

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

RED HERRING PRICING SUPPLEMENT/SUPPLEMENTAL PROSPECTUS
THIS DOCUMENT IS FOR GUIDANCE PURPOSES FOR PRICE DISCOVERY PROCESS ONLY



LAPO MFB SPV PLC
RC: 1363556

(Incorporated for the sole purpose of financing the purchase of Senior and Subordinated Underlying Bonds to be issued by LAPO Microfinance Bank Limited)

Offers for Subscription

₦3,150,000,000

Series I: 5-Year

17.75% Fixed Rate Senior Unsecured Bonds due 2022

(being offered to Qualified Institutional Investors and High Networth Individuals)

Under a ₦20,000,000,000 Debt Issuance Programme

Issue Price: ₦1,000 per unit

Payable in full on Application

Application List Opens: 8 November, 2017

Application List Closes: 11 December, 2017

This Pricing Supplement is prepared pursuant to Rule 320 of the Rules and Regulation of the Securities & Exchange Commission (the "Commission" or "SEC") in connection with the ₦20,000,000,000 Debt Issuance Programme established by LAPO MFB SPV PLC ("the Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated 16 August 2017 and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from the Issuing Houses.

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the Securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No Securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than three years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "Series 1 Bonds" or "Bonds"). An application will be made to the Board Listings and Quotations Committee of the FMDQ OTC for the admission of the Bonds to its Daily Quotation List. The Bonds now being issued qualify as a security in which Trustees may invest under the Trustee Investments Act, (Cap T22) Laws of the Federation of Nigeria, 2004.

This Prospectus and the securities, which it offers, have been registered by the Securities and Exchange Commission. Sections 85 to 87 of the Investments and Securities Act, provide for civil and criminal liabilities for the issue of a Prospectus which contains false or misleading information. The registration of this Prospectus and the securities which it offers does not relieve the parties of any liability arising under the Act for false or misleading statements or for any omission of a material fact in this Prospectus.

LEAD ISSUING HOUSE/BOOK RUNNER



FCMB
FIRST CAPITAL MARKETS LIMITED
A MEMBER OF FCMB GROUP PLC

RC: 446561

JOINT ISSUING HOUSE/BOOK RUNNER



RC: 444999

THIS PRICING SUPPLEMENT IS DATED 20 DECEMBER 2017

The Pricing Supplement can be found on the websites of the Sponsor and the Commission: www.lapo-nigeria.org and www.sec.gov.ng respectively

If you are in any doubt about the contents of this document or any action to be taken, it is recommended that you consult your Stockbroker, Banker, Solicitor, Accountant or any other professional adviser duly registered under the Investment and Securities Act No. 29, 2007

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FINAL TERMS OF SERIES 1 BONDS

Issuer:	LAPO MFB SPV PLC
Sponsor and Co-obligor:	LAPO Microfinance Bank Limited
Series Number:	1
Aggregate Principal Amount of Bonds:	N3,150,000,000
Issue Price:	Par
Issue Coupon:	17.75%
Gross Proceeds:	N3,150,000,000
Denomination(s):	Minimum of N20,000,000 (i.e. 20,000 units @ N1,000/unit) and multiples of N5,000,000 thereafter
Issue Date:	20 December 2017
Interest Commence Date (if different from Issue Date)	19 December 2017
Maturity Date:	19 December 2022
Redemption/Payment Basis:	Bullet repayment on maturity at Par.
Status:	The Bonds constitute senior unsecured obligation of the Issuer and shall at all times rank <i>pari passu</i> among themselves and at least rank <i>pari passu</i> in right of payment with all other present and future unsecured obligations of the Issuer
Listing(s):	The Series 1 Bonds will be listed on the FMDQ OTC
Method of Distribution:	By way of a Syndicated Book Build to Institutional Investors and High Net Worth Individuals
Use of Proceeds:	Purchase of 5 year Senior Unsecured Bonds issued by LAPO Microfinance Bank Limited ("LAPO MFB")
Source of Repayment	The Bonds shall be redeemed primarily from the Sponsor's operational cash flows
Claims and Litigation	The Issuer is not and has not been since its incorporation engaged in any litigation or arbitration proceedings which may have or have had during such period a significant effect on its

	respective financial position and, as far as the Issuer is aware, no such litigation or arbitration proceedings are pending or threatened.
Undertaking:	The Bonds are backed by an Undertaking issued by LAPO MFB in favour of the Trustee on behalf of Bondholders supporting all the obligations of the Issuer under the Programme
Underwriting	At the instance of the Issuer, this Offer will not be underwritten
Indebtedness	As at 31 December 2016, the Issuer has no outstanding borrowings or any other similar indebtedness

Provisions Relating To Interest (If Any) Payable

Fixed Rate Note Provisions	Applicable
Interest Rate:	17.75% per annum
Coupon Payment Date(s) /Payment Dates:	Semi-annual, and payable in arrears on 21 June and 20 December of each year up to and including the Maturity Date
Interest Amount(s):	See ("Coupon Payment Schedule") on page 10
Business Day Convention:	Modified Following: Where a Coupon Payment Date falls on a non-Business Day, such payment shall be postponed to the next day which is a Business Day provided that if such a Business Day falls into the next calendar month, such Coupon Payment Date shall be brought forward to the immediately preceding Business Day
Business Day:	Any day (other than a Saturday, Sunday or a Federal Government of Nigeria declared public holiday) on which commercial banks are open for general business in Abuja and Lagos, Nigeria
Day Count Fraction	Actual / 365 (actual numbers of days in a month/365 days in the year)
Other terms relating to method of calculating interest for Fixed Rate Bonds:	Not Applicable

