is currently involved in Twenty four (24) cases. The total amount claimed in the Three (3) cases instituted against the Bank is estimated at ₦111,386,014.07; while the total amount claimed in Sixteen (16) cases instituted by the Bank is ₦2,388,131,633.57. Amongst the 24 cases, there is One (1) criminal matter involving a former staff of the Bank, Two (2) cases on injunction, One (1) Trespass and One (1) in which the Bank is seeking to join as an interested party. Cases yet to be filed are not included in this summary.

## SUMMARY OF OFFER

In summary, the Joint Solicitors to the Offer are of the opinion that the contingent liability that may arise from the cases pending against the Bank should not exceed approximately ₦7,000,000 and would not materially impact the proposed Hybrid Offer.

The Directors are also of the opinion that the aforementioned cases are not likely to have any material adverse effect on the Bank and the proposed Hybrid Offer and are not aware of any other pending or contemplated claims or litigation against the Bank.

### 19. E-Allocation/Share Certificate:

The CSCS accounts of successful subscribers will be credited not later than 15 business days from the Allotment Date. Investors are thereby advised to state the name of their respective stockbrokers and their CHN in the relevant spaces on the Application Form. Share certificates will be dispatched by post not later than 15 business days from the Allotment Date to investors who do not provide their CSCS account details.

### 20 Financial Summary:

(Extracted from the Reporting Accountants Report)

<b>Year Ending December 31</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>Gross Earnings</b>	3,827,142	5,344,422	13,562,111
<b>Profit Before Tax</b>	1,342,338	3,291,945	9,778,191
<b>Profit After Tax</b>	939,637	2,304,361	6,844,734
<b>Proposed Dividend</b>	-	549,891	1,374,72
<b>Forecasted EPS kobo</b>	0.05	0.13	0.25
<b>Forecasted DPS kobo</b>	-	0.03	0.15
<b>Forecasted Dividend Yield (%)</b>	-	5.88	9.80
<b>Forecasted Price to Earnings (x)</b>	9.95	4.06	2.05

Calculation of forecast earnings and dividend per share for the three (3) years ending December 31, 2013, 2014 and 2015 are based on 18,329,732,000, 18,329,732,000 and 27,494,598,000 ordinary shares of 50Kobo each respectively.

### 3. DIRECTORS AND OTHER PARTIES TO THE OFFER

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<b>Chairman:</b>	<b>Chief Francis Babatunde Adefarati</b> 2, Amusa Oloyede Street Ikeja Lagos
<b>Managing Director:</b>	<b>Mr. Abimbola Olayinka</b> 11, Emmanuel Disu Street River Valley Ojodu Lagos
<b>Non-Executive Directors:</b>	<b>Barrister Joseph Obioha Jidefor Chukwuocha</b> 4, Osuji Close Afromedia Ojo Lagos
	<b>Senator Sunday Olawale Fajinmi</b> 68B, Surulere Way Dolphin Estate Ikoyi Lagos
	<b>Dr. Nosike Agokei</b> 141A, Eti Osa Street Dolphin Estate Ikoyi Lagos
	<b>Mr. Danladi Tijo Baido</b> 21, Misau Crescent Garki 2 Abuja
	<b>Arc. Usman Karaye Umaru</b> 18, Samora Machel Street Off Yakubu Gowon Crescent Abuja
<b>Company Secretary:</b>	<b>LPC Solicitors</b> 9, Oyo Close Off Niger Street Parkview Estate Ikoyi Lagos
<b>Financial Adviser/Issuing House:</b>	<b>Greenwich Trust Limited</b> Plot 1698A, Oyin Jolayemi Street Victoria Island Lagos

## **DIRECTORS AND OTHER PARTIES TO THE OFFER**

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**Lead Solicitor to The Offer:**

**George Ikoli & Okagbue**  
864B, Bishop Aboyade Cole Street  
Victoria Island  
Lagos

**Joint Solicitor to The Offer:**

**Amaechi & Amaechi**  
No. 9, Fadeyi Aladura Street  
Off Awolowo Way  
Ikeja  
Lagos

**Solicitor to The Bank:**

**LPC Solicitors**  
9, Oyo Close  
Off Niger Street  
Parkview Estate  
Ikoyi  
Lagos

**Auditors to The Bank:**

**Spiropoulos, Adiele, Okpara & Co.  
(Chartered Accountants)**  
Nigerian Correspondent Firm of Grant  
Thornton  
3<sup>rd</sup> & 4<sup>th</sup> Floor  
294, Herbert Macaulay Way  
Sabo, Yaba  
Lagos

**Registrars:**

**Africa Prudential Registrars Plc**  
220B, Ikorodu Road  
Palmgroove  
Lagos

**Reporting Accountant:**

**Balogun Badejo & Co.**  
24, Ilupeju Bye-Pass  
Ilupeju  
Lagos

**Lead Stockbroker:**

**Greenwich Securities Limited**  
Plot 1698A, Oyin Jolayemi Street  
Victoria Island  
Lagos

**Joint Stockbrokers:**

**Capital Assets Limited**  
Bookshop House (8th & 9th Floor)  
50/52, Broad Street  
Lagos

## **DIRECTORS AND OTHER PARTIES TO THE OFFER**

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### **Dunbell Securities Limited**

Plot 7, Block B4, Dele Onabule Street  
Magodo Brooks Estate  
North Gate  
Magodo, Shangisha  
Lagos

### **Dunn Loren Merrifield Securities Limited**

10<sup>th</sup> Floor Elephant House  
214 Broad Street  
Lagos

### **Imperial Asset Managers Limited**

327B, Corporation Drive  
Dolphin Estate, Ikoyi  
Lagos

### **Resort Securities & Trust Limited**

14<sup>th</sup> Floor, St. Nicholas House  
6, Catholic Mission Street  
Lagos

### **Trust Yields Securities Limited**

1<sup>st</sup> Floor, A.G Leventis Building  
42/43, Marina  
Lagos

### **Receiving Banks:**

### **Keystone Bank Limited**

Keystone Bank Crescent  
Off Adeyemo Alakija Street  
Victoria Island  
Lagos

### **Zenith Bank Plc**

Plot 84, Ajoye Adeogun Street  
Victoria Island  
Lagos

#### 4. CHAIRMAN'S LETTER

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The following is the text of a letter received by Greenwich Trust Limited from Chief Francis Babatunde Adefarati, Chairman, Board of Directors of Resort Savings & Loans Plc.



**RESORT SAVINGS & LOANS PLC**  
*MORTGAGE BANKERS*

RC:198901

5th Floor,  
St Nicholas House  
6, Catholic Mission Street Lagos  
Phone:01-4622081, 4622082  
Fax 4622081, 4622083.  
E-mail: resort@resortng.com  
Website: www.resortng.com

January 31, 2013

**The Directors**

**Greenwich Trust Limited**

Plot 1698A, Oyin Jolayemi Street  
Victoria Island  
Lagos

Dear Sirs,

**INITIAL PUBLIC OFFER OF 3,333,333,334 ORDINARY SHARES OF 50 KOBO EACH AT ₦0.51 KOBO PER SHARE BY RESORT SAVINGS & LOANS PLC**

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On behalf of the Board of Directors of Resort Savings, I am pleased to provide the following information relating to the Initial Public Offer for Subscription of 3,333,333,334 Ordinary Shares of 50 Kobo each at ₦0.51 kobo per share.

**4.1 HISTORY OF THE BANK**

Resort Savings & Loans Plc is duly licensed to carry on mortgage banking business and has operated for over nineteen years, having commenced business on November 29, 1993, and grown steadily in achievements, acceptability and reputation. These formative years have been used to lay a very solid foundation for business development with great emphasis on building public confidence and acceptability.

The Bank converted into a Public Limited Liability Company in 2008 subsequent to a successful Private Placement exercise where the Bank raised the sum of ₦5.3billion. On November 23, 2009, Resort Savings listed its shares on the Floor of The Nigerian Stock Exchange (NSE) by way of Introduction.

## CHAIRMAN'S LETTER

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### 4.2 MISSION & VISION STATEMENT

The Bank is focused on '**Rendering seamless mortgage banking services that ensure customer satisfaction and impressive return to stakeholders in a technology driven environment**'.

The Bank's Vision is to be '**A leading and reputable Mortgage Banking services provider**'. In order to deliver on its vision statement, the Bank intends to abide by the tenets of its Core Values:

<i>P</i>	-	<i>Professionalism</i>
<i>R</i>	-	<i>Responsiveness</i>
<i>I</i>	-	<i>Integrity</i>
<i>T</i>	-	<i>Team Spirit</i>
<i>E</i>	-	<i>Excellence</i>

### 4.3 SERVICES

Statutorily, the Bank is permitted to receive deposits and maintain accounts for its customers for the purpose of providing service, creating mortgage assets and other credit facilities.

The Bank also renders the following services:

- **Mortgage Services:** Resort Savings has been actively involved in the provision of retail mortgage banking services to variety of customers to own their own houses. Resort Savings is actively involved in the National Housing Fund loan disbursement and the monthly NHF remittance collection.
- **Leasing and Credit Facilities:** The Bank provides leasing and credit facilities to Small & Medium Scale Enterprises and High Net-worth Individuals (HNIs) to aid the growth of their businesses and furnishing of their houses.
- **Property Acquisition Management:** The Bank acts as an intermediary between sellers and buyers wishing to consummate transactions in the acquisition of Real Estate properties by offering financial advisory and management services for properties.
- **Fund Management:** The Bank is also engaged in the provision of liability management through its product range. Some of these include Resort Insurance-Linked Mortgage Fund (RILMFUND), Resort Asset and Liquidity Jewel, Current Account, Savings and Tenor Deposits.

### 4.4 PRODUCTS

The Bank currently provides various products tailored to suit customers' needs and goals. Some of these products are listed below:

- Resort Flexi-Draw Account
- Kiddies Savings
- Resort Savings & Loans Debit Card (Functions through Interswitch)
- RIMPLAN (*Resort Investment and Mortgage Plan*)
- REDACOS (*Resort Daily Contribution Scheme*)
- REMOCOS (*Resort Monthly Contribution Scheme*)

## CHAIRMAN'S LETTER

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- Resort Home Ownership Account
- Resort Lease with Ease
- Resort Asset and Liquidity Jewel (Real-Jewel)

### 4.5 THE OFFER

At the Annual General Meeting of Resort Savings & Loans Plc duly convened and held on November 1, 2012, Shareholders authorized the Directors to raise additional capital up to ₦3,500,000,000.

Consequently, the Board of Directors via a Board Resolution dated January 16, 2013 decided to raise the additional capital via a Rights Issue and an Initial Public Offering of ₦1,800,000,000 and ₦1,700,000,000 respectively.

### 4.6 BOARD OF DIRECTORS

The general policy of the Bank is determined by a Board of Seven (7) Directors who are experienced professionals and are highly entrepreneurial and I Chief Francis Babatunde Adefarati am the Chairman of the Board.

#### **CHIEF FRANCIS BABATUNDE ADEFARATI- *Chairman***

I obtained a bachelor's degree from the Chemistry Department of the University of Lagos in 1971.

I am a fellow of the Royal Society of Chemistry (FRSC) London (1973) and also a member of the Building Research Institute of Nigeria (1982). I currently serve as the Managing Director of Falcon Chemicals Nigeria Limited and Executive Chairman of Falcon Oil and Gas Flare Solution Limited.

I have held various positions such as immediate past Vice President of the Chemical Society of Nigeria (2005), former Chairman of the Multidisciplinary Task Force of Raw Materials Research and Development Council (RMRDC) in 1991 and a former member of the Ondo State Economic Advisory Council from 2000 to 2003. I was also the past Assistant Governor of Rotary International Club district 910 from 2000 to 2003.

#### **ABIMBOLA OLAYINKA- *Managing Director/CEO***

Abimbola Olayinka holds a B.Sc in Mathematics (1987), a Post Graduate Diploma in Computer Science (1987) and an M.Sc in Computer Science (2001) from the University of Lagos, Akoka.

He started his working career as a student supervisor in the Federal University of Technology, Akure (1987 to 1988). He later moved on to A.B.A Data Nigeria Limited where he worked as an Engineer (1989 to 1990). He became an Assistant Manager in Chartered Bank Plc in 1990. In 1994, he moved on to the position of Assistant General Manager Safetrust Savings & Loans Limited. In 2004, he was the General Manager/CEO of Oasis Savings & Loans Limited (PMB) before joining Resort Savings & Loans Plc in 2007.

Abimbola Olayinka is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA) and an Associate Member of the Chartered Institute of Taxation (CITN). He is also a fellow of the Nigeria Computer Society (FNCS) and serves on the National Executive Council of the

## **CHAIRMAN'S LETTER**

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Society. In addition, he is a member of the Nigerian Computer Professionals of Nigeria (MCPN) and serves on the Council of Chartered Institute of Bankers of Nigeria (CIBN).

### **BARRISTER JOSEPH OBIOHA JIDEOFOR CHUKWUOCHA– Director**

Jidefor Obioha Joseph Chukwuocha holds an LL.B (Hons) degree from the University of Nigeria Nsukka (1986) and was called to the Nigerian Bar in 1987. He is a Solicitor and Advocate of the Supreme Court of Nigeria.

He started his legal career with A.C. Mathews & Co. in 1989 before establishing his Chambers J.O.J Chukwuocha & Co. in 1992 where he serves as the Principal Partner till date. He provides legal and consultancy services to reputable organizations such as Et-Zale Security Company, Ready Technologies Limited and Queens Image Formations Consult. He is presently the External Solicitor to First Bank of Nigeria Plc.

He served on the Board of the International Humanitarian Initiatives (IHI) from 1999 to 2003. He is a Director in Save Earth Project Magazine and the coordinator, Youths for Change in Nigeria.

### **SENATOR SUNDAY OLAWALE FAJINMI- Director**

Senator Fajinmi obtained a Higher National Diploma (HND) in Marketing from Teesside University, Middlesbrough, United Kingdom (1978). He also obtained a Diploma in Marketing (1979) from the Centre for Marketing & Management Studies London, United Kingdom.

He commenced his career at the Lagos State Governor's Office as a Clerk in 1972 and moved on to Nigeria Airways Limited in 1974. He later joined Tandy Corporation Limited, United Kingdom as a Trainee and rose to the position of Area Manger Radio Shack (Tandy Corporation) in USA from 1978-1979 and 1979-1980, respectively. He was later employed as a Marketing Executive by International Computers Limited (Kenya) between 1981 and 1982 and held the same position in International Computers Limited (Nigeria) from 1982 to 1983. He incorporated Sofaj Enterprise Nigeria Limited, Senil Computers Nigeria Limited, Senil Power Protection System Limited where he was the Managing Director between 1983 and 1998.

He is an entrepreneur and was elected as a Senator of the Federal Republic of Nigeria in 1998 and 1999. He is a member of the Chartered Institute of Marketing, United Kingdom, a fellow of the Nigeria Computer Society (NCS), a member of the British Institute of Management, the Chartered Institute of Marketing, United Kingdom and the Nigerian Institute of Management.

### **DR. NOSIKE AGOKEI- Director**

Dr. Agokei obtained his B.Sc in Economics from the University of Ibadan in 1983, an LL B Degree in Law from the University of Lagos in 2000 and was called to the Bar in 2002. He later obtained his M.sc in Economics from Enugu State University of Science & Technology (ESUT) in 2002 and a Doctorate Degree from St. Clements University British West Indies in 2007.

## **CHAIRMAN'S LETTER**

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He commenced his career as a Management Trainee in Inderes & Devcom Associates Limited and then moved on to work as a Manager/Store Analyst in AG Leventis Nigeria Plc between 1986 and 1987. He was the Merchandise Manager at Domino Stores Limited from 1987 to 1990. He later joined Nigerian Breweries Plc as an Assistant Manager from 1990 to 1993. Between 1993 and 1994, he held the position of Assistant Manager/Analyst in City Securities Limited. In 1994, Dr. Agokei moved to John Holt Plc where he held various positions such as Assistant Company Secretary, Deputy General Manger, General Manger, Senior Executive/Legal Adviser, Group Executive Director, Legal & Corporate Communications/ Development, Deputy Managing Director (Nigeria Group) and eventually became the Managing Director in 2009. He resigned in 2010 to establish the Law Firm of Agokei & Co where he was the Managing Partner from 2010 to 2011. He is currently the Group Managing Director of Mass Telecom Innovation Plc.

