

2<sup>nd</sup> May, 2021

## **HONEYWELL GROUP'S STATEMENT ON RECENT EVENTS**

### **WHO WE ARE**

Honeywell Group is a Nigerian investment holding company deeply vested in critical sectors of the economy such as financial services, hospitality, energy, infrastructure and foods. We directly employ over 10,000 men and women while also supporting thousands more through our partnerships and community programmes.

With nearly 50 years of operations, Honeywell Group continues to positively impact communities and the lives of millions of Nigerians. From connecting communities to the national power grid, to providing nourishment to over 4 million households annually, we are a longstanding positive contributor to our communities and the overall growth and development of Nigeria.

### **RELATIONSHIP BETWEEN HONEYWELL GROUP AND FIRST BANK OF NIGERIA**

Like most companies, Honeywell Group utilises its own equity and borrows from banks and other financial institutions to carry out its operations. Partnering with local and international financiers, we have a strong track record of mutually beneficial successes with our partners, based on honouring obligations and delivering returns to all stakeholders.

Since 1972, Honeywell Group and First Bank of Nigeria (First Bank or the Bank) have had a professional business relationship which preceded the Group's investment in First Bank over a decade later. Honeywell Group's relationship with First Bank has always been professional, at arm's length and in accordance with all regulatory and industry practices and norms. The credit facilities which we have accessed from First Bank and indeed other banks, were granted after due negotiations, with the necessary documentation and in line with regulatory policies and industry standards.

We have serviced all our credit facilities in line with the terms agreed with First Bank and at no point have any of these facilities been non-performing.

In 2015, First Bank under the directive of the Central Bank of Nigeria (CBN), drew our attention to a 2004 circular (BSD/9/2004) which requires that insider related facilities must not exceed 10% of paid-up share capital. Based on this directive we subsequently entered negotiations with the Bank to agree an appropriate repayment structure and the final negotiated position was duly approved by the CBN. It is important to note that from the inception of the facilities and to-date, the facilities have been performing.

In accordance with agreed terms, our facilities are adequately secured with First Bank, with collaterals in place at over 170% of Forced Sales Value and 230% at Open Market Value.

In addition to the above, First Bank, on the directive of CBN, requested additional security in the form of FBN Holdings Plc shares held by the Chairman of Honeywell Group, Dr. Oba Otudeko citing a 2001 circular. This was duly provided through an authorisation to place a lien on the shares.

Honeywell Group has continued to meet all its obligations on its facilities with the Bank according to agreed terms and has reduced its exposure by nearly 30% in 2.5 years. The facilities were charged at market rates and the Bank continues to earn significant interest therefrom.

### **OUR SOCIETAL IMPACT AND COMMITMENT TO STAKEHOLDERS**

Over the last 5 decades of our existence, Honeywell Group has positively impacted the communities in which we operate.

We have been at the forefront of the development of key sectors of the Nigerian economy, including telecommunications, real estate and financial services. Through our investments and involvement in food manufacturing and processing companies, we have contributed to feeding Nigerians for over 50 years with staples such as flour, noodles, pasta, dairy and fish.

We are a law-abiding, responsible corporate citizen, providing employment to thousands of Nigerians, supporting our communities, delivering value to our stakeholders, and complying with regulatory requirements.

We remain committed to delivering enduring value and improving lives.