Provisions Relating To Redemption

Optional Early Redemption (Call Option):	Not Applicable
Optional Early Redemption (Put Option):	Not Applicable
Scheduled Redemption/Amortization:	Not Applicable
Redemption Amount(s):	Not Applicable
Scheduled Redemption Dates:	Not Applicable
Final Redemption Amount:	Not Applicable
Redemption Notice Period:	Not Applicable

General Provisions Applicable to the Bonds

Trustees:	FBN Trustees Limited
Registrar:	Cardinal Stone Registrars Limited
Record Date:	No Bondholder may require the transfer of a Bond to be registered during the period of 15 days ending on the due date for any payment of principal or Coupon on the Bond

Distribution, Clearing and Settlement Provisions

If syndicated, names of the Lead Issuing House/Bookrunner and the Joint Issuing House(s)/ Bookrunner(s) (as defined in the Series Vending Agreement):	FCMB Capital Markets Limited (Lead Issuing House/ Bookrunner) United Capital Plc (Joint Issuing House/ Bookrunner)
Clearing System:	Central Securities Clearing System Plc (CSCS)

General

Sponsor Rating: BBB+ (GCR)

Issue Rating: A- (Agusto) and BBB+ (GCR)

Taxation: The Bonds are exempt from taxation in Nigeria in accordance with the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order 2011, the Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 and the Personal Income Tax (Amendment) Act 2011. As such, all payments made to Bondholders shall be free and clear of Withholding, State and Federal Income and Capital Gains Taxes with no deductions whatsoever being made at source

Governing Law The Bonds will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria

Material Adverse Change Statement

Except as disclosed in this document and in the Shelf Prospectus dated 16 August 2017, there has been no significant change in the financial or trading position of the Issuer since 31 December 2016.

Registration

The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Shelf Prospectus referred to above, contains all information that is material in the context of the issue of the Bonds.

Signed at ___ on this 20th day of December 2017



Name: Godwin Ehigiamusoe

Capacity: Managing Director

DESCRIPTION OF THE ISSUE

LAPO MFB SPV Plc:

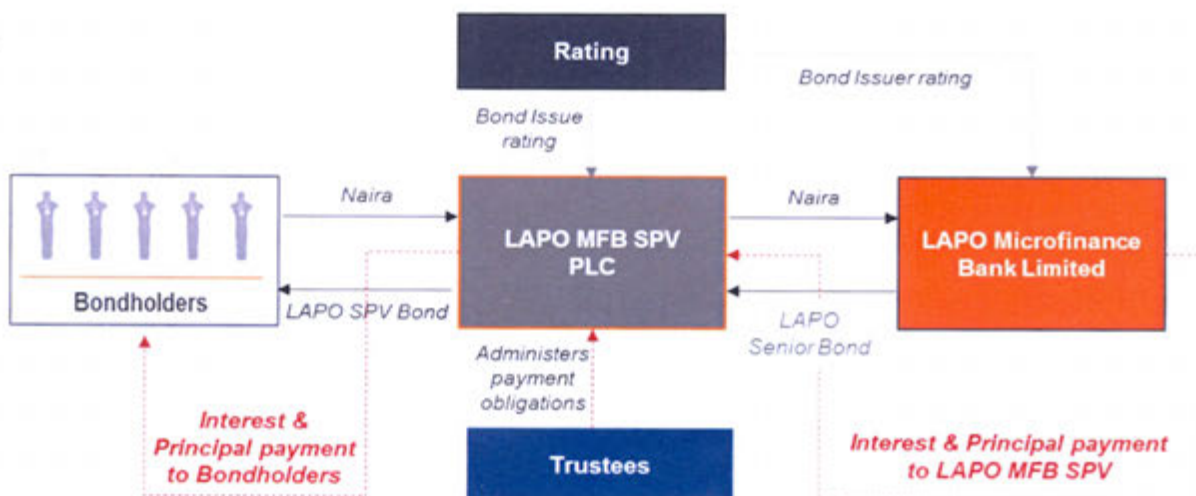
The Issuer was incorporated in Nigeria on 26 September, 2016 (registered number 1363556) as a public limited company under the name of LAPO MFB SPV Plc ("LAPO MFB SPV" or "the Issuer"). The Issuer carries on business at 18, Dawson Road, Benin, Edo State. The Issuer has no subsidiaries or affiliates and has been established as a special purpose vehicle for the purpose of issuing bonds to fund the growth of LAPO Microfinance Bank Limited's ("LAPO MFB", "Sponsor", or the "Bank") retail loan book.

Shareholders	Number of Shares	Shareholding (%)
LAPO Microfinance bank Limited	990,000	99.00%
Dr. Godwin Eseiwi Ehigiamusoe	10,000	1.00%

Undertaking

The Bonds are backed by an Undertaking issued by LAPO Microfinance Bank in favour of the Trustee on behalf of Bondholders supporting all the obligations of the Issuer under the Programme.

Structure of the Issue



1. LAPO MFB SPV issues bonds (to the public) in consideration for gross proceeds.
2. Investors subscribe to LAPO MFB SPV bond issue.
3. The Bank issues LAPO Senior Bonds to LAPO MFB SPV

4. LAPO MFB SPV purchases LAPO Senior Bonds from the Bank.
5. The Bank pays interest and principal in accordance with Master Bonds Purchase Agreement ("MBPA") to LAPO MFB SPV
6. LAPO MFB SPV pays interest and principal to bondholders in accordance with the Pricing Supplement
 - a. Agosto & Co and Global Credit Rating Co. provides bond issue rating to LAPO MFB SPV's proposed bond issue.
 - b. Global Credit Rating Co. provides Issuer rating to LAPO.
 - c. Trustee administers payment obligations according to MBPA.