Dr. Agokei is a fellow of the Institute of Chartered Accountants of Nigeria (FCA) 1996; the Institute of Chartered Secretaries & Administrators of London, United Kingdom (FCIS) 1991; Chartered Institute of Taxation (ACTI), 2003 and Chartered Institute of Arbitrators, UK (MCiarb) 2010. He currently sits on the Board of Egboosi Investment Limited (2004), Emerging Capital Limited (2009) and Global Mckevs Limited (2010).

### **DANLADI TIJO BAIDO- Director**

Mr. Tijo holds a B.Sc degree in Public Administration (2005) from Ambrose Alli University, Ekpoma, Edo State. He also holds an Advanced Diploma in Applied Psychology which he obtained in 2001 from the University of Jos. He is a Fellow of the Institute of Trustees, Nigeria.

Mr. Tijo was the Personal Assistant to Governor Jolly Nyame of Taraba State in 1993 and was later appointed as the Commissioner for Finance for Taraba State in 2007. Currently, he is actively engaged in properties development, syndication and management within the Real Estate Sector of Nigeria.

### **ARC. USMAN KARAYE UMARU- Director**

Arc. Karaye holds a Preliminary Chemical Engineering Diploma from the University of Lagos (1977) and a Master of Science in Architecture from the State Academy of Construction & Architecture, Odessa, USSR (1983). He also obtained an Executive MBA from Lagos Business School (1998) and an M.Sc in Project Management from the University of Reading, Reading, UK (2008). Arc. Karaye is also a fellow of the Institute of Architects Nigeria and Architects Registration Council.

Arc. Umaru started his career as a Chief Architect in the State House Annex (NSO), Abuja from 1984 to 1989. He later joined Ultimate Design Consortium Limited as Principal Partner between 1990 and 1995. In 1995, he became the President/Chief Executive Officer (CEO) of Design & Build Limited, a position he holds till date. His most notable achievement was the design of the National Assembly Complex in Abuja.

## **CHAIRMAN'S LETTER**

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He was a Non-executive Director of FinBank Plc from 2009 to 2011 and the Board Chairman, of FinHomes from 2010 to 2011. In 2003 and 2004, respectively he was appointed a Non-executive Director in Songhai Health Trust Limited and Board Chairman, Travels & Tour Limited. He still serves on the Board of these companies still date.

## **MANAGEMENT TEAM**

### **MRS. OLAJUMOKE FASHANU– *General Manager, Business Development***

Mrs. Fashanu holds a Higher National Diploma in Accountancy (1986) from Ibadan Polytechnic.

Prior to joining Resort Savings in 2005, she was an Assistant Accountant at Glaxo Nigeria Plc. She later joined Lyntraco Sewden Nigeria Limited where she held the position of Assistant General Manager between 1988 and 1992. In 1992, she joined Jumosec Nigeria Limited as a General Manager from November 1992 to December 1994. In March 1995, she acted as the Chief Accountant of Leaders & Company Limited up until March 1996.

Mrs. Fashanu was the Assistant General Manager (Finance & Administration) at True Tales Publications Limited from April 1996 to April 1998 and Director of Hotel & Restaurants, Atfac Production from 1998 to 2002. She was the Financial/Administration Controller at Talk World Limited from February 2002 to May 2004 and Audit Senior Olumuyiwa Odeniyi & Co from June 2004 to June 2005.

She is a fellow member of the Institute of Chartered Accountants of Nigeria (1992) with over 16 years experience in Finance and Business Development.

### **OLAYEMI RABIU– *Assistant General Manager, Banking Operations.***

Olayemi is a graduate of Banking & Finance from the University of Lagos, Akoka, Lagos (1991). He started his professional career as an Audit Trainee at A. O. Popoola & Co. (Chartered Accountants) in 1988. In 1992, he joined Goldfinger Investment Group as a General Manager till 2000. He held the same position in Ruthstar Limited from January 2001 to June 2003 before joining Oasis Savings & Loans Limited (Mortgage Bankers) as Head of Finance & Administration from July 2003 to March 2008. He Joined Resort Savings in 2008 as a Senior Manager.

Mr. Rabiu is a fellow of the Institute of Chartered Accountant of Nigeria (ICAN) 1992, and an Associate of the Chartered Institute of Taxation (ACIT) 2005.

### **ALIU OSHOKE– *Divisional Head, Northern Region***

Mr. Oshoke holds a Higher National Diploma in Business Administration & Management from the Federal Polytechnic Oko, Anambra State (1998). He also obtained a Diploma in Data Processing from the University of Lagos, Akoka in 1992.

## **CHAIRMAN'S LETTER**

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Prior to joining Resort Savings & Loans Plc in 2005, he was an employee of the All States Trust Bank Plc where he served in various capacities in both operations and ICT for 14 years.

### **JOSEPH JIBUNOH- Head, Legal & Personnel**

Joseph Jibunoh obtained his law degree from the University of Lagos in 1996 and was called to the Bar in 1998. He is a versatile corporate Counsel with over 14 years experience in diverse sectors of the financial industry. He is an Associate of the Chartered Institute of Arbitrators, Nigeria.

Prior to joining Resort Savings & Loans Plc in 2007, he worked with the law firm of Usman & Elema from January 1999 to September 2000. He was an Assistant Banking Officer at Center Point Bank Plc and later became the Managing Partner at Walter Scott Associates (Investment Solicitors) between August 2003 and March 2004. He held the position of Group Legal Adviser in Standard Alliance Group between April 2004 and March 2006.

### **KOLA ADESINA- Head, Internal Control and Audit**

Mr. Adesina holds a Bachelor of Science (B.Sc) Degree in Accounting from the University of Lagos (1998). He is an Associate Member of the Institute of Chartered Accountants of Nigeria (2005) with over 14 years post qualification experience in general commerce, Finance, Audit & Investigations.

He worked with Bisi Agboola & Co (Chartered Accountants) in 2005 and Livestock Feeds Plc as an Internal Auditor in 2007. He later moved on to Omega Savings & Loans Limited as the Company Secretary/Chief Compliance Officer before joining Resort Savings & Loans Plc in 2010.

### **SALAMI SHEHU TIJANI- Head, Risk Management and Debt Recovery**

Mr. Tijani is a graduate of Political Science from Bayero University, Kano (1992). He also holds a Masters Degree in Business Administration from the University of Ilorin (2008).

He started his banking career with Trade Bank Limited where he worked between 1996 and 2003. He was appointed as Head of the Credit Department of Safetrust Mortgage Bank Limited in 2003. Prior to joining Resort Savings, Mr. Tijani was the head of the Corporate Banking Group in Oceanic Bank Plc (now Ecobank) from 2006 to 2009.

### **MRS. VICTORY OLUMUYIWA- Head of Investment & Treasury**

Mrs. Olumuyiwa is a graduate of Accountancy from Yaba College of Technology (2002).

She worked as an Accounts Officer in Ibusi Olu Nigeria Limited between May 1997 and October 1999. She was the Senior Accounts Officer and Head of Internal Control/Finance Director in Saakod Hotels International from November 1999 to August 2003. In 2003, she acted as the Bookshop Audit Staff and Accounts Teacher in Blessed Children International School, Umunede, Delta State up until 2004. She later held the position of Business Manager in Sumoni Resources Enterprise from September 2004 to February 2010 prior to

## **CHAIRMAN'S LETTER**

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joining Resort Savings. She was the Business Development Manager, Lekki Branch before her recent promotion as the Head of Investment & Treasury.

She is an Associate member of the Institute of Chartered Accountants Nigeria (ICAN) 2000.

### **ABIODUN FAROJOYE– Business Development Manager, Port Harcourt Branch**

Mr. Farojoye holds a Bachelors and a Masters degree both in Economics from the University of Ado-Ekiti (2001) and University of Lagos, Akoka (2008) respectively.

Abiodun served in various departments in Oasis Savings & Loans Limited such as banking operations, credit administration/treasury and investment between 2003 and 2008. He joined Resort Savings in February 2008. He is currently the Business Manager of Resort Savings, Port Harcourt Branch.

He has over nine years banking experience which cuts across Corporate and Retail Banking, Risk Management, Treasury/Money Market Operations and Capital Market Operations.

### **OLUYEMI POPOOLA– Business Development Manager, Head Office**

Mr. Popoola obtained his first degree in Humanities from Ondo State University (now Ekiti State University) in 1991 and an MBA from Ambrose Alli University, Ekpoma in 2000.

Mr. Popoola has held various designations as a Branch Executive, Operations Manager and Head, Business Development in Omega Bank (now Spring Bank) between 2000 and 2008 prior to joining Resort Savings. He has at various times in Resort Savings served as Business Development Manager at various branches such as Ikeja, Lekki and most recently Boyle Street Branch of the Bank.

### **BRIDGET OMARI AGI- Business Development Manager, Garki Branch**

Bridget Agi is a graduate of Business Administration from Enugu State University of Technology (ESUT), Enugu (1997). She also obtained a Master of Business Administration from the University of Calabar in 2006.

She commenced her working career at All States Trust Bank as a Relationship Manager from 2001 to 2006. She was at various times the Head of Corporate Banking and Marketing at Oceanic Bank Plc (now Ecobank Plc) between 2006 and 2012 before joining Resort Savings.

### **ANGELA OKERE– Business Manager, Lekki Branch**

Mrs. Okere holds a Higher National Diploma in Business Management from the Lagos State Polytechnic (2003) and a Master's Degree in Business Administration which she obtained in 2009 from the University of Calabar.

## CHAIRMAN'S LETTER

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She worked as a Customer Service Officer in Bank PHB Plc (now Keystone Bank) between February 2005 and March 2007 and a Relationship Officer from March 2007 to March 2011. She Joined Resort Savings in 2011.

### **JEFF EJEMAI– Business Manager, Ikeja Branch**

Jeff Ejamai is a graduate of International Studies and Diplomacy from Ambrose Alli University, 2001.

He worked as a Marketing Executive in Hallmark Assurance Plc from 2003 to 2006 and a Senior Marketing Executive in Assets Resources Pension Managers (Kano/Jigawa) from 2006 to 2008. He held the positions of Business Development/Credit Officer and Branch Business Head in Omega Savings and Loans Limited between June 2008 and April 2008 before joining Resort Savings in 2009.

### **AKWARANDU ODICHINMA IKECHUKWU– Ag. Business Manager, Jabi Branch**

Mr. Ikechukwu is a graduate of Business Management from the University of Calabar, Cross River State (2002).

He commenced his career with Petrofaith Communication Limited in 2005. He moved on to Post Service Homes (Savings & Loans) Limited in 2007 where he gained experience in mortgage banking operations and internal control. He joined Resort Savings in 2009 and is presently the Manager in Jabi Branch of the Bank.

## PREMISES

Resort Savings & Loans Plc currently operates from its Corporate Head Office on the 5th Floor, St Nicholas House, 6, Catholic Mission Street Lagos and has 13 operational branches approved by the CBN. Details of the Bank's premises are provided below:

S/N	Branch/Cash Office	Address	State	Status
1.	Yola	10, Galadima Aminu Way, (Bank Street) Jimeta	Adamawa	Leasehold
2.	Ado-Ekiti	72, Secretariat Road, Ado-Ekiti	Ekiti	Leasehold
3.	Garki Branch	Block B, Murg Shopping Mall 1, Awka street, Area 10, Garki.	Abuja	Leasehold
4.	Jabi	CITEC International Estate, Mount Pleasant, Mbora district, Jabi / Airport By-Pass, Jabi	Abuja	Freehold
5.	Boyle	RESORT House 12, Boyle Street, Onikan	Lagos	Freehold
6.	Dolphin Branch	Dolphin Plaza, Suite D9, Dolphin Estate, Ikoyi	Lagos	Freehold

## CHAIRMAN'S LETTER

S/N	Branch/Cash Office	Address	State	Status
7.	Dopemu	1 & 2, Ojuodo Lane, Ifelodun, Aluminum Village	Lagos	Freehold
8.	Lekki	Bakky Plaza Along Epe-Lekki Expressway By Osapa London Bus Stop Agungi	Lagos	Leasehold
9.	Mushin	258, Agege motor Road Ojuwoye Mushin	Lagos	Leasehold
10.	Abeokuta	Cultural Village, Obasanjo Presidential Library, Oke- Mosan, Abeokuta	Ogun	Leasehold
11.	Ikeja	25, Olowu Street, Ikeja	Lagos	Leasehold
12.	Port Harcourt	VICON House 80, Stadium Road, Port Harcourt	Rivers	Leasehold
13.	Jalingo	Priscilla Nyame Estate, Garden City; Mile 6, Jalingo	Taraba	Freehold

### 4.7 THE NIGERIAN ECONOMIC UPDATE

Global economic uncertainties eased in 2012, as the possibility of a break-up of the Eurozone diminished due to implementation of fiscal measures which were aimed at restoring investors' confidence in the region by the European Central Bank (ECB) and Governments of pivotal members such as Germany. Though the economic recovery remained weak in the European region through 2012, strong gains were recorded on most commodity prices, especially in Q1'12 and Q3'12, as global demand heightened within these periods.

However, despite the on-going dispute between the West and the Iranian Government, coupled with the political unrest in Syria, Oil prices declined in 2012. The decline may be linked to a reduced global demand for Oil, as well as increased supply from major exporting countries like Saudi Arabia.

On the domestic scene, the Nigerian economy was not insulated from the global gloom, as GDP declined to 6.48% in Q3'12, compared to a growth rate of 7.40% posted in the same period of 2011 (Q3'11). Inflationary pressures also worsened in 2012, as Year-on-Year (YOY) head line inflation figures rose from 10.50% in November 2011 to 12.30% in November 2012.

The domestic economy has mainly been affected by the volatility of global non-oil commodity prices, political insecurity and the recent flooding in some parts of the country. This was compounded by the uncertainties surrounding the Petroleum Industrial Bill (PIB), which has stalled trillions of Naira worth of investment in the Oil and Gas sector, coupled with the comatose state of power and infrastructure, amongst others. Despite the various

## CHAIRMAN'S LETTER

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global and domestic economic challenges, Nigeria's financial markets remained resilient in 2012 as the NSE and the Nigerian Bond markets performed remarkably. The NSE recorded an impressive growth in 2012 when compared to the previous year. The All-Share Index reversed from the 16.31% decline recorded in 2011 to post a significant gain of 35.45% and crossing the 28,000 mark on the last trading day of 2012.

Similarly, Market Capitalization rose from ₦6.53 trillion in 2011 to ₦8.97 trillion in 2012, representing a 37.38% growth when compared to the 17.45% decline posted in 2011. Total volume of shares traded increased by 2.35%, from 90.35 million shares in 2011, to 93.08 million shares in 2012, just as the value of deals appreciated by 3.06% from ₦640.76billion to ₦660.34billion in 2012. In contrast to the gains posted by most of the market indicators, the total number of deals traded decreased by 22.25% in 2012, from 1.26 million deals in 2011, to 977,000 deals executed in 2012.

Demand pressure in the Nigerian forex market reduced at the end of 2012 when compared to the preceding year. The total amount sold at the Wholesale Dutch Auction System (WDAS) decreased from \$29.30billion in 2011 to \$19.54 billion in 2012, representing a 33.08% decrease. The recorded decline in the total amount of dollars sold may be linked to the reduced demand for the dollar by Oil marketers as a result of the fuel subsidy removal experienced in the early stages of 2012, coupled with the implementation of tighter policies to curb speculative activities of commercial banks.

It is anticipated that a positive trend will continue in 2013 on the heels of stable crude oil prices and favourable economic policies<sup>1</sup>.

### **4.8 THE NIGERIAN HOUSING SECTOR**

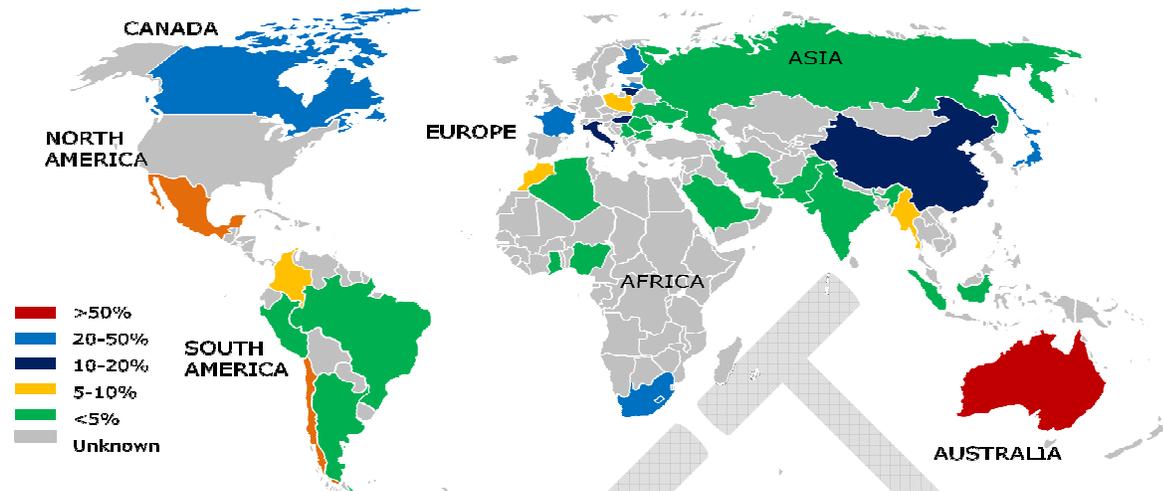
Prior to the subprime mortgage crisis, contribution of the housing sector to the Gross Domestic Product of most developed economies averaged between 30% and 70%. The illustration below shows the state of current mortgage debt as a percentage of GDP of some developed economies:

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<sup>1</sup> Greenwich Research Publication (December 31, 2012)

## CHAIRMAN'S LETTER

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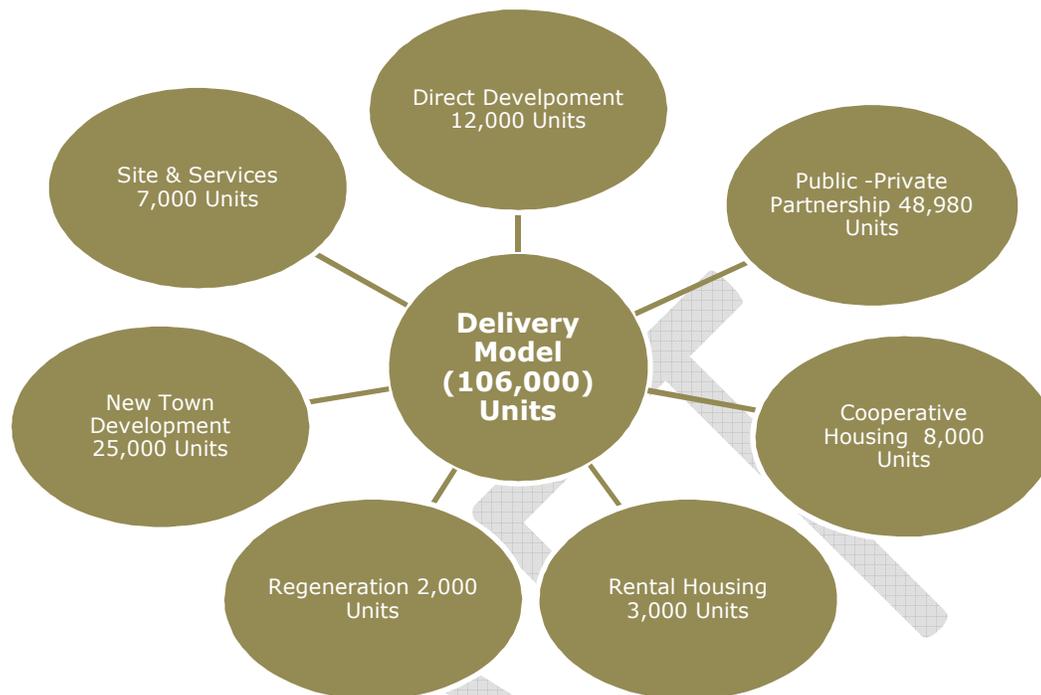
**Source:** Lehman Brothers; European Mortgage Federation; Merrill Lynch; World Bank; Bureau of Economic Analysis; IMF; IUHF; Housing Finance; Unicorn Investment Bank

Home ownership by Nigerians through mortgage financing is still at its infancy as this is less than 25% while the percentage of mortgage debt to the Gross Domestic Product (GDP) of most countries in Sub-Saharan Africa is less than 5%.

In Nigeria, it is estimated that eighty-five percent (85%) of the urban population spend more than 40% of their income on rented accommodation. Apparently, ninety percent (90%) of residential blocks are self-built owing largely to low availability of domestic mortgage finance.

According to reports from the Mortgage Banking Association of Nigeria (MBAN), a total of 35,609 housing units have been constructed by the Federal Housing Authority (FHA) between 1973 and 2006. It is estimated that Nigeria has a housing deficiency of 17 million units which will require about ₦59.6 trillion at ₦3.51 million per house.

In 2009, the Federal Housing Authority (FHA) formulated a four year plan (2009-2013) to reduce the housing deficiency with a plan to construct 106,000 housing units through the delivery model illustrated below:



**Source:** Federal Housing Authority

### The Nigerian Housing Policy

The National Housing Policy enacted in 1991 was formulated to ensure that Nigerians own or have access to decent housing, at affordable cost. In order to achieve this goal, the Federal Government of Nigeria (FGN) seeks to pursue the following policy objectives:

- To facilitate the mobilization of funds for provision of houses for Nigerians at affordable prices.
- To ensure the constant supply of loans to Nigerians for the purpose of building, purchasing and improvement of residential houses.
- To provide incentives for the capital market to invest in property development.
- To encourage the development of specific programmes that would ensure effective financing of housing development in particular for low income workers.
- To provide proper policy control over the allocation of resources and funds between the housing sector and other sectors of the Nigeria economy; and
- To provide long term loan to mortgage institutions for on-lending to contributors to the fund.

### 4.9 REGULATORY ENVIRONMENT

#### The Central Bank of Nigeria

The Central Bank of Nigeria (CBN) is charged with the responsibility of administering the Banks and Other Financial Institutions (BOFI) Act (1991) with the sole aim of ensuring high standards of banking practice and financial stability through its surveillance activities, as well as the promotion of an efficient payment system.

The revised guidelines released by the Other Financial Institutions Department (OFID) of the Central Bank of Nigeria (CBN) falls in line with the proposed housing/mortgage finance reform agenda, which entails:

- Strengthening participants of the Mortgage Sector - PMBs;
- Develop the institutional framework;
- Develop the secondary mortgage market through adequate capitalization of PMBs;
- Standardization of mortgage underwriting;
- Promoting Mortgage Insurance; and
- Establishment of a Mortgage Liquidity Facility.

#### Federal Mortgage Bank of Nigeria

The Federal Mortgage Bank of Nigeria (FMBN) was established 1977, with the inheritance of the assets and liabilities of the Nigerian Building Society (NBS) to serve as a wholesale and apex housing finance institution in Nigeria under Decree 7 of 1977.

The major responsibilities of the FMBN are:

- The provision of long-term credit facilities to mortgage institutions;
- Encouragement and promotion of development of mortgage institutions at state and national levels;
- Supervision and control of the activities of mortgage institutions;
- Mobilization of savings particularly through the National Housing Fund;
- The promotion of investment in the manufacturing of building materials; and
- The promotion of research on construction and mortgage finance.

## **CHAIRMAN'S LETTER**

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### **4.10 KEY SUCCESS FACTORS**

The items enumerated below are key success factors identified by key stakeholders and industry players at various functions organized to review the state of the Nigerian Mortgage sector:

#### **Long Term Funding:**

Lack of access to Mortgage Loan Facilities of appropriate tenure (long) is a major problem facing the Primary Mortgage Banks (PMBs).

In order to improve the liquidity situation, members of the MBAN have advocated for the establishment of Mortgage Liquidity Facility (MLF) Institution as a Special Purpose Vehicle (SPV) with the aim of providing the much needed long term funding for the Mortgage Banking/Housing Finance Sector.

#### **Legal and Regulatory Framework**

In order to strengthen Property/Security rights, a new framework was proposed at the Financial System Strategy 2020 International Conference:

- Deconstitutionalise the Land Use Act;
- Remove the requirement for governor's consent on land transactions in the Land Use Act;
- Remove the arrangements for foreclosure proceedings on real estate from general common law provisions;
- Establishment of specialized courts/tribunals that will fix the terms and timing of challenge/contestation of foreclosure;
- Commence the automation and eventual integration of all records and processes of Local, State and Federal Government land; and
- Reduction of statutory cost structure of all land transactions.

#### **Information Technology**

The full implementation of a computerized Land Registry Office at both the Federal and State level would reduce the process of documentation, verification of land ownership and improve research coverage of the industry. It will also assist in the secondary trading of Mortgage Backed instruments in an established Exchange platform.

#### **Product Innovation**

Product innovation is very important to the success and survival of the PMBs in creating a niche in a particular market segment through increased knowledge in the segment over time.

## CHAIRMAN'S LETTER

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### 4.11 PURPOSE OF THE OFFER AND USE OF PROCEEDS

The primary purpose of the Offer is to enable Resort Savings meet the minimum capital requirements of the Central Bank of Nigeria to enable it continue to operate as a National PMB.

The Bank is expected to raise ₦3,500,000,000 via the issuance of 6,933,333,334 new shares made up of Initial Public Offer for Subscription of 3,333,333,334 Ordinary Shares and Rights Issue of 3,600,000,000 Ordinary Shares of 50 kobo each at ₦0.51 kobo and ₦0.50 kobo per share respectively.

The net proceeds of the Offer shall be used to meet the CBN's minimum requirement for the Bank to continue to carry on business as a national PMB. Funds raised shall also be deployed towards the implementation of the Bank's strategic expansion plan, upgrade of its ICT Facility and also to meet its Working Capital requirements. The net proceeds of ₦3,389,995,100 after deducting the estimated cost of Offer of ₦110,004,900 (representing 3.14% of gross proceeds) would be utilised as set out in the table below:

Items	₦	%	Estimated Completion Period
Upgrade of ICT infrastructures	125,000,000	3.69%	12 months
Branch expansion (Aba, Kano, Ilorin, Ibadan, Kaduna and Owerri)	120,000,000	3.54%	12 months
Acquisition of head office building (Ikeja)	400,000,000	11.80%	24 months
Investments in Mortgage Refinancing Company	200,000,000	5.90%	24 months
Working capital	2,544,995,100	75.07%	Continuous
<b>Total</b>	<b>3,389,995,100</b>	<b>100%</b>	

### 4.12 RISKS AND MITIGANTS

Resort Savings is exposed to risks which may affect its operating results, financial position, stock price and operational environments, including and without limitation to the following.

#### License Retention Risk:

The increase in minimum capital base of PMBs to ₦2.5 Billion for Regional License and ₦5 Billion for National License pose a risk to industry operators not being able to meet the required minimum capital within the deadline stipulated by the CBN.

**Mitigating Factor:** Resort Savings proactively plans to achieve the new capital base by raising funds from existing Shareholders and new investors through a combination of a Rights Issue and an Initial Public Offering.

#### Sectoral Risk:

The post-consolidation incursion of mega banks into mortgage lending has brought unfair competition between banks that have access to larger funds than PMBs. This has led to lopsided pricing of mortgage assets resulting in considerable pressure on the operating margins of PMBs.

## CHAIRMAN'S LETTER

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**Mitigating Factor:** Resort Savings is however positioned to fully exploit emerging opportunities in the housing finance sector and other high growth potential sectors by optimizing its improved capital base.

**Political Risk:**

The operations of the Bank could be affected by the uncertainties that characterize the political climate in Nigeria, particularly around changes to the policies aimed at creating an enabling environment for PMBs.

**Mitigating Factor:** The adoption of civilian rule ushered in a period of sustained political stability. The objective of the current administration is to create policies that ensure stability and improvements in both the economic and political sectors.

**Economic Risk:**

The Operating environment in Nigeria is yet to stabilise as our economy is still heavily reliant on the oil sector.

**Mitigating Factor:** It is anticipated that on-going reforms in the financial sector will stimulate further economic growth and strengthen the financial capacity of current participants. This would in turn increase the contribution of the service sector to the nation's GDP.

**Environmental Risk:**

The effect of a major natural disaster or man-made accident could have disastrous effect on the physical assets of the Bank.

**Mitigating Factors:** Resort Savings operates in compliance with all applicable environmental standards. The Head Office and all branches have adequate safety devices to combat fire and other environmental threats that could arise in the ordinary course of business. Employees are also given safety tips to assist them in case of any emergency.

### 4.13 CORPORATE GOVERNANCE

At Resort Savings, compliance with the code of corporate governance is imperative. In view of this, there is a high level of observance of ethical standards in the Bank's operations and activities at all levels. The Board has committed substantial time and resources towards the development and implementation of Quality Policy, Code of Business Principles and a Code of Professional Responsibility for directors, managers and employees of the Bank.

**Composition of the Board**

The Board is made up of Seven (7) Directors, of whom Managing Director/CEO is the only executive director. Board members are professionals and business men with vast experience and credible track records. To enhance corporate governance, Board sub-committees are constituted to help the Board properly assess management reports, proposals and oversight functions and make recommendations to the main Board. Currently, the Board has (6) standing committees namely; Statutory Audit Committee; Credit and Project Committee, Tenders Board Committee, Board Audit/Risk Management Committee, Finance & General Purpose Committee and Corporate Governance & Nominations Committee.

## **CHAIRMAN'S LETTER**

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### **Chairman and CEO Positions**

Responsibilities at the top level are well defined and the Bank has separated the roles of the Managing Director and Chairman in compliance with corporate governance rules on the roles and responsibilities of the Board members. The Chairman is not involved in the day-to day operations of the Bank and is not a member of any sub-committee of the Board.

### **Proceedings and frequency of meetings**

The Board meets at least once in every quarter or as frequently as the Board's attention may be required on any situation which may arise. Sufficient notices with clear agenda/report are usually given prior to convening such meetings. All Directors have access to the Company Secretary who can only be appointed or removed by the Board and is also responsible to the Board.

### **Non-Executive Directors**

The non-executive Board members possess strong knowledge of the Bank's business and usually contribute actively to Board's meetings. The non-executive Directors retire by rotation at Annual General Meetings and are eligible for re election according to the relevant provisions of CAMA.

### **Reporting and Control**

The Board is responsible for and ensures proper financial reporting as well as establishment of strong internal control procedures. There is a statutory Board Audit Committee which comprises three non-Executive Directors and three Shareholders in place. The Audit Committee is chaired by one of the representatives of the shareholders.

### **Shareholders' Rights & Privileges**

The Directors ensure that shareholder statutory and general rights are protected at all times. Shareholders are responsible for electing the Directors at Annual General Meetings for which at least a notice of 21days will normally be given before such meetings.

The Board currently has 7 Directors comprised of one non-executive Chairman, the Managing Director and 5 non-executive Directors and they are jointly responsible for the policy formation functions of the Bank. The oversight functions of the Board are performed through the following Committees:

### **Statutory Audit Committee**

The Committee was established in compliance with Section 359(3) of the Companies and Allied Matters Act, CAP C20 LFN 2004. The Committee is currently constituted by 6 (Six) members, made up of an equal number of non – executive directors and shareholders.