USE OF PROCEEDS

The estimated gross issue of N3,150,000,000 will be utilised for the purchase of 5 year 17.75% Senior Unsecured Bonds issued by LAPO. The offer cost of N97,340,630 i.e.3.09% of the gross issue proceeds will be borne by the Sponsor.

Details	Amount (N)	%	Timeline
Purchase of 5 year Senior Unsecured Bonds issued by LAPO	3,150,000,000	100%	Immediately
Gross Proceeds	3,150,000,000	100%	

LAPO Microfinance Bank Limited shall utilise the proceeds of the Bonds to fund the growth of its retail loan book.

COUPON PAYMENT SCHEDULE

The following table indicates the semi-annual payment of the Coupon and the bullet payment of the principal at maturity. The table reflects coupon price at 17.75 %.

Period	Bond Obligation Repayment Dates	Interest Payment (N'000)	Principal Payment (N'000)	Principal Obligation Outstanding (N'000)
Interval 1	21 June 2018	281,860,273.97	0	3,150,000,000
Interval 2	20 December 2018	278,796,575.34	0	3,150,000,000
Interval 3	21 June 2019	280,328,424.66	0	3,150,000,000
Interval 4	20 December 2019	278,796,575.34	0	3,150,000,000
Interval 5	22 June 2020	283,392,123.29	0	3,150,000,000
Interval 6	21 December 2020	278,796,575.34	0	3,150,000,000
Interval 7	21 June 2021	278,034,836.07	0	3,150,000,000
Interval 8	20 December 2021	278,034,836.07	0	3,150,000,000
Interval 9	21 June 2022	280,328,424.66	0	3,150,000,000
Interval 10	19 December 2022	277,264,726.03	3,150,000,000	0

PARTIES TO THE OFFER

Directors and Company Secretary of the Sponsor

Chairman

Mr. Osarenren Emokpae

LAPO Place
18, Dawson Road,
Benin, Edo State



Managing Director

Dr. Godwin Ehigiamusoe

LAPO Place
18, Dawson Road,
Benin, Edo State



Director (Non-Executive)

Mr. Andrew Ejoh

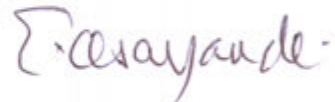
LAPO Place
18, Dawson Road,
Benin, Edo State



Director (Non-Executive)

Mr. Osayande Ede

LAPO Place
18, Dawson Road,
Benin, Edo State



Director (Non-Executive)

Mr. Rene Azokly

LAPO Place
18, Dawson Road,
Benin, Edo State



Director (Non-Executive)

Mrs. Osaretin Demuren

LAPO Place
18, Dawson Road,
Benin, Edo State



Director (Executive)

Mrs. Josephine Nwachukwu

LAPO Place
18, Dawson Road,
Benin, Edo State



Directors and Company Secretary of the Sponsor

Director (Executive)

Mrs. Faith Osazuwa-Ojo

LAPO Place
18, Dawson Road,
Benin, Edo State



Director (Non-Executive)

Mrs. Hannatu Yaro

LAPO Place
18, Dawson Road,
Benin, Edo State



Company Secretary

Ms. Cynthia Ikponmwosa

LAPO Place
18, Dawson Road,
Benin, Edo State



Directors and Company Secretary of the Issuer

Director

Dr. Godwin Ehigiamusoe

LAPO Place
18, Dawson Road,
Benin, Edo State



Director

Mrs. Josephine Nwachukwu

LAPO Place
18, Dawson Road,
Benin, Edo State



Director

Mrs. Faith Osazuwa-Ojo

LAPO Place
18, Dawson Road,
Benin, Edo State



Company Secretary







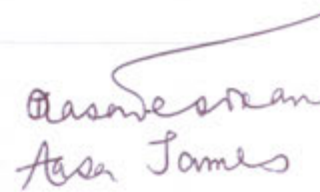
Ms. Cynthia Ikponmwosa

LAPO Place
18, Dawson Road,
Benin, Edo State



Directors and Company Secretary of the Issuer

Professional Parties to the Issue

Lead Issuing House	FCMB Capital Markets Limited 6 th Floor, First City Plaza 44, Marina Lagos	 Abimbola Kasin
Joint Issuing House	United Capital Plc. 12 th Floor, UBA House 57, Marina Lagos	 BABATUNDE BABALOLA
Solicitor to the Issue	Banwo & Ighodalo 98 Awolowo Road South West, Ikoyi Lagos	 Azeemah Muse-Sedig
Solicitor to the Issuer	Tokunbo Orimobi LP Plot 1963B Buraimoh Kenku Street Off Oyin Jolayemi Street Victoria Island Lagos	 MICHAEL ORIMOBIL
Solicitor to the Trustees	Aluko & Oyebo 1, Murtala Muhammed Drive Ikoyi Lagos	 Lotanna Nwocha
Trustee Adekunle Awojobi	FBN Trustees Limited 16-18 Keffi Street, Off Awolowo Road S/W Ikoyi Lagos	
Issuer's Auditor	Akintola Williams Deloitte Civic Towers Plot GA 1, Ozumba Mbadiwe Avenue Victoria Island Lagos	 Asa James