## CHAIRMAN'S LETTER

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The Members include:

1. Dr. Adelani K. Oniwinde	Chairman/Shareholder
1. Chief Godwin Anono	Member/Shareholder
2. Alhaja Ayodele Kudaisi	Member/Shareholder
3. Senator Sunday Olawale Fajinmi	Director
4. Barrister Joseph Obioha Jideofor Chukwuocha	Director
5. Dr. Nosike Agokei	Director

Its Terms of Reference include the monitoring of processes designed to ensure compliance by the Bank in all respects with legal and regulatory requirements including disclosure, controls and procedures and the impact (or potential impact) of developments related thereto. It evaluates the independence and performance of the External Auditor and reviews with the management and the External Auditor the audited financial statements before its presentation to the Board.

### **Finance & General Purpose Committee**

The Committee is responsible for strategic planning, periodic budgeting and performance monitoring, financial accounting and statutory returns, supervision of assets, human resource matters and general administration.

### **Board Audit/Risk Management Committee**

The Board Audit/Risk Management Committee was set up to further strengthen the internal control process of the Bank. The Committee assists the Bank in fulfilling its audit responsibilities by ensuring that an effective system of internal control is in place.

### **Credit and Projects Committee**

The Committee is responsible for the approval of loans above management's authority limit as may be defined from time to time by the Board, consideration and proposal of credit policy and credit guidelines. The Committee's responsibilities include the consideration and approval of project proposals referred to it by management.

### **Tenders' Board Committee**

The Committee is responsible for considering and deciding on all matters relating to procurement, tenders, quotations and contracts.

### **Corporate Governance & Nominations Committee**

The Committee is responsible for the promotion of corporate governance and ensuring compliance with governance practices as established by the Bank's regulatory authorities and universally acknowledged best practice. In addition to the above, the Committee is also responsible for identifying and nominating for the approval of the Board candidates to fill Board vacancies as and when they arise.

## **CHAIRMAN'S LETTER**

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**Note:** The Statutory Audit Committee is presently the only functioning committee; this has been due to the insufficient number of directors to function in these committees. However, with the recent approval by the Central Bank of Nigeria (CBN) of recently appointed directors, the other committees will be fully functional before the end of this quarter.

### **4.14 CONCLUSION**

The Board and Management of Resort Savings wish to assure you, our esteemed Investors, that the future holds great opportunities for Primary Mortgage Banks in Nigeria and Resort Savings has decided to take proactive steps to take advantage these opportunities to create value for all stakeholders while attaining our vision of being 'a leading and reputable Mortgage Banking services provider'.

I therefore wish to invite you to acquire a stake in the opportunity this Offer presents.

**Yours faithfully,**



**Chief Francis Babatunde Adefarati**  
**Chairman**

## 5. FINANCIAL FORECAST

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### 5.1 LETTER FROM THE BANK ON THE FINANCIAL FORECAST



#### **RESORT SAVINGS & LOANS PLC**

**MORTGAGE BANKERS** RC:198901

5th Floor,  
St Nicholas House  
6, Catholic Mission Street Lagos  
Phone:01-4622081, 4622082  
Fax 4622081, 4622083.  
E-mail: resort@resortng.com  
Website: www.resortng.com

**January 31, 2013**

#### **The Directors**

#### **Greenwich Trust Limited**

Plot 1698A, Oyin Jolayemi Street  
Victoria Island  
Lagos

Dear Sirs,

### **INITIAL PUBLIC OFFER OF 3,333,333,334 ORDINARY SHARES OF 50 KOBO EACH AT ₦0.51KOBO PER SHARE**

---

The Directors of Resort Savings & Loans Plc present the Financial Forecasts of the Bank for the years ended December 31, 2013, 2014 and 2015.

The Directors confirm that the Bank's Forecasts have been properly compiled based on the assumptions made by the Board and are prepared on a basis consistent with the accounting policies normally adopted by the Bank.

We therefore accept responsibility accordingly.

Yours faithfully,

**FOR: RESORT SAVINGS & LOANS PLC**

**ABIMBOLA OLAYINKA  
MANAGING DIRECTOR**

**SHADE OGUNDARE  
LPC SOLICITORS  
COMPANY SECRETARY**

## **FINANCIAL FORECAST**

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### **5.2 Basis and Assumptions**

#### **Basis**

1. The forecasts for the three (3) years ending December 31, 2013, 2014 and 2015 have been prepared on the assumptions that the Bank will continue to operate as an entity and on a basis consistent with the accounting policies normally adopted by it.
2. Previous years' actual performances have been reviewed against budgets as the basis for measuring the reasonableness of the forecasts for the three (3) years ending December 31, 2013, 2014 and 2015.
3. The huge and growing population of Nigeria resulting in increasing demand for housing and related credits.
4. The emerging regulatory requirements on Mortgage Banks place the Bank at vantage position of growth.
5. There is positive and encouraging feedback from the Nigeria Mortgage Market from interactions/operations since commencement of operations.

#### **Assumptions**

1. The paid-up share capital of the Bank will increase by ₦3.5 billion through the proposed Hybrid Offers.
2. There would be a Rights Issue of 1:2 in the year 2015 at ₦1.50 per share.
3. Interest rates on deposits and borrowings will be as regulated by the Central Bank of Nigeria during the period of the forecast.
4. The present deficit in the reserve account would be written off in the year 2014 arising from enhanced operational efficiency.
5. Liquidity ratio will not be less than 30% during the plan period above the statutory requirement in revised guideline of 20%.
6. There will be no drastic change in the political and economic environment that will adversely affect the operations of the Bank.
7. Mortgage loans will be created massively as FMBN loans and other long-term deposits are accessed by the Bank.
8. The rates of exchange of the Naira will not, on the average, vary materially from the rates used in the preparation of the forecasts.

## **FINANCIAL FORECAST**

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9. The subscription will be approximately invested in operation and improved service provision via ICT enhancement.
10. Taxation at the rate of 30% is applicable in the foreseeable future.
11. There will be no litigation with adverse material consequences on the Bank.
12. The Bank will continue to maintain stable and competent management staff and the existing quality of its management will be sustained during the forecast period.
13. The Bank will continue to enjoy the goodwill of its present and potential customers.

DRAFT

## FINANCIAL FORECAST

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### 5.3 PROFIT FORECAST

	2013 =N='000	2014 =N='000	2015 =N='000
Interest Income	2,083,797	3,330,906	7,233,919
Interest expenses	(788,658)	(1,391,988)	(1,986,626)
<b>Net interest income</b>	<b>1,295,139</b>	<b>1,938,918</b>	<b>5,247,293</b>
Other income	2,193,519	3,506,293	7,614,818
Recoveries & Others	100,000	1,000,000	700,000
<b>Operating income</b>	<b>3,588,658</b>	<b>6,445,211</b>	<b>13,562,111</b>
<b>Operating Expenses</b>			
Staff costs	604,768	907,152	1,088,582
Administrative expenses	623,072	934,608	1,121,529
Office expenses	224,673	337,010	404,413
Depreciation	128,272	192,407	230,889
	1,580,785	2,371,177	2,845,413
Provision for losses	665,535	782,089	938,507
	<b>2,246,320</b>	<b>3,153,266</b>	<b>3,783,920</b>
Profit before taxation	1,342,338	3,291,945	9,778,191
Taxation	(402,701)	(987,584)	(2,933,457)
Profit after taxation	<b>939,637</b>	<b>2,304,361</b>	<b>6,844,734</b>
<b>Appropriations</b>			
Retained profit for the year	939,637	2,304,361	6,844,734
Proposed Dividend	-	(549,892)	(1,374,730)
Retained earnings reserve brought forward	(2,732,474)	(1,725,721)	743,238
<b>Retained earnings reserve carried forward</b>	<b>(1,792,837)</b>	<b>578,643</b>	<b>7,587,977</b>

## FINANCIAL FORECAST

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### 5.4 BALANCE SHEET

	2013 N'000	2014 N'000	2015 N'000
<b>ASSETS</b>			
Bank and other short-term funds	288,715	363,781	1,458,364
Placements with local banks	4,234,475	5,801,895	6,579,349
Mortgage loans	7,733,938	10,533,938	30,671,139
Mortgage loans - NHF	1,585,041	2,488,514	3,832,311
Loans and other advances	4,015,475	10,564,391	22,742,406
Investments	5,003,062	7,018,438	10,281,707
Other assets	1,575,042	1,688,645	1,258,939
Property, Plant and equipment	533,324	783,215	1,355,592
<b>Total Assets</b>	<b>24,969,072</b>	<b>39,242,817</b>	<b>78,179,807</b>
<b>FINANCED BY:</b>			
Paid-Up Capital	9,164,866	9,164,866	13,747,299
Statutory reserve	97,754	433,338	15,003,624
Other components of equity	2,500,000	2,500,000	2,500,000
Reserves	(2,732,474)	(2,275,613)	(631,492)
Profit and loss accounts	939,637	2,304,361	6,844,734
<b>Shareholders' funds</b>	<b>9,969,783</b>	<b>12,126,952</b>	<b>37,464,165</b>
Deposits and Current Accounts	10,720,686	18,761,202	27,203,743
NHF Loan	1,585,041	2,488,514	3,832,312
Other Loans (including foreign)	2,000,000	4,000,000	5,000,000
Other liabilities	693,562	1,866,149	4,679,587
	<b>24,969,072</b>	<b>39,242,817</b>	<b>78,179,807</b>

## FINANCIAL FORECAST

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### 5.5 LETTER FROM THE FINANCIAL ADVISER/ISSUING HOUSE

The following is a copy of the letter on the Profit Forecast from Greenwich Trust Limited



Advisor  
Issuing House  
Stockbroker  
Asset Manager

RC: 180602

**February 4, 2013**

**The Directors**

**Resort Savings & Loans Plc**

5th Floor, St Nicholas House  
6, Catholic Mission Street  
Lagos

Dear Sirs,

### **INITIAL PUBLIC OFFER OF 3,333,333,334 ORDINARY SHARES OF 50KOBO EACH AT ₦0.51KOBO PER SHARE**

---

We write further to the Prospectus issued in respect of the Initial Public Offering of 3,333,333,334 ordinary shares of 50 Kobo by Resort Savings & Loans Plc, the draft of which we have had the privilege of reviewing. The Prospectus contains forecasts of the profits of the Bank for the years ending December 31, 2013, 2014 and 2015.

We have discussed the bases and assumptions upon which the forecasts were made with you and with Balogun Badejo & Co., the Reporting Accountants to the Offer. We have also considered the letter dated February 1 2013 from the Reporting Accountants regarding the accounting bases and calculations upon which the forecasts were compiled.

Having considered the assumptions made by you as well as the accounting bases and calculations reviewed by Balogun Badejo & Co., we consider that the forecasts (for which you as Directors are solely responsible) have been made by you after due and careful enquiry.

Yours faithfully,

**FOR GREENWICH TRUST LIMITED**

A handwritten signature in blue ink, appearing to read "Kayode Falowo", is written over a faint grid background.

**KAYODE FALOWO  
MANAGING DIRECTOR**

## FINANCIAL FORECAST

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### 5.6 LETTER FROM THE REPORTING ACCOUNTANTS

The following is a copy of the letter from the Reporting Accountants, Balogun Badejo & Co. on the Profit Forecast of Resort Savings & Loans Plc for the years ending December 31, 2013, 2014 and 2015.



Balogun Badejo & Co.  
Chartered Accountants

24, Ilupeju By-Pass, Ilupeju,  
G. P. O. Box 3260 Lagos, Nigeria.  
Tel: Office +234 (0) 1 7945733, 8981859  
E-mail: [bbc@bbccharter.com](mailto:bbc@bbccharter.com)  
[bbccharter@yahoo.com](mailto:bbccharter@yahoo.com)  
Website: [www.bbccharter.com](http://www.bbccharter.com)

**February 1, 2013**

**The Directors**  
**Resort Savings & Loans Plc**  
5th Floor, St Nicholas House  
6, Catholic Mission Street  
Lagos

**The Directors**  
**Greenwich Trust Limited**  
Plot 1698A, Oyin Jolayemi Street  
Victoria Island  
Lagos

Dear Sirs,

### **INITIAL PUBLIC OFFER OF 3,333,333,334 ORDINARY SHARES OF 50KOBO EACH AT ₦0.51KOBO PER SHARE**

---

We have reviewed the accounting policies and the calculations made in preparing the forecasts of Resort Savings & Loans Plc (for which the Directors are solely responsible) for the three (3) years ending December 31, 2013, 2014 and 2015.

Our review indicated that the forecasts, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies normally adopted by the Bank.

Yours faithfully,  
**BALOGUN BADEJO & CO**

**JAMES O. OBOGWU**  
**PARTNER**

## FINANCIAL FORECAST

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### 5.7 REPORT OF THE REPORTING ACCOUNTANTS ON THE OFFER

This is a letter from the Balogun Badejo & Co., the Reporting Accountants to the Offer.



Balogun Badejo & Co.  
Chartered Accountants

24, Ilupeju By-Pass, Ilupeju,  
G. P. O. Box 3260 Lagos, Nigeria.  
Tel: Office +234 (0) 1 7945733, 8981859  
E-mail: bbc@bbccharter.com  
bbccharter@yahoo.com  
Website: www.bbccharter.com

February 1, 2013

**The Directors**  
**Resort Savings & Loans Plc**  
5th Floor, St Nicholas House  
6, Catholic Mission Street  
Lagos

**The Directors**  
**Greenwich Trust Limited**  
Plot 1698A, Oyin Jolayemi Street  
Victoria Island  
Lagos

Dear Sirs,

### **INITIAL PUBLIC OFFER OF 3,333,333,334 ORDINARY SHARES OF 50KOBO EACH AT ₦0.51KOBO PER SHARE**

---

We have examined the audited financial statements of **Resort Savings & Loans Plc** herein referred to as "The Bank", for the year ended September 30, 2007 and period ended December 31, 2008, 2009, 2010 and 2011 and audited financial statements for the nine (9) months ended September 30, 2012 for inclusion in the Offer document for the proposed recapitalisation exercise.

The financial statements were prepared under the historical cost convention. Spiropoulos, Adiele, Okpara & Co (Chartered Accountants) were the Auditors to the Bank for the year ended 30 September 2007 and period ended 31 December, 2008, 2009, 2010, 2011 and 2012 and their audit reports thereon were unqualified.

The summarized profit and loss accounts and balance sheet are based on the audited financial statements of the Bank after making such adjustments as we considered appropriate.

In our opinion, the financial information gives, for the purpose of the proposed Rights Issue and Offer for Subscription a true and fair view of the state of affairs of the Bank as at 30 September 2007, 31 December 2008, 2009, 2010, 2011 and 2012 and their summarised profits and cash flows for the years then ended.

Yours faithfully,

**BALOGUN BADEJO & CO**

**JAMES O. OBOGWU**  
**PARTNER**

## 6. HISTORICAL INFORMATION

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### 6.1 LETTER FROM THE REPORTING ACCOUNTANTS ON GOING CONCERN STATUS

Letter from the Reporting Accountants on the going concern status of the Bank:



**Balogun Badejo & Co.**  
Chartered Accountants

24, Ilupeju By-Pass, Ilupeju,  
G. P. O. Box 3260 Lagos, Nigeria  
Tel: Office +234 (0) 1 7945733, 8981859  
E-mail: bbc@bbccharter.com  
bbccharter@yahoo.com  
Website: www.bbccharter.com

**February 1, 2013**

**The Directors**  
**Resort Savings & Loans Plc**  
5th Floor, St Nicholas House  
6, Catholic Mission Street  
Lagos

**The Directors**  
**Greenwich Trust Limited**  
Plot 1698A, Oyin Jolayemi Street  
Victoria Island  
Lagos

Dear Sirs,

#### **CONFIRMATION OF GOING CONCERN STATUS OF RESORT SAVINGS & LOANS PLC**

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Based on the information and confirmation received from the Directors of Resort Savings & Loans Plc and our review of past results of the Bank as well as the existing operational position, the Directors of Resort Savings & Loans Plc are of the belief that no material information will emanate from the observations noted in our Reporting Accountants' Report that will negatively affect the going-concern status of the Bank.

Subsequent to the recapitalisation exercise, we are of the opinion that the Bank will continue as a going-concern in the foreseeable future.

Yours faithfully,  
**BALOGUN BADEJO & CO**

**JAMES O. OBOGWU**  
**PARTNER**

## **HISTORICAL INFORMATION**

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### **6.2 STATEMENT OF ACCOUNTING POLICIES**

The following are the significant accounting policies adopted by the Bank in the preparation of its Financial Statements.

#### **1. Basis of preparation**

The accounts have been prepared under the historical cost convention.

#### **2. Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation.

#### **3. Depreciation**

Depreciation of fixed assets is provided on a straight line method calculated to write off the cost of the assets over their expected useful lives. The annual depreciation used for the fixed assets in compliance with Bank and Other Financial Institutions Act (BOFIA) 2003 (As amended) is as follows:

	<b>% per annum</b>
Leasehold improvements	10
Leasehold Land and Building	2
Motor vehicles	25
Office Equipment	25
Computer Hardware	33
Computer Software	33
Furniture and Fittings	20

#### **4. Stock**

Stock has been valued at the lower of cost and net realisable value.

#### **5. Exchange Rates**

Transactions in foreign currencies are translated to the Naira at the rates of exchange ruling at the date of the transaction. Foreign currency balances are converted to Naira at the rate of exchange ruling at the Balance Sheet date. All differences arising on the conversion of balances in foreign currency to the Naira are dealt with in the profit and loss account.

#### **6. Long Term Investment**

Investments are stated at lower of cost and net realisable value.

#### **7. Provision for bad and doubtful debt**

Provision is made on risk assets as per Prudential Guidelines.

## HISTORICAL INFORMATION

### 6.3 PROFIT AND LOSS

		<b>30</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>30</b>
		<b>September</b>	<b>December</b>	<b>December</b>	<b>December</b>	<b>December</b>	<b>September</b>
		<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
		<b>9 months</b>					
	<b>Notes</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Gross earnings		724,722	1,209,376	1,095,336	1,174,262	660,313	39,093
Interest and similar income	18	624,064	1,109,682	1,007,748	1,035,914	484,501	39,093
Interest and similar expenses	19	(72,080)	(87,001)	(138,561)	(161,051)	(106,284)	(32,376)
Net interest Income		551,984	1,022,681	869,187	874,863	378,217	6,717
Fee and commission income	20	100,658	99,694	87,588	138,348	144,247	-
Estate Operations Income		-	4,504	4,263	1,578	569	-
Income from Investments	21	6,547	11,376	13,190	8,709	16,441	-
Other operating income		203,178	18,286	46,042	18,054	14,555	143,554
Operating Income		862,367	1,156,541	1,020,270	1,041,552	554,029	150,271
Operating expenses	22	(831,989)	(1,067,128)	(843,720)	(578,874)	(275,147)	(140,888)
Provision for losses	4	-	(1,028,844)	(1,856,886)	(56,853)	(70,961)	(721)
Loss before taxation		30,378	(939,431)	(1,680,336)	405,825	207,921	8,662
Taxation	13	(9,000)	(40,000)	(43,000)	(97,500)	(27,477)	(2,598)
Profit/(loss) after taxation		21,378	(979,431)	(1,723,336)	308,325	180,444	6,064
Extra-Ordinary item		-	(59,855)	(313,439)	-	(34,920)	-
Profit/(loss) after Extra-ordinary items		21,378	(1,039,286)	(2,036,775)	308,325	145,524	6,064

## HISTORICAL INFORMATION

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### PROFIT AND LOSS (CONTINUED)

	<b>30</b> <b>September</b> <b>2012</b> <b>9 months</b>	<b>31</b> <b>December</b> <b>2011</b>	<b>31</b> <b>December</b> <b>2010</b>	<b>31</b> <b>December</b> <b>2009</b>	<b>31</b> <b>December</b> <b>2008</b>	<b>30</b> <b>September</b> <b>2007</b>
<b>APPROPRIATIONS</b>						
Retained Profit/ (loss) for the year.	21,378	(1,039,286)	(2,036,775)	308,325	145,524	6,064
Statutory reserve	-	-	-	(61,665)	(36,089)	-
Dividend paid	-	-	(131,757)	-	-	-
Retained earnings reserve brought forward	(2,890,303)	(1,851,017)	317,515	70,855	(38,580)	(44,643)
Retained earnings reserve carried forward	(2,868,926)	(2,890,303)	(1,851,017)	317,515	70,855	(38,579)
<b>Earnings per share (kobo)</b>						
Basic	0.19	(9)	(18)	2	1	2
Diluted	0.19	(9)	(18)	3	1	0.05
<b>Net assets per share (kobo)</b>						
Basic	42	25	35	53	51	40
Diluted	42	25	35	62	49	1

## HISTORICAL INFORMATION

### 6.4 BALANCE SHEET

		30 September 2012	31 December 2011	31 December 2010	31 December 2009	31 December 2008	30 September 2007
	Notes	9 months N'000	N'000	N'000	N'000	N'000	N'000
<b>ASSETS EMPLOYED:</b>							
<b>ASSETS</b>							
Cash Balances	1	498,466	29,655	24,267	16,618	6,730	251,980
Due from other banks	2	1,219,679	438,538	776,421	1,231,670	2,671,360	-
Advances under Mortgage	3	1,040,442	458,941	804,422	691,884	868,921	-
Loans and Advances to Customers	4	-	1,766,333	2,186,165	2,996,557	1,873,426	118,135
FMBN Loan (NHF)	5	659,525	384,596	354,143	-	-	-
Investments Securities	6	393,278	1,436,099	828,218	2,358,889	230,801	93,135
Investment Properties	7	3,419,146	-	-	-	-	-
Intangible Assets	8	2,593	-	-	-	-	-
Other Assets	9	325,074	485,338	569,038	947,618	917,658	262,975
Property, Plant and Equipment	10	227,309	241,631	298,152	246,453	161,611	103,844
<b>Total assets</b>		<b>7,785,512</b>	<b>5,241,131</b>	<b>5,840,826</b>	<b>8,489,689</b>	<b>6,730,507</b>	<b>830,069</b>
<b>LIABILITIES</b>							
Customers' deposits	11	1,886,400	1,420,690	1,256,310	859,610	474,977	386,284
Loans	12	659,525	585,041	354,143	-	-	55,221
Taxation	13	56,503	72,761	44,761	97,500	27,477	4,493
Other liabilities	14	371,348	289,244	270,477	527,982	626,372	216,697
Retirement Benefit Obligations	15	-	1,078	3,532	1,462	-	-
Overdrawn balances		-	-	-	-	-	14,454
<b>Total liabilities</b>		<b>2,973,776</b>	<b>2,368,814</b>	<b>1,929,223</b>	<b>1,486,554</b>	<b>1,128,826</b>	<b>677,149</b>
<b>NET ASSETS</b>		<b>4,811,736</b>	<b>2,872,317</b>	<b>3,911,603</b>	<b>7,003,135</b>	<b>5,601,681</b>	<b>152,920</b>
<b>FINANCED BY:</b>							
<b>CAPITAL &amp; RESERVES</b>							
Share capital	16	5,664,866	5,664,866	5,664,866	6,587,866	5,494,738	191,500
Other component of equity		1,918,042	-	-	-	-	-
Retained Earnings	17a	(2,868,926)	(2,890,303)	(1,851,017)	317,515	70,854	(38,580)
Other Reserves (Statutory Reserve)	17b	97,754	97,754	97,754	97,754	36,089	-
<b>SHAREHOLDERS' FUND</b>		<b>4,811,736</b>	<b>2,872,317</b>	<b>3,911,603</b>	<b>7,003,135</b>	<b>5,601,681</b>	<b>152,920</b>

## HISTORICAL INFORMATION

### 6.5 CASH FLOW STATEMENT

		30 September 2012 9 months	31 December 2011	31 December 2010	31 December 2009	31 December 2008	30 September 2007
	Notes	N'000	N'000	N'000	N'000	N'000	N'000
<b>Operating activities</b>							
Cash generated/(Used) in operations	23	97,651	(258,943)	(82,478)	(2,204,408)	(2,703,676)	378,114
Tax paid		-	(12,000)	(95,739)	(27,477)	(4,493)	-
		<u>97,651</u>	<u>(270,943)</u>	<u>(178,217)</u>	<u>(2,231,885)</u>	<u>(2,708,169)</u>	<u>378,114</u>
<b>Financing Activities</b>							
Dividend paid		-	-	(131,757)	-	-	-
Proceeds from issue of shares		-	-	-	1,093,128	5,303,238	-
Share issue expenses		-	-	-	(130,822)	-	-
Proceeds from long-term loan		-	-	-	-	(55,221)	40,310
		<u>-</u>	<u>-</u>	<u>(131,757)</u>	<u>962,306</u>	<u>5,248,017</u>	<u>40,310</u>
<b>Investing Activities</b>							
Purchase of property, plant & equipment		(64,672)	(61,612)	(138,031)	(160,402)	(78,818)	(28,509)
Proceeds from sale of property, plant & equipment		(2,705)	60	405	179	-	-
Restructuring expenditure		-	-	-	-	(34,920)	(121,441)
Investments		-	-	-	-	-	(48,851)
		<u>(67,377)</u>	<u>(61,552)</u>	<u>(137,626)</u>	<u>(160,223)</u>	<u>(113,738)</u>	<u>(198,801)</u>
Increase/Decrease in cash and cash equivalents		30,274	(332,495)	(447,600)	(1,429,802)	2,426,110	219,623
Cash and cash equivalents at start of the year		468,192	800,688	1,248,288	2,678,090	251,980	32,356
Cash and cash equivalents at end of the year		<u>498,466</u>	<u>468,193</u>	<u>800,688</u>	<u>1,248,288</u>	<u>2,678,090</u>	<u>251,979</u>

## HISTORICAL INFORMATION

### 6.6 NOTES TO THE ACCOUNTS

	<b>30</b> <b>September</b> <b>2012</b> <b>9 months</b> <b>N'000</b>	<b>31</b> <b>December</b> <b>2011</b> <b>N'000</b>	<b>31</b> <b>December</b> <b>2010</b> <b>N'000</b>	<b>31</b> <b>December</b> <b>2009</b> <b>N'000</b>	<b>31</b> <b>December</b> <b>2008</b> <b>N'000</b>	<b>30</b> <b>September</b> <b>2007</b> <b>N'000</b>
<b>1. CASH BALANCES</b>						
Vault	32,843	28,708	22,613	15,612	6,730	77,741
Operating account held with the Central Bank of Nigeria	-	947	1,654	1,006	-	174,239
Cash and Balances with other Banks	158,875	-	-	-	-	-
Money Market Placements	306,748	-	-	-	-	-
	<b>498,466</b>	<b>29,655</b>	<b>24,267</b>	<b>16,618</b>	<b>6,730</b>	<b>251,980</b>
<b>2. DUE FROM OTHER BANKS</b>						
Current Balances with Banks within Nigeria	-	338,302	299,598	106,743	187,718	-
Placements with Banks and Discount Houses	-	100,236	476,823	1,124,927	2,483,642	-
	-	<b>438,538</b>	<b>776,421</b>	<b>1,231,670</b>	<b>2,671,360</b>	-
<b>3. ADVANCES UNDER MORTGAGE</b>						
Gross Investment	1,040,442	458,941	804,422	691,884	868,921	-
Less: Unearned income	-	-	-	-	-	-
	<b>1,040,442</b>	<b>458,941</b>	<b>804,422</b>	<b>691,884</b>	<b>868,921</b>	-
<b>4. LOANS AND ADVANCES</b>						
Overdrafts	2,563,307	2,299,301	1,583,640	1,746,371	1,588,344	35,121
Term loans	1,413,536	2,319,973	2,368,172	1,114,800	257,947	56,727
Others (including leases)	117,273	147,932	213,441	288,543	84,966	30,340
	4,094,116	4,767,206	4,165,253	3,149,714	1,931,257	122,188
Loan loss provision/Impairment Allowance	(2,874,437)	(2,996,545)	(1,967,701)	(110,815)	(53,962)	(183)
Interest in suspense	-	(4,328)	(11,387)	(42,342)	(3,869)	(3,869)
	<b>1,219,679</b>	<b>1,766,333</b>	<b>2,186,165</b>	<b>2,996,557</b>	<b>1,873,426</b>	<b>118,136</b>
<b>Analysis by security</b>						
Secured against real estate	-	651,768	624,303	691,884	-	21,781
Secured by shares of quoted companies	-	934,335	1,260,287	1,945,038	-	-
Otherwise secured	-	168,197	279,644	302,412	1,837,315	100,233
Unsecured	-	12,033	21,931	57,223	36,111	173
	-	<b>1,766,333</b>	<b>2,186,165</b>	<b>2,996,557</b>	<b>1,873,426</b>	<b>122,187</b>

## HISTORICAL INFORMATION

	30 September 2012 9 months N'000	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	31 December 2008 N'000	30 September 2007 N'000
<b>Analysis by performance</b>						
Performing	-	1,599,997	1,593,526	2,833,269	1,918,360	98,011
Non-performing:						
Sub-standard	-	663,184	660,502	254,488	4,015	22,540
Doubtful	-	160,836	160,186	34,530	5,433	1,637
Lost	-	2,343,189	1,751,039	27,427	3,449	-
Less: Provision for bad and doubtful debts	-	(3,000,873)	(1,979,088)	(153,157)	(57,831)	-
	-	<b>1,766,333</b>	<b>2,186,165</b>	<b>2,996,557</b>	<b>1,873,426</b>	<b>122,188</b>

<b>Analysis by maturity</b>						
0 - 30 days	-	180,108	179,380	345,766	-	-
1 - 3 months	-	334,487	333,134	655,412	432,212	2,667
3 - 6 months	-	1,170,314	874,244	231,768	312,445	900
6 - 12 months	-	1,273,800	977,312	1,371,492	744,497	6,532
Over 12 months	-	1,808,497	1,801,183	545,276	442,103	112,089
Less: Provision for bad and doubtful debts	-	-	-	-	-	(4,052)
	-	<b>4,767,206</b>	<b>4,165,253</b>	<b>3,149,714</b>	<b>1,931,257</b>	<b>118,136</b>

#### 4. LOANS AND ADVANCES Cont'd)

##### LOAN LOSS PROVISION AND INTEREST IN SUSPENSE

###### a. Movement in loan loss provision At start of the year:

Non-performing	-	1,950,661	93,775	18,922	-	3,331
Performing	-	17,040	17,040	35,040	4,052	-
<b>Additional provision:</b>						
Non-performing	-	1,041,625	1,856,886	74,853	18,922	721
Performing	-	(12,781)	-	(18,000)	30,988	-

###### At the end of the year/period:

Non-performing	-	2,992,286	1,950,661	93,775	18,922	-
Performing	-	4,259	17,040	17,040	35,040	-
	-	<b>2,996,545</b>	<b>1,967,701</b>	<b>110,815</b>	<b>53,962</b>	<b>4,052</b>

## HISTORICAL INFORMATION

	30 September 2012 9 months N'000	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	31 December 2008 N'000	30 September 2007 N'000
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### PROVISION FOR LOSSES

The charge for the year is analysed as follows:

Loans and advances - Specific	- 1,041,625	1,856,886		74,853	70,961	-
Loans and advances - General	-	-	-	(18,000)	-	-
Recoveries	- (12,781)			-	-	-
<b>Total provision for the year</b>	<b>- 1,028,844</b>	<b>1,856,886</b>		<b>56,853</b>	<b>70,961</b>	

### 5. FMBN Loan (NHF)

	<b>384,596</b>	<b>384,596</b>	<b>384,143</b>	-	-	-
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### 6. INVESTMENTS

Long-term investments: Real Estate	- 1,117,056	401,804	1,275,458		-	78,262
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#### Securities - at cost/NRV

Quoted	- 67,098	139,677	713,493		16,519	14,873
Unquoted	- 251,945	286,737	369,938		214,282	-

<b>Total investment securities</b>	<b>- 1,436,099</b>	<b>828,218</b>	<b>2,358,889</b>		<b>230,801</b>	<b>93,135</b>
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Investment securities are stated at lower of cost and net realisable value.