Directors and Company Secretary of the Issuer

Sponsor's Auditor	Akintola Williams Deloitte Civic Towers Plot GA 1, Ozumba Mbadiwe Avenue Victoria Island Lagos	<i>Asase James</i>
Rating Agencies	Agusto & Co. Limited 5 th Floor, UBA House 57, Marina Lagos	<i>Olusegun Owoadokun</i>
	Global Credit Ratings Co. 17 th Floor, New Africa House 31 Marina Lagos	<i>SEUN ABOJINRIN</i>
Reporting Accountant	Ernst & Young 10 th Floor, UBA House 57, Marina Lagos	<i>Sunday Adeboye</i>
Registrars	CardinalStone Registrars Limited 358 Herbert Macaulay Way Yaba Lagos	<i>Ayo Adebisi</i>
Receiving Banks	First Bank of Nigeria Limited Samuel Asabia House 35, Marina Lagos	<i>Patience Adegbinle</i>
	First City Monument Bank Limited Primose Towers 17A, Tinubu Street Lagos	<i>Shunmi Lawson</i>

EXTRACT OF THE ISSUE RATING REPORT

LAPO MFB SPV Plc.'s N6 Billion Bond

Rating: A-

The rating is subject to annual review throughout the tenure of the bond.

Outlook: Stable

Issue Date: April 2017

Entity Rating: *Expired 30 June 2017*

Bond tenor: 5 years

Industry: Microfinance

Analysts:

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Agusto & Co. Limited
UBA House (5th Floor)
57, Marina
Lagos
Nigeria

www.agusto.com

The Bond is adjudged to offer adequate safety of timely payment of interest and principal; however, changes in circumstances can adversely affect such issues more than those in the higher rated categories.

RATING RATIONALE

LAPO MFB SPV Plc (The "Issuer" or the "Company") is a Special Purpose Vehicle (SPV) owned by LAPO Microfinance Bank Limited (LAPO, 'the Sponsor, or 'the Bank') with an authorised share capital of N1 million (1,000,000 ordinary shares of N1 each). The Sponsor owns 990,000 of the Issuer's shares, while 10,000 shares are held by Mr Godwin Esewi Ehigiamusoe, LAPO's Managing Director. The SPV was set up for the sole purpose of issuing bonds.

LAPO is sponsoring a five year N6 billion fixed rate unsecured bond (the Issue' or 'the Bond') to be issued by LAPO MFB SPV Plc. The Bond's proceeds will be used to meet LAPO's funding requirements. The Issue's repayment will be made from the Sponsor's cash flows. The Bond will rank pari passu with other outstanding unsecured obligations of the Sponsor.

The rating is supported by LAPO's leading position in the microfinance industry. The rating also reflects the Bank's good capitalisation, experienced management team, good profitability and satisfactory liquidity profile. However, the rating is constrained by Nigeria's tough macroeconomic environment which has negatively affected the microfinance industry and its obligors. We also take into cognizance, LAPO's slow rising level of impaired credits, the Bank's vulnerability to foreign exchange losses as well as its increasing operating costs.

LAPO is the largest microfinance bank in Nigeria, operating with a national license through 433 branches across the country. The Sponsor has a good reputation in the market based on its track record and product innovation. LAPO's experienced management team and use of the group lending methodology – which over the years has reflected in low level of reported delinquencies also gives credence to the Sponsor's foremost position and

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reputation in the microfinance industry. As at year end 2016, the Bank's portfolio at risk (PAR) represented 6% (2015:5%) of gross loans. Though this is higher than the regulatory benchmark of 5% prescribed by the CBN for microfinance banks operating in Nigeria, this ratio is significantly lower than the banking industry average estimated at 12.5%¹.

Agusto & Co is cognisant of LAPO's strong capitalisation, with total shareholders' funds of ₦14 billion (exceeding the regulatory minimum of ₦2 billion) and a capital adequacy ratio of 39% - also significantly higher than the regulatory minimum of 10% as at 31 December 2016.

LAPO's capitalization is supported by good internal capital generation, with an average retention ratio of 95% over the last three years. Capitalization is thus expected to be strong over the life of the Bond - particularly if the Sponsor maintains the aggressive retention ratio.

LAPO has a diverse funding mix comprising shareholders' funds, customer deposits and medium tenured interest bearing liabilities - the bulk of which are from foreign financial institutions. The Sponsor intends to reduce the reliance on foreign borrowings given higher currency risks and hopes to achieve this with the Bond issuance as maturing facilities in FCY are due to be repaid and not renewed. LAPO's weighted average cost of fund (WACF) was 17% as at 31 December 2016 and we expect the reliance on local borrowings to increase funding costs moderately.

The Sponsor's earnings profile remains good despite the tougher macroeconomic environment. In 2016, growth in net earnings was sufficient to cushion the impact of higher operating costs and loan charge-offs to result in improved profitability. Nevertheless, we believe that inflationary pressures will keep operating costs high in the short to medium term. Foreign exchange losses will also impair profitability in the short term, but overall profitability should remain adequate.

The rating also takes into consideration the main challenges facing the Bank. LAPO is increasingly going beyond the group lending methodology to grow loans to stand alone individuals and SMEs - exposing the Sponsor to higher credit risk. Recent increase in PAR/gross loans ratio also denotes the challenge LAPO faces in keeping delinquencies low in the less benign environment and the need to strengthen risk management. Portfolio at risk is therefore expected to trend upwards as the loan book grows. LAPO will also

¹ Agusto & Co.'s Banking Industry Report

need to strengthen risk management to support the intended loan growth.