A provision was made in respect of unrealised loss on quoted investments following a decline in share prices in the capital market.	- 59,855			-	-	-
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### 7. INVESTMENT PROPERTIES

Investment in Properties	756,271	-	-	-	-	-
Prepayments	2,662,875	-	-	-	-	-
	<b>3,419,146</b>	-	-	-	-	-

### 8. INTANGIBLE ASSETS

#### Purchase of Software

#### Cost

Balance at 1 January	35,763	-	-	-	-	-
Acquisitions	2,705	-	-	-	-	-
<b>Balance at end of period</b>	<b>38,467</b>	-	-	-	-	-

## HISTORICAL INFORMATION

	<b>30 September 2012 9 months N'000</b>	<b>31 December 2011 N'000</b>	<b>31 December 2010 N'000</b>	<b>31 December 2009 N'000</b>	<b>31 December 2008 N'000</b>	<b>30 September 2007 N'000</b>
<b>9. OTHER ASSETS</b>						
Interest and fees receivable	-	28,248	41,883	40,627	18,615	6,987
Prepayments	-	222,513	339,310	463,829	203,509	17,668
Accounts receivable	137,209	61,608	94,955	408,433	48,428	56,714
Deferred acquisition expenses	-	-	-	-	114,553	-
Other receivables	187,866	172,969	92,890	34,729	532,553	211,273
Revaluation of Boyle street fixed assets	-	-	-	-	-	(29,667)
	<b>325,075</b>	<b>485,338</b>	<b>569,038</b>	<b>947,618</b>	<b>917,658</b>	<b>262,975</b>
<b>10. FIXED ASSETS</b>						
<b>COSTS</b>						
At 1 January	523,424	505,871	371,075	211,571	132,753	104,244
Additions	64,672	61,613	139,947	160,404	78,818	28,509
Reclassification	-	-	(1,917)	-	-	-
Disposals	-	(8,297)	(3,233)	(900)	-	-
<b>At 31 December/30 September</b>	<b>588,096</b>	<b>559,187</b>	<b>505,872</b>	<b>371,075</b>	<b>211,571</b>	<b>132,753</b>
<b>DEPRECIATION</b>						
At 1 January	286,402	207,719	124,621	49,960	28,909	12,196
Charges for the year	74,385	99,754	86,332	75,282	21,051	16,713
Disposals	-	(8,183)	(3,233)	(620)	-	-
Reclassification/adjustments	-	18,266	-	-	-	-
<b>At 31 December/30 September</b>	<b>360,787</b>	<b>317,556</b>	<b>207,720</b>	<b>124,622</b>	<b>49,960</b>	<b>28,909</b>
<b>NET BOOK VALUE</b>						
<b>At 31 December/30 September</b>	<b>227,309</b>	<b>241,631</b>	<b>298,152</b>	<b>246,453</b>	<b>161,611</b>	<b>103,844</b>
<b>11. CUSTOMERS' DEPOSITS</b>						
Current deposits	334,669	292,789	333,881	148,248	162,692	171,930
Savings deposits	430,065	334,994	165,391	108,685	64,582	36,284
Term deposits	1,121,666	792,907	757,038	602,677	247,703	178,070
	<b>1,886,400</b>	<b>1,420,690</b>	<b>1,256,310</b>	<b>859,610</b>	<b>474,977</b>	<b>386,284</b>

## HISTORICAL INFORMATION

	30 September 2012 9 months N'000	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	31 December 2008 N'000	30 September 2007 N'000
<b>Analysis by maturity</b>						
0 - 30 days	-	902,481	798,060	520,458	287,579	4,966
1 - 3 months	-	340,701	301,280	313,279	173,102	227,911
3 - 6 months	-	160,830	142,221	22,052	12,185	250
6 - 12 months	-	6,902	6,103	3,821	2,111	153,157
Over 12 months	-	9,776	8,645	-	-	-
	<b>- 1,420,690</b>	<b>1,256,309</b>	<b>1,256,309</b>	<b>859,610</b>	<b>474,977</b>	<b>386,284</b>
<b>12 LOANS</b>						
FMBN Loan (NHF)	659,525	585,041	354,143	-	-	-
Finance lease	-	-	-	-	-	6,412
Royal Exchange Assurance	-	-	-	-	-	25,000
Commercial Papers (DEAP)	-	-	-	-	-	23,810
	<b>659,525</b>	<b>585,041</b>	<b>354,143</b>	<b>-</b>	<b>-</b>	<b>55,221</b>
<b>13. TAXATION</b>						
<b>Charge:</b>						
Current tax:						
Education tax	-	-	-	9,800	2,763	-
Technology tax	9,000	-	-	4,200	1,182	-
Income tax charge	-	40,000	43,000	83,500	23,532	2,598
	<b>9,000</b>	<b>40,000</b>	<b>43,000</b>	<b>97,500</b>	<b>27,477</b>	<b>2,598</b>
<b>Payable</b>						
At start of the year	72,761	44,761	97,500	27,477	4,493	1,895
Tax paid	(25,258)	(12,000)	(95,739)	(27,477)	(4,493)	-
Income tax charge	9,000	40,000	43,000	97,500	27,477	2,599
<b>At 31 December/30 September</b>	<b>56,503</b>	<b>72,761</b>	<b>44,761</b>	<b>97,500</b>	<b>27,477</b>	<b>4,493</b>
<b>14. OTHER LIABILITIES</b>						
Interest payable	-	7,094	5,122	5,278	18,957	3,073
Accounts payables	299,006	261,470	248,053	512,643	473,489	18,592
Accrued expenses	-	4,000	7,371	5,362	1,500	800
Others	70,794	16,680	9,931	4,699	132,426	194,232
Employee Retirement Benefits Obligation	1,547	-	-	-	-	-
	<b>371,347</b>	<b>289,244</b>	<b>270,477</b>	<b>527,982</b>	<b>626,372</b>	<b>216,697</b>

## HISTORICAL INFORMATION

	30 September 2012 9 months N'000	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	31 December 2008 N'000	30 September 2007 N'000
<b>15. RETIREMENT BENEFIT OBLIGATIONS</b>						
Defined contribution schemes	-	1,078	3,533	1,462	-	-
<b>16. SHARE CAPITAL</b>						
<b>Authorised</b>						
Ordinary shares of 50k each	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	500,000
Preference shares	-	-	-	-	-	100,000
	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>600,000</b>
Issued and fully paid	<b>5,664,866</b>	<b>5,664,866</b>	<b>5,664,866</b>	<b>6,587,866</b>	<b>5,494,738</b>	<b>191,500</b>
At the beginning	5,664,896	5,664,896	* 5,664,866	5,494,738	191,500	191,500
Movement during the year	-	-	-	1,093,128	5,303,238	-
<b>At 31 December/30 September</b>	<b>5,664,896</b>	<b>5,664,896</b>	<b>5,664,896</b>	<b>6,587,866</b>	<b>5,494,738</b>	<b>191,500</b>
<b>17 Retained earnings (a)</b>						
At the beginning	(2,890,303)	(1,851,017)	317,515	70,855	109,434	(44,643)
Movement during the year	21,378	(1,039,286)	(2,168,532)	246,660	(38,580)	6,063
<b>At year end</b>	<b>(2,868,926)</b>	<b>(2,890,303)</b>	<b>(1,851,017)</b>	<b>317,515</b>	<b>70,854</b>	<b>(38,580)</b>

\* The investment held in trust in the name of DEAP Capital Management & Trust Plc valued at =N=923 million for further subscription at the floor of the Nigeria Stock Exchange has been reversed retrospectively in year 2010 as the Option was not utilized.

## HISTORICAL INFORMATION

	30 September 2012 9 months N'000	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	31 December 2008 N'000	30 September 2007 N'000
<b>17 RESERVES</b>						
(b). Statutory reserve						
At the beginning	97,754	97,754	97,754	36,089	36,089	-
Addition during the year	-	-	-	61,665	-	-
<b>At year end</b>	<b>97,754</b>	<b>97,754</b>	<b>97,754</b>	<b>97,754</b>	<b>36,089</b>	<b>-</b>
<b>18. INTEREST AND SIMILAR INCOME</b>						
Placements	13,654	15,589	72,130	244,064	47,218	645
Treasury Bills and Investment Securities	154	1,819	25,842	16,920	249,357	8,918
Loans and Advances	606,910	1,092,274	909,776	774,930	187,926	29,530
Others	3,346	-	-	-	-	-
End of the year	<b>624,064</b>	<b>1,109,682</b>	<b>1,007,748</b>	<b>1,035,914</b>	<b>484,501</b>	<b>39,093</b>
		<b>2</b>		<b>4</b>		
Interest Income earned in Nigeria	624,064	1,109,682	1,007,748	1,035,914	484,501	
<b>19. INTEREST AND SIMILAR EXPENSES</b>						
Current accounts	-	1,033	1,751	828	-	-
Savings accounts	-	2,208	1,805	2,335	1,677	3,699
Time deposits	-	83,760	135,005	157,888	104,607	28,677
	<b>72,080</b>	<b>87,001</b>	<b>138,561</b>	<b>161,051</b>	<b>106,284</b>	<b>32,376</b>
<b>20. FEES AND COMMISSION INCOME</b>						
Credit related fees	91,687	38,036	57,612	59,798	98,277	-
Commission on turnover	9,257	14,793	18,868	18,828	18,972	143,554
Facility management fee	28,397	34,734	1,322	55,491	56,247	-
Other fees and commissions	1,471	12,131	9,786	4,231	2,316	-
	<b>130,812</b>	<b>99,694</b>	<b>87,588</b>	<b>138,348</b>	<b>175,812</b>	<b>143,554</b>

## HISTORICAL INFORMATION

	30 September 2012 9 months N'000	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	31 December 2008 N'000	30 September 2007 N'000
<b>21. INCOME FROM INVESTMENTS</b>						
Dividend income	3	1,448	1,219	1,668	16,441	-
Rental income	6,544	9,928	11,971	7,041	-	-
	<b>6,547</b>	<b>11,376</b>	<b>13,190</b>	<b>8,709</b>	<b>16,441</b>	<b>-</b>
<b>22. OPERATING EXPENSES</b>						
Staff costs	236,802	279,728	245,367	165,479	-	-
Depreciation	74,386	99,754	86,332	75,282	-	-
Auditors' remuneration	2,000	4,000	4,000	3,300	-	-
Directors' emoluments	2,795	14,054	10,247	11,632	-	-
Profit/(loss) on disposal of fixed assets	-	(60)	(405)	101	-	-
Other operating expenses	511,286	669,652	498,179	323,080	-	-
Amortisation - Computer Software	4,720					
	<b>831,989</b>	<b>1,067,128</b>	<b>843,720</b>	<b>578,874</b>	<b>275,147</b>	<b>124,174</b>
<b>23. CASH GENERATED FROM OPERATIONS</b>						
Reconciliation of loss before tax to cash generated from operations:						
Operating Profit/(loss)	30,378	(939,431)	(1,680,336)	405,825	207,921	8,661
Provision for loan loss	-	1,028,844	1,856,886	56,853	-	-
Interest in suspense	(551,983)	(7,059)	(30,955)	38,473	-	-
Depreciation	74,386	99,754	86,332	75,282	21,051	16,714
Adjustment of depreciation	-	18,266	-	-	-	-
Interest received	624,064	-	-	-	-	-
Interest paid	(72,080)	-	-	-	-	-
Amortization of intangible assets	4,720	-	-	-	-	-
Share issue expenses	-	-	-	130,822	-	-
Income tax expenses	(25,258)	-	-	-	-	-
(Profit)/Loss on disposal of fixed assets	-	54	(405)	101	-	-
Operating profit before changes in operating assets and liabilities	<b>84,227</b>	<b>200,428</b>	<b>231,522</b>	<b>707,356</b>	<b>228,972</b>	<b>25,375</b>

## HISTORICAL INFORMATION

	30 September 2012 9 months N'000	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	31 December 2008 N'000	30 September 2007 N'000
<b>(Increase)/decrease in operating assets:</b>						
Loans to customers	546,654	(632,406)	(1,369,683)	(1,218,456)	(2,624,212)	5,787
Advances under Mortgage Investments	(581,501)	345,481	(112,538)	177,037	-	-
Investments in property	(74,235)	(667,735)	294,232	(2,128,088)	(137,666)	-
Investments in property	(387,279)	-	-	-	-	-
Interest receivable and prepayments	-	130,433	123,263	(282,332)	-	-
FMBN Loans (NHF)	(274,929)	-	-	-	-	-
Account receivables	-	33,347	313,479	(360,005)	-	-
Other receivables	163,493	(80,079)	(58,161)	612,375	(654,683)	-
	<b>(607,797)</b>	<b>(870,959)</b>	<b>(809,408)</b>	<b>(3,199,469)</b>	<b>(3,416,561)</b>	<b>5,787</b>
<b>Increase/(decrease) in operating liabilities:</b>						
Customer deposits	465,710	395,277	750,843	384,633	88,693	238,810
Other liabilities	81,026	16,311	(255,435)	(96,928)	409,675	111,352
FMBN Loan (NHF)	74,485	-	-	-	-	-
Overdrawn balances	-	-	-	-	(14,455)	(3,210)
	<b>621,221</b>	<b>411,588</b>	<b>495,408</b>	<b>287,705</b>	<b>483,913</b>	<b>346,952</b>
<b>Cash generated/(used) in operations</b>	<b>97,651</b>	<b>(258,943)</b>	<b>(82,478)</b>	<b>(2,204,408)</b>	<b>(2,703,676)</b>	<b>378,114</b>
<b>24. CASH AND CASH EQUIVALENTS</b>						
Cash Balances	32,843	29,655	24,267	16,618	6,730	251,980
Due from other banks	158,875	438,538	776,421	1,231,670	2,671,360	-
Due from other banks	306,748	438,538	776,421	1,231,670	2,671,360	-
	<b>498,466</b>	<b>906,731</b>	<b>1,577,109</b>	<b>2,479,958</b>	<b>5,349,450</b>	<b>251,980</b>
<b>25. INFORMATION REGARDING DIRECTORS AND EMPLOYEES</b>						
<b>(a). Employees</b>						
The average number of persons employed by the bank during the year was as follows:						
Executive Directors	4	1	1	1	1	-
Management	10	10	18	18	14	-
Non-management	160	188	151	127	42	-
	<b>174</b>	<b>199</b>	<b>170</b>	<b>146</b>	<b>57</b>	<b>-</b>

## HISTORICAL INFORMATION

	30 September 2012 9 months N'000	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	31 December 2008 N'000	30 September 2007 N'000
Compensation for the above staff (excluding executive directors)						
Salaries and wages	233,919	276,689	245,215	163,744	102,246	
Retirement benefit costs	2,883	3,039	151	1,735	-	
	<b>236,802</b>	<b>279,728</b>	<b>245,366</b>	<b>165,479</b>	<b>102,246</b>	

### 25 INFORMATION REGARDING DIRECTORS AND EMPLOYEES Cont'd)

The number of employees of the bank other than directors, who received emoluments in the following ranges (excluding pension contribution) were:

N1,300,000 -	-	187	139	130	43	-
N2,000,000						
N2,000,001 -	-	-	17	8	5	-
N2,800,000						
N2,800,001 -	-	6	6	4	3	-
N3,500,000						
N3,500,001 -	-	-	4	1	1	-
N4,000,000						
N4,000,001 -	-	4	2	1	1	-
N5,500,000						
N5,500,001 -	-	-	1	-	-	-
N6,500,000						
N6,500,001 - and above	-	2	1	-	-	-

### (b) Directors

Remuneration paid to the bank's directors was:

Fees and sitting allowances	-	5,490	2,887	5,372	-	-
Executive remuneration	-	8,564	7,360	-	-	-
	<b>-</b>	<b>14,054</b>	<b>10,247</b>	<b>5,372</b>	<b>-</b>	<b>-</b>

Fees and other emoluments disclosed above include amount paid to:

The Chairman

The highest paid director

The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

## HISTORICAL INFORMATION

	30 September 2012 9 months N'000 Number	31 December 2011 N'000 Number	31 December 2010 N'000 Number	31 December 2009 N'000 Number	31 December 2008 N'000 Number	30 September 2007 N'000 Number
Below						
N1,000,000	4	4	7	7	7	
N1,000,000 -						
N2,000,000	-	-	-	-	-	
N2,000,001 -						
N3,000,000	-	-	-	-	-	
N3,000,001 -						
and above	-	-	-	-	-	

### 26. CONTINGENT LIABILITIES

#### Guarantees and other commitments on behalf of customers

The Bank did not guarantee any loans or credit loans in favour of third parties as at 30 September, 2012.