Overall, we are of the opinion that LAPO Microfinance Bank SPV Plc.'s N6 billion Bond offers adequate safety of timely payment of interest and principal.

Rating Considerations

Strengths

- Good market position
- Experienced and stable management team
- Good profitability
- Good capitalisation

Challenges

- Diversifying the funding base away from foreign exchange denominated borrowings.
- Susceptible to foreign exchange losses
- Sustaining current profit levels
- Keeping loan loss expenses low in a tougher macro economic climate.

Rating Sensitivities

- Further adverse changes in the Nigerian macroeconomic climate
- Significant increase in the PAR may impair this rating
- Significant increase in the cost-to-income ratio

Table 1: Financial Data

	31 December 2016	31 December 2015
Total assets	N62.7 billion	N52.4 billion
Gross earnings	N26.9 billion	N19.6 billion
Pre-tax return on average assets	11.7%	10.6%
Pre-tax return on average equity	56.3%	53.5%

Source: LAPO Microfinance Bank

LAPO Mfb MFB SPV Plc N20bn Debt Issuance Programme (Series 1 Bonds)

Nigeria Bond Analysis July 2017

Security class	Amount	Rating Scale	Rating*	Outlook*	Expiry date
Senior Unsecured	N6bn	National	BBB+(S&D)	Stable	June 2018

Key Counterparties:

Issuer:

LAPO Mfb MFB SPV PLC

Sponsor:

LAPO Mfb

Sponsor's long-term national scale credit rating: BBB+(S&D)

Trustee:

FBN Trustees Limited

Lead Issuing House:

FCMB Capital Markets Limited

Joint Issuing Houses:

United Capital Plc

Summary of Transactions:

Programme limit: N20bn

Current issue: Series 1 N6bn

Ranking: Fixed Rate/Subordinated

Rating History:

Initial/last rating (not applicable)

Long term: first time/new rating

Rating outlook: first time/new rating

Related Methodologies/Research:

Global Master Criteria for Rating Banks and Other Financial Institutions, updated March 2017

LAPO Mfb rating report, 2017

Glossary of Terms/Ratios, February 2016

GCR Contacts:

Primary analyst:

Julius Adekeye

Senior Credit Analyst

adekeye.j@globalratings.net

Committee Chairperson:

Dave King

king.d@globalratings.net

Analyst location: Nigeria

Tel: +23441 462-2545

Website: www.globalratings.com.ng

Transaction summary

The Series 1 Bonds have been issued under LAPO Mfb SPV PLC's ("the Issuer") N20bn Debt Issuance Program ("DIP"). The Issuer is permitted through a resolution of its Board of Directors ("board") dated 26 September 2016, to issue the Bonds in tranches, different forms, and under different terms and conditions as the board may deem fit, subject to the approval of the relevant regulatory authorities.

Summary rating rationale

- Notwithstanding that the Series 1 Bonds are being issued by LAPO Mfb SPV PLC, repayment of the obligations under the Issue ultimately depends on the performance of LAPO Microfinance Bank Limited ("LAPO Mfb" or "the bank" or "the Sponsor"), as the direct obligor of the Issue. The Sponsor irrevocably and unconditionally undertakes to the Trustee the due and punctual payment in accordance with the Trust Deed of the principal of and interest on all Bonds and of any other amounts payable by the Issuer under the Trust Deed. Consequently, cognisance must be taken of LAPO Mfb's credit standing, competitive strength and financial position.
- LAPO Mfb recorded steady improvement in profitability in the five year review period to FY16. Performance in FY16 was mainly revenue driven, as an increase in earning assets delivered a strong 37.7% rise in interest revenue to N23.9bn. Despite a significant 28.2% escalation in operating expenses (driven by staff related and traveling costs) and additional pressure from impairment charge rise, the bank ended with a pre-tax profit of N6.7bn, representing a 38.1% improvement over FY15. An unaudited pre-tax profit of N3.4bn was reported for the first half of FY17, translating to annualised 70.1% of the full year budget.
- Cognisance has also been taken of the unsubordinated and unsecured nature of the Bonds to be issued to the Issuer by the Sponsor ("LAPO Mfb Bonds"), which will rank on par with all senior unsecured indebtedness and the claims of depositors of the bank. Accordingly, the Series 1 Bonds have been accorded an *indicative, public national scale long-term rating* of BBB+(S&D), in line with the Sponsor's rating.
- A legal opinion from the solicitor to the Trustees of the Series 1 Bonds confirms that the undertaking provided by LAPO Mfb in respect of LAPO Mfb MFB SPV PLC's Series 1 Bonds is valid and enforceable against the bank under the provisions of Nigerian law. The rating accorded should not be viewed as a replacement of the legal advice that investors should seek on the validity and enforceability of the Transaction Documents/undertaking.

Factors that could trigger a rating action may include:

Positive change: Timely honouring of the obligations under this Issuance is dependent on the performance of the Sponsor. Hence, the accorded rating would be sensitive to a positive rating action on the Sponsor.

Negative change: Non-compliance with covenants, and/or a downgrade of the Sponsor's rating, could trigger a negative rating action.

* Indicative rating and outlook, to be converted to a final rating and outlook upon the receipt of all final transaction documents.

EXTRACT OF THE SERIES 1 TRUST DEED

2. PURPOSE AND APPLICATION OF PROCEEDS

The Issuer shall apply the proceeds of the Bonds towards the purchase of the LAPO Senior Bonds.

3. FORMS OF THE BONDS

- 3.1 The Bonds shall constitute direct, unconditional and unsecured obligations of the Issuer and shall rank pari passu without any preference among themselves and all unsecured creditors of the Issuer and at least pari passu with the claims of all holders of both present and future unsecured and unsubordinated obligations of the Issuer.
- 3.2 The aggregate Principal Amount of the Bonds shall be a sum of N3,150,000,000 (Three Billion, One Hundred and Fifty Million Naira). The Bonds shall have a par value of N1,000 each.
- 3.3 The Bonds shall be issued in units of 1000 each with Coupon payable semi-annually.
- 3.4 The minimum subscription shall be 20,000 units and thereafter, the Bonds shall be subscribed in multiples of 5,000 units.
- 3.5 The tenor of the Bonds shall be from the Allotment Date to the Maturity Date.

4. PAYMENT OF COUPON

The Issuer shall pay the Coupon payable in respect of the Bonds on the Coupon Payment date in accordance with the provisions of Condition 5 in the First Schedule of this Deed.

6. REDEMPTION

- 6.1 The Issuer shall pay the aggregate Principal Amount of the Bonds and any Coupon (accrued up to but unpaid as of the Maturity Date) on the Maturity Date in one bullet payment and at par.
- 6.2 In the event of a Capital Disqualification Event of the Sponsor, the Issuer may, at its option, having given not less than 30 nor more than 45 days' notice to the Bondholders in accordance with Condition 12 (Notices) (which notice shall be irrevocable and shall specify the date fixed for redemption), at any time redeem all, or if so provided, some of the Bonds with interest accrued to but excluding the date of redemption. Prior to the publication of any notice of redemption pursuant to this Clause 6.2, the Issuer shall deliver to the Trustee (i) a copy of the circular, notification, directive or other official policy communique evidencing such Capital Disqualification Event (a "**CBN Communication**") and (ii) a certificate signed by two directors of the Sponsor stating that (i) the Sponsor has consulted with the CBN following the release of the relevant CBN Communication, (ii) (if required by the Applicable Banking Regulations) the CBN has given its approval or the approval of the CBN is not required and (iii) a Capital Disqualification Event has occurred, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions in this Clause 6.2, in which case it shall be conclusive and binding on the Bondholders.

7. RERESENTATIONS AND WARRANTIES

- 7.1 Each of the Issuer and the Sponsor represents and warrants to the Bondholders that each of the covenants in Clause 16 (Covenants of the Issuer) and Clause 17 (Covenants of the Sponsor) of the Programme Trust Deed is valid and in full force and effect as of the date of this Trust Deed.
- 7.2 Each of the Issuer and the Sponsor represents and warrants to the Bondholders that no Event of Default has occurred or is continuing.

8. BENEFIT OF THE TRUST DEED

Nothing in this Trust Deed or in the Bonds, express or implied, shall give to any person, other than the parties hereto and their successors hereunder and the Bondholders, and, where specified herein, the beneficial owners of Bonds, any benefit or any legal or equitable right, remedy or claim under this Trust Deed.

ABRIDGED TIMETABLE

Date	Activity	Responsibility
22-May-2017	File Prospectus with the SEC and FMDQ	Issuing Houses/Bookrunners
16-Aug-2017	Obtain the SEC's clearance of the Shelf Prospectus; and approval of Red Herring Prospectus to commence book building	Issuing Houses/Bookrunners
8-Nov-2017	Commence Book Building	All Parties
11-Dec-2017	Conclude Book Building / Determination of Clearing Price and Allocation of Bonds	All Parties
13-Dec-2017	Send Allotment Confirmation Letters	Issuing Houses/Bookrunners
13-Dec-2017	Update Offer documents and submit to SEC	Issuing Houses/Bookrunners
19-Dec-2017	Investors fund allotted Bonds	Issuing Houses/Bookrunners
20-Dec-2017	Hold Completion Board Meeting/Signing Ceremony	All Parties
22-Dec-2017	File executed Issue document with SEC	Issuing Houses/Bookrunners
On or around 10-Jan-2018	Obtain SEC Approval of Allotment announcement	Issuing Houses/Bookrunners
On or around 12-Jan-2018	Publish Allotment announcement in at least 2 national dailies	Issuing Houses/Bookrunners
On or around 12-Jan-2018	File Declaration of Compliance and General Undertaking with FMDQ	Issuing Houses
On or around 15-Jan-2018	Credit CSCS accounts of bondholders	Registrars/CSCS
On or around 18-Jan-2018	Listing of Bond on the FMDQ	Issuing Houses
On or around 18-Jan-2018	Post Offer Compliance Report Filing	Issuing Houses

APPENDIX 1: PROCEDURE FOR APPLICATION AND ALLOTMENT

1. Invitation for Participation

Qualified Investors are hereby invited to participate in the Issue through the Issuer, Issuing Houses/Book Runners, and/or the Stockbrokers to the Issue ("the Selling Group").