### 27. COMPARATIVE FIGURES

Where necessary, comparative figures have been restated to conform to changes in presentation in the current year.

### 28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on

10	28	25	27	16	18
January, 2013	August, 2012	May, 2011	April, 2010	March, 2009	December, 2007

### 29. FINANCIAL STATEMENTS

There were no audited financial statements prepared for the Bank subsequent to period ended 30 September, 2012. The three months to 31 December, 2012 financial statements are yet to be audited by the Issuer's external auditors due to the timeline of the transaction.

## 7. STATUTORY AND GENERAL INFORMATION

### 7.1 INCORPORATION AND SHARE CAPITAL HISTORY

The Bank was incorporated in Nigeria under the Companies and Allied Matters Act 2004 as a Private Limited Liability Company on June 17, 1992 with an authorized and fully paid share capital ₦5,000,000 divided into 5,000,000 Ordinary Shares of ₦1.00 each. The Bank converted into a Public Limited Liability Company in 2008. On November 23, 2009, Resort Savings listed its shares on the Floor of The Nigerian Stock Exchange (NSE) by way of Introduction.

The changes in the share capital of the Bank since incorporation are summarised below:

AUTHORISED SHARE CAPITAL HISTORY (₦)			ISSUED AND FULLY PAID UP SHARE CAPITAL HISTORY (₦)	
Year	Increase	Cumulative	Increase	Cumulative
1992	5,000,000	5,000,000	5,000,000	Cash
1997	50,000,000	50,000,000	50,000,000	Cash
2005	170,000,000	151,400,000	151,400,000	Cash
2006	300,000,000	191,500,000	191,500,000	Cash
2008	20,000,000,000	13,164,652,404	6,582,326,202	Cash
2009 January	20,000,000,000	13,164,652,404	6,582,326,202	Cash
2009 August	20,000,000,000	13,164,652,404	6,582,326,202	Cash
2010	20,000,000,000	13,164,652,404	5,664,866,202	Cash cancellation of 1.8bn shares.
2011	20,000,000,000	13,164,652,404	5,664,866,202	Cash

### 7.2 SHAREHOLDING STRUCTURE

The Authorised Share Capital of the Bank is ₦10,000,000,000 comprising 20,000,000,000 Ordinary Shares of 50 kobo each, while its issued and paid-up capital is ₦5,664,866,202 comprising 11,329,732,404 Ordinary Shares of 50 kobo each was beneficially held as follows as at September 30, 2012

#### Pre-Offer Shareholding Structure

S/N	CATEGORY OF SHAREHOLDER	NO. OF SHAREHOLDERS	ORDINARY SHARES HELD	%
1	Individuals	12,321	7,802,735,929	68.87
2	Institutional Investors	478	3,526,996,475	31.13
<b>TOTAL</b>		<b>12,799</b>	<b>11,329,732,404</b>	<b>100.00</b>

**Source:** African Prudential Registrars Plc

## STATUTORY AND GENERAL INFORMATION

### Shareholders with 5% and Above

S/N	SHAREHOLDER	ORDINARY SHARES HELD	%
1.	Vicad Securities Limited	660,000,000	5.83
2.	FCUS/AMCON/ZENITHBK/DEAPCAP.MGT.&TR.LTD	641,853,258	5.67
<b>Total</b>		<b>1,301,853,258</b>	<b>11.49</b>

Source: African Prudential Registrars Plc

### 7.3 DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors of Resort Savings in the issued share capital of the Bank as recorded in the Register of Directors' Shareholding as at December 31, 2012 as required pursuant to section 275 (1) of the Companies & Allied Matters Act Cap C20 LFN 2004 are as follows:

S/N	Directors	Direct Shareholding	**Indirect Shareholding	Total Shareholding
1.	Chief Francis Babatunde Adefarati	48,094,340	60,000,000	108,094,340
2.	Mr. Abimbola Olayinka	5,400,000	14,000,000	19,400,000
3.	Senator Sunday Olawale Fajinmi	6,978,000	51,000,000	57,978,000
4.	Dr. Nosike Agokei	7,000,000	242,608,694	249,608,694
5.	Barrister Joseph Obioha Jideofor Chukwuocha	1,000,000	400,000,000	401,000,000
6.	Mr. Danladi Tijo Baido	2,000,000	50,000,000	52,000,000
7.	Arc. Usman Karaye Umaru	3,000,000	50,000,000	53,000,000
<b>Total</b>		<b>73,472,340</b>	<b>867,608,694</b>	<b>941,081,034</b>

Source: African Prudential Registrars Plc

\*\*The indirect shareholding relates to shares of companies that the director is representing their interest on the Board.

### 7.4 STATEMENT OF INDEBTEDNESS

As at September 30, 2012, the date of the audited financial statement, the Bank had no outstanding debentures, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business.

### 7.5 SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this Prospectus, the Bank had only one subsidiary:

Subsidiary:	Shareholding (%)
Resort Developer Limited	99.999

### 7.6 UNCLAIMED DIVIDENDS

As at December 31, 2012, the unclaimed dividends of Resort Savings amounted to ₦20,337,661.35. To address the issue of unclaimed dividends, the Bank shall publish the schedule of unclaimed dividends in its annual report that would be circulated to all shareholders of the Bank.

## **STATUTORY AND GENERAL INFORMATION**

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### **7.7 CLAIMS & LITIGATION**

Resort Savings in the ordinary course of business is currently involved in Twenty four (24) cases. The total amount claimed in the Three (3) cases instituted against the Bank is estimated at ₦111,386,014.07; while the total amount claimed in Sixteen (16) cases instituted by the Bank is ₦2,388,131,633.57. Amongst the 24 cases, there is One (1) criminal matter involving a former staff of the Bank, Two (2) cases on injunction, One (1) Trespass and One (1) in which the Bank is seeking to join as an interested party. Cases yet to be filed are not included in this report.

In summary, the Joint Solicitors to the Offer are of the opinion that the contingent liability that may arise from the cases pending against the Bank should not exceed approximately ₦7,000,000.00 and would not materially impact the proposed Hybrid Offer.

The Directors are also of the opinion that the aforementioned cases are not likely to have any material adverse effect on the Bank and the proposed Hybrid Offer, and are not aware of any other pending or contemplated claims or litigation against the Bank.

### **7.8 EXTRACT FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF RESORT SAVINGS & LOANS PLC**

#### **PUBLIC COMPANY**

4. The Company is a Public Company
5. The liability of the Members is limited by shares
7. Subject to the provisions of Part VI of the Companies and Allied Matters Act 1990, the rights and privileges attached to any of the shares of the Company may be modified, varied, abrogated or dealt with in accordance with the provisions for the time being of the Company's Articles of Association.

#### **CLASSES OF SHARES**

3. The Company may from time to time issue classes of shares. It shall be the responsibility of the Directors to determine the classes of shares to be issued. All the rights or restrictions attached to each particular class of shares shall be specified in the terms of issue but such rights may at any time be varied in accordance with the provisions of section 141 of the Act.
4. Subject to the provisions of the Act, all unissued shares in the Company shall be at the disposal of the Board of Directors, which may allot, grant options over or otherwise dispose of them to such persons, at such times and on such terms as it thinks proper, but so that no shares shall be issued at a discount except in accordance with the Act.

#### **BUSINESS**

7. No part of the funds of the Company shall be employed in the subscription for or purchase of or in loans upon the security of the Company's shares and the Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the

## **STATUTORY AND GENERAL INFORMATION**

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provision of security or otherwise any financial assistance for the purpose of or in connection with any purchase or subscription by any person of or for shares in the Company; but nothing in this Article shall prohibit:

- (a) The lending of money by the Company in the ordinary course of its business, or
- (b) The Company from purchasing its shares for redemption.

### **SHARE CAPITAL**

8. The authorised Share Capital of the Company is N10, 000, 000, 000.00 divided into 20, 000, 000, 000 ordinary shares of N0.50k each.

### **ALTERATION OF RIGHTS OF SHARES**

9. Any of the rights, privileges, or conditions for the time being attached to any shares may be affected, altered, modified, commuted, abrogated or dealt with subject to the prior approval in writing of the Central Bank of Nigeria

(a) By an agreement between the company, provided that such agreement is ratified in writing by the holders of at least seventy-five per cent of the unissued shares affected, or

(b) With the sanction of a resolution passed at a general meeting of the Members by the holders of at least eighty-one per cent of the issued shares affected, but not otherwise.

10. All shares issued by the Company shall be subject to the special rights conferred by these presents, subject to the prior approval in writing of the Central Bank of Nigeria.

### **SHARES**

11. The Board shall not issue shares unless the entire sum payable for the shares has been paid to and received by the Company. The whole of the unissued shares of the Company from time to time authorised shall be under the control of the Board, who may, subject always to the rights of any person entitled to subscribe for or have allotted to him any share of the Company as set forth elsewhere in these presents and to the rights of the holders of the shares of the Company from time to time issued upon special terms and further subject to the Investment Act, allot or otherwise dispose of such paid up shares to such persons on such terms and conditions and with such rights and privileges, and either at nominal value or at a premium, and for such time for such consideration as may be determined, subject always to the stipulations contained in any agreement with reference to the shares to be subscribed for or allotted in pursuance thereof. No shares shall be issued at a discount except in accordance with Section 141 of the Act.

### **INCREASE IN SHARE CAPITAL**

20. The Members of the Company may from time to time by special resolution increase the Company's authorised capital by such sum as the members may determine.

## **STATUTORY AND GENERAL INFORMATION**

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20. (a) Subject to any direction to the contrary that may be given by the meeting sanctioning an increase of capital, all new shares of whatever kind shall be offered to the members in proportion of the nominal value of the existing shares held by them and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within the offer if not accepted will be deemed to be declined and after the expiration of such time, or on the receipt of an intimation from the member to whom such notice is given that he declines to accept the shares so offered, the directors may dispose of the same in such manner as they may think most beneficial to the Company.

(b) If, owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of any such new shares among the members, such difficulty shall in the absence of direction by the Company be determined by the directors.

21. The shares resulting from any such increase shall be subject to all the provisions of these presents with reference to the payment of liens, transfer, transmission, forfeiture and otherwise.

### **ALTERATIONS TO CAPITAL**

22. The Company may by ordinary resolution:

(a) Increase its share capital by new shares of such amount as the resolution prescribes;

(b) Consolidate and divide all or any of the Company's share capital into shares of larger amount than its existing shares;

(c) Subject to the provisions of the Act, sub-divide its shares or any of them, into shares of smaller amount the resolution may determine that as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and

(d) Cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

### **TRANSFER OF SHARES**

24. Subject to such of the restrictions of those presents as may be applicable, any member may transfer all or any of his shares by transferring them in writing in the usual common form or in any other form which the Board may approve.

25. The instrument of transfer of a share shall be signed by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is registered in the Register in respect thereof. All instruments of transfer, when registered shall be retained by the Company.

## **STATUTORY AND GENERAL INFORMATION**

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### **TRANSMISSION OF SHARES**

26. In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole holder shall be the only persons recognized by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any shares jointly held by him with other persons or release the estate from any responsibilities imposed by these presents or by law.

27. Subject to the Investment Act, any person becoming entitled to a share in consequence of the death, unsoundness of mind, bankruptcy or liquidation of any Member may upon such evidence being produced as may from time to time be required by the Board and the subject as hereinafter provided either be registered himself as a holder of the share or elect to have some persons nominated by him registered as the transferee thereof.

28. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him, stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such share.

29. All the limitations, restrictions and provisions of these presents relating to the right to sell and/or transfer and the registration of transfer of shares shall be applicable to any notice or transfer as aforesaid as if the death, unsoundness of mind, bankruptcy or liquidation of the Member had not occurred and the notice or transfer constituted a Sale notice and the offer price for such shares shall be equal to the book value thereof as shown on the financial statements of the Company for the quarter then ended or the average price per share at which sales of shares occurred during the twelve months prior to such notice or transfer, whichever is higher.

30. A person becoming entitled to a share in consequence of the death, unsoundness of mind, bankruptcy or liquidation of a Member shall be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the shares to receive notice of or to attend or vote at the general meetings of the Company, or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until he shall have become registered as the holder thereof.

### **PROCEEDINGS AT GENERAL MEETINGS**

36. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting with the exception of declaring the declaration and sanctioning of dividend, the consideration of the accounts and balance sheets, and the reports of the Directors and Auditors, the election of Directors and other officers in place of those retiring and the voting of additional remuneration to the Directors.

## **STATUTORY AND GENERAL INFORMATION**

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37. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds for business and for the purpose hereof, unless it is otherwise provided, a minimum of 25 (twenty five) members representing at least 10% (ten percent) of the issued shares in the capital of the Company present in person or by proxy shall be a quorum.

42. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by the Chairman or by any Member or group of members present in person or by proxy and representing in the aggregate not less than one-twentieth of the total voting rights of all Members having the right to vote at the meeting. Unless a poll be so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority or not carried by a particular minority or lost, and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

43. If any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the resolution unless it be pointed out at the same meeting and not in that case unless it shall in the reasonable opinion of the Chairman of the meeting, be of sufficient magnitude to vitiate the resolution.

### **VOTE OF MEMBERS**

48. Subject to the rights of each Member with respect of the appointment of Directors contained in Article 60, on a show of hands each Member entitled to vote who being an individual in present in person or by proxy or being a corporation is present by proxy or by representative duly authorised under Section 231 of the Act shall have one vote; and on a poll each Member present in person, or by proxy or by a representative duly authorised pursuant to the Act shall have one vote, for every 1 Naira nominal amount of share capital of which he is the holder. Two or more persons holding a share or shares jointly shall be counted as a single member.

50. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes to the other holders, and for this purpose seniority shall be determined by the order in which the name stands in the Register.

### **MANAGING DIRECTOR**

75. The Directors may with prior consent of the board by power of attorney appoint any company, firm or person or any fluctuation body of persons, to be the attorney or attorneys of the Company for such purposes and with such powers authorities and discretions (not exceeding those vested in or exercisable by the Managing Director under these presents) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of any

## **STATUTORY AND GENERAL INFORMATION**

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persons dealing with any such attorney as the Managing Director may think fit provided that no such provision may also authorise any such attorney to delegate all or any of the powers authorities and discretions vested in him.

### **BORROWING BY DIRECTORS**

92. 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 for any debt, liabilities or obligation of the company or of any third party.

### **THE SEAL**

98. The Board shall provide for the safe custody of the seal, which shall not be affixed on any instrument except by the authority of the Board and in the presence of at least two Directors or one Director and the Secretary and shall sign every instrument to which the seal is so affixed. All forms of certificates for shares, stock or debentures or representing any other form of security (other than letters of allotment, script certificates and other like documents) shall be issued under the seal and bear the autographic signatures of any two Directors or one Director and the Secretary.

### **NOTICES**

113. Any notices or other document may be served by the company on any Member or Director either personally or by delivery or leaving it or sending it through the post in a prepaid letter addressed to such Member or Director at his registered address as appearing in the register or other records of the Company. In the case of joint holders of shares, all notices shall unless such holders otherwise in writing direct be given to that one of the joint holders whose name stands first in the Register, and notice so given shall be sufficient to all the joint holders.