- 1.1. The Book Building Period opens on 8 November, 2017 and closes on 11 December, 2017. Orders must be for a minimum of N20 million and in integral multiples of N5 million.
- 1.2. The amount indicated on Commitment Form by a Participant ("Participation Amount") and the rate within the Price Range indicated in the Commitment Form by a Participant ("Bid Coupon Rate") should be entered in the space provided in the prescribed Commitment Form attached to this Prospectus. Photocopies or scanned copies of the Commitment Form will not be accepted.
- 1.3. By completing the Commitment Form, each Participant hereby agrees that the Order is irrevocable and, to the fullest extent permitted by law, the obligations in respect thereof shall not be capable of rescission or termination by any Participant.
- 1.4. Participants may order the Bonds at any price within the Price Range subject to the Minimum Participation Amount and the terms and conditions stated on the Commitment Form.
- 1.5. A corporate Participant should affix its official seal in the box provided and state its Incorporation (RC) Number or, in the case of a corporate foreign subscriber, its appropriate identification/incorporation number in the jurisdiction in which it is constituted.
- 1.6. Upon the completion and submission of the Commitment Form, the Participant is deemed to have authorised the Issuer and the Issuing Houses/Book Runners to effect the necessary changes in the Prospectus as would be required for the purposes of filing an application for the clearance and registration of the Final Prospectus with the SEC. The Commitment Form shall be considered as the Application Form for the purposes of registration of the Final Prospectus with the SEC.
- 1.7. Participants may not submit an Order on another Commitment Form after the submission of a Commitment Form to a member of the Selling Group. Submission of a second or more Form(s) of Commitment to either the same or to another member of the Selling Group will be treated as multiple applications and will be rejected.
- 1.8. Participants shall have the option to make a maximum of three Orders on a Commitment Form and such options shall not be considered as multiple applications.
- 1.9. The Commitment Form presents the Participant with the choice to bid for up to three optional Bid Coupon Rates within the Price Range and to specify the Participation Amount in each option. The Bid Coupon Rates and the Participation Amounts submitted by the Participant in the Commitment Form will be treated as optional demands from the Participant and **will not be cumulated**.

- 1.10. After determination of the Coupon Rate, the maximum Participation Amount specified by a Participant at or below the Clearing Price will be considered for allocation and the rest of the order(s), irrespective of the corresponding Bid Coupon Rate(s), will become automatically invalid.
- 1.11. The Issuer will pro-rate all orders at the Clearing Price, if all the amounts at the Clearing Price exceed the needed/outstanding amount.
- 1.12. The Issuer in consultation with the Book Runners reserve the right not to proceed with the Issue at any time including after the Book Building Opening Date but before the Allotment Date without assigning any reason thereof.

2. Payment Instructions

Successful Participants should ensure that payment of the Participation Amount is received on the Completion Board Meeting Date via the Real Time Gross Settlement ("RTGS") into the following designated Issue Proceeds Accounts domiciled with the Receiving Banks:

Bank	Account Name	Account No.
First City Monument Bank Limited	LAPO MFB SPV Bonds Issue	4902701019
First Bank of Nigeria Limited	LAPO MFB SPV PLC	2031877145

3. Allocation/Allotment

- 3.1. On the Pricing Date, the Issuing Houses/Book Runners will analyse the demand generated at various price levels and, in consultation with the Issuer, finalise the Coupon Rate and the allocations to each Participant. Allocation Confirmation Notices will be sent to successful Participants thereafter.
- 3.2. The Directors of LAPO MFB SPV Plc and the Issuing Houses/Book runners reserve the right to accept or reject any application in whole or in part for not complying with the terms and conditions of the Issue.
- 3.3. Upon clearance of the Final Prospectus by the SEC, allotment of Bonds shall be effected in a dematerialised (uncertificated) form. Participants are mandatorily required to specify their CSCS Account Number, the name of their Stock-broking Firm and the Clearing House Number (CHN) in the spaces provided on the Commitment Form. Allotment of Bonds in dematerialised form shall be effected not later than 15 (fifteen) Business Days from the Allotment Date.

Participants are mandatorily required to specify their CSCS Account Number, the name of their Stockbroking Firm and the CHN in the spaces provided on the Commitment Form.

4. Bank Account Details

- 4.1. Participants are required to indicate their bank account details in the space provided on the Commitment Form for the purposes of future payments of Coupon and the Principal Amount.
- 4.2. Participants are advised to ensure that bank account details stated on the Commitment Form are correct as these bank account details shall be used by the Registrar for all payments indicated in 4.1 above in connection with the Bonds.
- 4.3. Failure to provide correct bank account details could result in delays in credit of such payments or the issuance of cheques/warrants which shall be sent by registered post to the specified addresses of the affected investors. The Issuer, the Issuing Houses, the Receiving Banks, the Trustees and the Registrar shall not have any responsibility nor will any of these specified parties undertake any liability for the same.

APPENDIX 2: STATEMENT OF AFFAIRS

Deloitte.

P.O. Box 965
Marina
Lagos
Nigeria

Akintola Williams Deloitte
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island
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**Independent Auditor's Report to the Members of
Lapo MfB SPV Plc**

We have audited the accompanying Statement of Affairs of **Lapo MfB SPV Plc** as at 31 December, 2016. The statement of affairs has been prepared by directors based on the historical cost basis of accounting.

Directors Responsibility for the Statement of Affairs

Directors are responsible for the preparation of the statement of affairs in accordance with the financial reporting provisions established by the historical cost basis of accounting, and for such internal controls as Directors determine are necessary to enable the preparation of the statement of affairs that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement of affairs based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement of affairs is free from material misstatement. ISA 800 contains requirements and guidance on the form and content of statements of affairs (or report) prepared in accordance with a special purpose framework.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of affairs. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement of affairs, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement of affairs in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the statement of affairs.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information in the statement of affairs of **Lapo MfB SPV Plc** as at 31 December, 2016 is prepared, in all material respects, in accordance with the historical cost basis of accounting.