114. Notices to a Member or to a Director described in the Register or other records of the Company by an address overseas or to a Foreign Director shall be sent by air-mail, telex or cable as such Member or Director shall by standing order request.

115. Any notice or other documents delivered or sent by post, telexed or cabled to or left at the registered address of any Member or the address of a Director in the Company's records in pursuance of these presents shall be deemed to have been properly served on such Member or Director two business day from the date such notice or document is so delivered, telexed, cabled, or left notwithstanding that such Member or Director be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, in respect of any share registered in the name of such members as sole or joint holders unless his name shall, at the time of service of the notice or documents, have been removed from the Register as the holder of the shares, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

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### **7.9 MATERIAL CONTRACTS**

The agreement stated below has been entered into and is considered material to this offer:

A Vending Agreement dated xxxx 2013 by which Greenwich Trust Limited has agreed to offer 3,333,333,334 Ordinary Shares of 50 kobo each at ₦0.51 kobo per share by way of an Offer for subscription and a Rights Issue of 3,600,000,000 Ordinary Shares of 50 kobo each at ₦0.50 kobo per share in a ratio of one (1) new share for every three (3) ordinary shares of 50 kobo each held as at the close of business on December 31, 2012 for those shareholders in whose name appear on the Register of Members of the Bank.

Other than as stated above, the Bank has not entered into any material contract except in the ordinary course of business:

### **7.10 COST AND EXPENSES**

The cost, charges and expenses of and incidental to the Offer including fees payable to the Securities & Exchange Commission, the Nigerian Stock Exchange, the Central Securities Clearing Systems Plc, professional parties, brokerage commission, printing and distribution expenses are estimated at ₦110,004,900 representing 3.14% of the gross Offer proceeds and are payable by Resort Savings.

### **7.11 DECLARATIONS**

#### **Except as otherwise disclosed herein**

- No share of the Bank is under option or agreed conditionally or unconditionally to be put under option;
- No commissions, discounts, brokerages or other special terms have been granted to any person in connection with the issue or sale of any share of the Bank;
- There are no founder, management or deferred shares or any options outstanding;
- There are no material service agreements between Resort Savings and any of its Directors and employees other than in the ordinary course of business;
- There are no long-term service agreements between the Bank and any of its Directors and employees; and
- No Director of the Bank has had any interest direct or indirect in any property purchased or to be purchased by the Bank.

### **7.12 RELATIONSHIP BETWEEN THE ISSUER AND THE FINANCIAL ADVISER/ISSUING HOUSE**

As at the date of this Prospectus, there was no relationship between Resort Savings & Loans Plc and Greenwich Trust Limited except in the ordinary course of business.

## STATUTORY AND GENERAL INFORMATION

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### 7.13 CONSENTS

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

<b>Chairman:</b>	Chief Francis Babatunde Adefarati
<b>Managing Director:</b>	Mr. Abimbola Olayinka
<b>Non-Executive Directors:</b>	Barrister Joseph Obioha Jidefor Chukwuocha Senator Sunday Olawale Fajinmi Dr. Nosike Agokei Mr. Danladi Tijo Baido Arc. Usman Karaye Umaru
<b>Company Secretary:</b>	LPC Solicitors
<b>Financial Adviser/Issuing House:</b>	Greenwich Trust Limited
<b>Lead Solicitor to The Offer:</b>	George Ikoli & Okagbue
<b>Joint Solicitor to The Offer:</b>	Amaechi & Amaechi
<b>Solicitor to The Bank:</b>	LPC Solicitors
<b>Auditors to the Bank:</b>	Spiropoulos, Adiele, Okpara & Co. (Chartered Accountants)
<b>Registrars to the Offer:</b>	Africa Prudential Registrars Plc
<b>Reporting Accountants:</b>	Balogun Badejo & Co.
<b>Lead Stockbrokers:</b>	Greenwich Securities Limited
<b>Joint Stockbrokers:</b>	Capital Assets Limited Dunbell Securities Limited Dunn Loren Merrifield Securities Limited Imperial Asset Managers Limited Resort Securities & Trust Limited Trust Yields Securities Limited
<b>Receiving Banks</b>	Keystone Bank Limited Zenith Bank Plc

## **STATUTORY AND GENERAL INFORMATION**

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### **7.14 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the office of Greenwich Trust Limited 1698A, Oyin Jolayemi Street, Victoria Island Lagos during normal business hours on any Business Day from **xxxxx 2013 to xxxx 2013**:

- (i) Certificate of Incorporation;
- (ii) Memorandum and Articles of Association;
- (iii) Shareholders Resolution authorising the Offer;
- (iv) Board Resolution authorising the Offer;
- (v) The audited financial statements of the Bank for the five years ended December 31, 2011 and the 9 months audited financial statement for the month ended September 30, 2012;
- (vi) The financial forecasts for the period ending December 31, 2013, 2014 and 2015;
- (vii) The Reporting Accountants Report on the historical financials of the Bank and the forecasts
- (viii) List of outstanding claims and litigation from the Joint Solicitors to the Offer;
- (ix) The written consent referred to in (7.14) above.
- (x) The Prospectus issued in respect of the Initial Public Offer;
- (xi) The Abridged Prospectus in respect of the Initial Public Offer;
- (xii) The material contract referred to in (7.10) above; and
- (xiii) Letter from the SEC approving the Offer.

## **PROCEDURE FOR APPLICATION AND ALLOTMENT**

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### **1. APPLICATION**

- 1.1 The general investing public is hereby invited to apply for the shares through any of the Receiving Agents listed on Page 70 of this Prospectus.
- 1.2 Applications for the shares must be made in accordance with the instructions set out at the back of the application form. Care must be taken to follow these instructions, as applications which do not comply will be rejected.
- 1.3 The Application List for the shares will be opened from **xxxxx 2013 to xxxx 2013**. Applications must be for a minimum of 1,000 shares and in multiples of 100 thereafter. The number of shares for which an application is made and the value of the cheque or bank draft attached should be entered in the boxes provided.
- 1.4 A single applicant should sign the declaration and write his/her full names, address, daytime telephone number and occupation in item "1" on the application form. Item "1B" should be used by joint applicants. Corporate applicants should affix their seal in the space provided and state their incorporation (RC) number or in the case of a corporate foreign subscriber, its appropriate identification number in the jurisdiction in which it was constituted.
- 1.5 Each application should be forwarded together with the cheque or bank draft for the full amount of the purchase price to any of the Receiving Agents listed on Page 70. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**RESORT SAVINGS IPO**" with the name, address and daytime telephone number of the applicant written on the back. All transfer charges to Lagos, if any, must be paid by the applicant and no application will be accepted unless this has been done. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the registered post.

### **2. ALLOTMENT**

Greenwich Trust Limited and the Directors of the Bank reserve the right to accept or reject any application in whole or in part for not meeting the conditions of the Offer. The allotment proposal will be subject to the clearance of the Securities & Exchange Commission.

### **3. SHARE CERTIFICATE/ E-ALLOTMENT**

Share certificates in respect of the shares allotted will be sent by electronic-transfer to the CSCS account of allottees not later than 15 working days from the date of allotment. Investors are hereby advised to state the name of their stockbrokers as well as their CSCS account number in the space provided on the Application Form.

### **4. APPLICATION MONIES**

All application monies will be retained in separate interest yielding bank accounts by the Receiving Banks pending allotment. If any application is not accepted, or is accepted for fewer shares than the number applied for, a crossed cheque for the full amount or the balance of the amount paid (including accrued interest) will be returned by registered post within 5 working days of allotment. Where monies are not sent within the stipulated 5 days, accrued interest will be paid at the rate not below MPR plus 1.

## RECEIVING AGENTS

Application Forms may be obtained free of charge from any of the following Receiving Agents registered as market operators by SEC, to whom brokerage will be paid at the rate of ₦ 0.75 per ₦100 worth of stock allotted in respect of applications bearing their official stamps.

**The Financial Adviser/ Issuing House 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. Evidence of lodgment of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Financial Adviser/ Issuing House, cannot give rise to a liability on the part of the Financial Adviser/Issuing House under any circumstances**

### BANKS

Access Bank Plc	Guaranty Trust Bank Plc	Sterling Bank Plc
Diamond Bank Plc	Keystone Bank Limited	United Bank for Africa Plc
Eco Bank Nigeria Plc	Mainstreet Bank Limited	Union Bank of Nigeria Plc
Enterprise Bank Limited	Nigeria International Bank Limited (Citigroup)	Unity Bank Plc
Fidelity Bank Plc	Skye Bank Plc	Wema Bank Plc
First Bank of Nigeria Plc	Stanbic IBTC Bank Plc	Zenith Bank Plc
First City Monument Bank Plc	Standard Chartered Bank Limited	

AAA Stockbrokers Ltd	Forste Asset Management Ltd	Professional Stockbrokers Ltd
Adamawa Securities Ltd	Forthright Securities & Investments Ltd	Pivot Trust & Investment Ltd
AIL Securities Ltd	Fountain Securities Ltd	Profund Securities Ltd
Alangrange Securities Limited	FSDH Securities Limited	PSL Securities Ltd
Alliance Capital Mgt co. Ltd	Future View Financial Services Ltd	Pyramid Securities Ltd
Altrade Securities Ltd	Gidauniya Investments & Securities Ltd	Quantum Securities Ltd
AMYN Investments Ltd	Global Assets & Management Ltd	Reading Investments Ltd
Anchoria Investment & Securities Ltd	Golden Securities Ltd	Regency Assets Management Ltd
APT Securities & Funds Ltd	Greenwich Trust Ltd	Resano Securities Ltd
Associated Asset Managers Ltd	GTI Capital Ltd	Resort Securities & Trust Ltd
Atlas Portfolio Ltd	Heartbeat Investments Ltd	Reward Investments & Securities Ltd
Belfry Investment & Sec. Ltd	Hedge Securities & Investments Ltd	Rivtrust Securities Ltd
Best Link Investment Ltd	Horizon Stockbrokers Ltd	Rolex Securities Ltd
Bestworth Assets & Trust Ltd	IBTC Asset Management Ltd	Rostrum Investments & Securities Ltd
BFCL Assets & Securities Ltd	ICMG Securities Ltd	Royal Crest Finance Ltd
BGL Securities Ltd	ICON Stockbrokers Ltd	Santrust & Securities Ltd
BSD Securities Ltd	Ideal Securities & Investments Ltd	Securities Solutions Ltd
Bytofel Trust & Securities Ltd	Independent Securities	Securities Trading & Investment Ltd
Calyx Securities Limited	Intercontinental Securities Ltd	Securities Transaction & trust Co Ltd
Cashcraft Asset Management Limited	Integrated Trust & Investments Ltd	Security Swaps Ltd
Camry Securities Limited	International Standard Securities Ltd	Shelong Investment Ltd
Capital Assets Ltd	Interstate Securities Ltd	Sigma Securities Ltd
Capital Bancorp Ltd	Investment Centre Ltd	Signet Investments Securities Ltd
Capital Express Securities Ltd	Investment Masters & Trust Ltd	SMADAC Securities Ltd
Capital Trust Brokers Ltd	Jenkins Investment Ltd	Solid Rock Securities & Investment Ltd
Calyx Securities Ltd.	Kapital Care Trust & Securities Ltd	Spring Stockbrokers Limited
Centre Point Investment Ltd	Kinley Securities Ltd	Springboard Trust & Investment Ltd
Century Securities Ltd	Kundila Finance Services Ltd	Stanbic Equities Nigeria Ltd
Chapel Hill Advisory Partners Limited	Lambeth Trust & Investment Co Ltd	Stanwal Securities Ltd
Clearview Investment Company Ltd.	LB Securities Ltd	Strategy & Arbitrage Ltd
City-Code Trust & Investment Co Ltd	Lead Capital Ltd	Summa Guaranty & Trust Co Ltd
Compass Investment & Securities Limited	Lighthouse Asset Management Ltd	Summit Finance Company Ltd
Consolidated Investment Ltd	Maclaize Trust & Securities Ltd	Supra Commercial Trust Ltd
Cooper Fleming Stockbrokers Ltd	Mainland Trust Ltd	TFS Securities Ltd
Core Trust & Investment Ltd	Maninvest Securities Ltd	Tiddo Securities Ltd
Counters Trust Securities Ltd	Marimpex Finance & Investment Ltd	Tomil Trust Ltd
Cowry Asset Management Ltd	Marina Securities Ltd	Topmost Finance & Investment Ltd
Crossworld Securities Ltd	Maven Asset Management Ltd	Tower Assets Management Ltd
CSL Stockbrokers Ltd	Maxifund Investments & Securities Ltd	Tower Securities & Investment Co Ltd
Davandy Finance & Sec. Ltd	Mayfield Investment Ltd	Traders Trust & Investment Co Ltd
De-Canon Investment Ltd	MBC Securities Ltd	Trans Africa Financial Services Ltd
De-Lords Securities Ltd	MBL Financial Services Ltd	Transworld Investment Ltd
Denham Management Ltd	Mega Equities Ltd	Tropics Securities Ltd
Dependable Securities Ltd	Mercov Securities Ltd	Trust Yield Securities Ltd
Dynamic Portfolio Ltd	Meristem Securities Ltd	Trusthouse Investment Ltd
EBN Securities Ltd	Metropolitan Trust Nigeria Ltd	TRW Stockbrokers Ltd
Emerging Capital Ltd	Midas Stockbrokers Ltd	UBA Global Markets Ltd
Empire Securities Ltd	Mission Securities Ltd	UIDC Securities limited
Enterprise Stockbroker Plc	Molten Trust Ltd	UNEX Securities & Investment Ltd
ESL Securities Limited	Mountain Investment & Securities Ltd	Union Capital Markets Ltd
ESS Investment & Trust Ltd	Newdevco Finance Securities Ltd	Valmon Securities Ltd
Eurocomm Securities Ltd	Nigerian International Securities Ltd	ValueLine Securities & Investment Ltd
Excel Securities Ltd	Nigerian Stockbrokers Ltd	Vetiva Capital Management Limited
Express Portfolio Services Ltd	Omas Investments & Trust Ltd	Vision Trust & Investment Ltd
F & C Securities Ltd	OMF Securities & Finance Ltd	Viva Securities Ltd
Falcon Securities Ltd	Options Securities Ltd	Wizetrade Capital Asset Management Ltd
FBN Capital Limited	P.S.I. Securities Ltd	WSTC Financial Services Ltd
Finmal Finance Services Ltd	Partnership Investment Co Ltd	Yobe Investment & Securities Ltd
First Alstate Securities	Peninsula Asset Management & Inv. Co. Ltd	Zenith Securities Limited
First Equity Securities Ltd	Perfecta Investment Trust Ltd	Zuma Securities Limited
First Stockbrokers Ltd	Pilot Securities Limited	
FIS Securities Ltd	Pinefields Investment Services Ltd	
Foresight Securities Investments Ltd	Premium Securities Ltd	



## **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

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1. Applications should be made only on the Application Form or photocopies or scanned copies of the Application Form.
2. Applications must be for not less than the minimum number of units stated on the Application Form. Applications for more than the minimum number of units must be in the multiples stated on the Application Form. The number of Units for which applications are made and the amount of the cheque or bank draft attached should be entered in the boxes provided.
3. The Application Form when completed should be lodged with any of the Receiving Agents listed herein. Applications must be accompanied by cheque or bank draft made payable to the Receiving Agent with whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**RESORT SAVINGS IPO**" with the name(s) and address(es) and daytime telephone number (where available) of the applicant(s) on the back. All cheques and drafts will be presented for payment on receipt and applications in respect of which cheques are returned unpaid for any reason will be rejected.
4. The applicant(s) 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.
5. Joint applicants must all sign the Application Form.
6. 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 Cap C20 LFN 2004 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.
7. An application from a corporate body must bear the corporate body's seal and be completed under the hand of a duly authorized official.
8. An application by an illiterate should bear his right thumb print on the application form and be witnessed by an official of the bank or stock broking firm at which the application is lodged who must first have explained the meaning and effect of the Application Form to the illiterate in the illiterate's 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 the same before affixing his thumb impression.
9. 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.