David Achugamonu, FCA - FRC/2013/ICAN/00000000840
For: Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria
31 March, 2017



List of partners and partner equivalents available on the website
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Lapo MFB SPV Plc
Statement of Affairs
As at 31 December 2016

**Statement of Affairs
As at 31 December 2016**

	Note	31 December 2016 N
Asset Employed		
Allotted but unpaid share capital	2.2	815,000
Pre-operating expense	2.3	<u>185,000</u>
		<u>1,000,000</u>
Equity		
Share capital	3	<u>1,000,000</u>
		<u>1,000,000</u>

These statement of affairs were approved by the Board of Directors and authorised for issue on _____ and signed on its behalf by:



Godwin Ehigiamusoe
FRC/2014/IODN/00000008486
Director



Josephine Nwachukwu
FRC/2017/CIBN/00000015911
Director

Notes to the Statement of Affairs

1. Reporting Entity

Lapo MfB SPV Plc was incorporated on 26 September, 2016 with RC No 1363556. The principal activity of the company include investment in Nigerian and international companies businesses and projects.

2. Significant accounting policies

2.1 Basis of accounting

The statement of affairs is prepared under the historical cost convention.

2.2 Allotted but unpaid share capital

This include shares allotted but has not been paid for.

2.3 Expenditure incurred during incorporation period

	N
Filing Fees	27,000
Stamp duty	7,500
Other Incorporation Fees	71,600
Professional Fee	78,900
	<u>185,000</u>

3. Share capital

**31 December
2016
N**

Authorised, issued and fully paid

Ordinary share capital 1,000,000 ordinary shares at N1 each	<u>1,000,000</u>
--	------------------

4. Information regarding Directors and employees

a) Chairman's and Directors Emoluments

Chairman	-
Other Directors	<u>-</u>

b) No Director received any fee or emoluments during the period.

c) Employee

The company had no staff during the period.

5. Related party transactions

There were no outstanding amounts due to and/or from related parties at 31 October, 2016.

Lapo Mfb Spv Plc

Statement of Affairs
As at 31 December 2016

Notes to the Statement of Affairs

6. Capital commitments

At 31 December 2016, the company had no capital expenditure authorised by the Directors.

7. Guarantees and financial commitments

a) Contingent liabilities

The Directors are of the opinion that there were no contingent liabilities as at the reporting date.

b) Financial commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the company's state of affairs have been taken into account in the preparation of these statement of affairs.

8. Events after reporting period

There are no known events after the reporting period which could have had material effect on the statements of affairs which has not been disclosed.

APPENDIX 3: COMMITMENT FORM

Application List Opens:
8 November
2017

LAPO MFB SPV PLC
RC 1363556

Application List Opens:
11 December
2017

LEAD ISSUING HOUSE



RC 44861

JOINT ISSUING HOUSE



RC 44899

Offering by way of Book Building of
₦6,000,000,000 [%] FIXED RATE BOND SERIES 1 due 2022
Under the LAPO MFB SPV Plc ₦20,000,000,000 Debt
Issuance Programme

Application must be made in accordance with the instructions set out in this Supplementary Prospectus. If you are in doubt as to the action to take, please consult your financial adviser, stockbroker, solicitor, accountant, tax consultant, bank manager or any other professional adviser for guidance. Care must be taken to follow these instructions as application that do not comply with the instructions will be rejected.

DECLARATION

- I/We confirm that I am/we are eligible to participate in this Issue in accordance with the applicable SEC Rules and Regulations.
- I/We hereby irrevocably undertake and confirm that my/our order for Bonds equivalent to participation amount set out below at the Coupon Rate to be discovered through the book building process.
- I/We authorise you to enter my/our name on the register of holders as a holder(s) of the Bonds that may be allotted to me/us and to rectify my/our address as given below.
- I/We authorise the Issuer to amend the Pricing Supplement as may be required for purposes of filing a final version with the SEC without recourse to me/us and I/we use this commitment form as the application for the purpose of the Bond Issue.
- I/We note that the Issuer and the Issuing Houses/Book runners are entitled in their absolute discretion to accept or reject this order.
- I/We agree to accept the participation amount as may be allocated to me/us subject to the terms of the Pricing Supplement.

PLEASE COMPLETE ALL RELEVANT SECTIONS OF THIS FORM USING BLOCK LETTERS WHERE APPLICABLE

DATE (DD/MM/YYYY)										CONTROL NO. (FOR REGISTRARS USE ONLY)									
/ / 2 0 1 7																			
PARTICIPANTS CAN INDICATE UP TO THREE (3) OPTIONAL BID MARGINS AND SPECIFY THE PARTICIPATION AMOUNT APPLICABLE TO EACH BID COUPON RATE. THESE WILL BE TREATED AS OPTIONAL ORDERS AND WILL NOT BE AGGREGATED. PLEASE TICK THE APPLICABLE BOX ON THE RIGHT.																			
<input type="checkbox"/> Pension Fund Administrators					<input type="checkbox"/> Investment / Unit Traders					<input type="checkbox"/> Insurance Companies					<input type="checkbox"/> Securities Broking Firms				
<input type="checkbox"/> Fund Managers					<input type="checkbox"/> High Net Worth Individuals					<input type="checkbox"/> Staff Schemes					<input type="checkbox"/> Hedge Funds				
<input type="checkbox"/> Bank					<input type="checkbox"/> Private Equity Firms					<input type="checkbox"/> Trustee / Custodian					<input type="checkbox"/> Others				
<input type="checkbox"/> Resident Corporate Investors					<input type="checkbox"/> Market Maker					<input type="checkbox"/> Non Resident Investors									
PARTICIPANT DETAILS (INDIVIDUAL / CORPORATE / JOINT) (PLEASE USE ONE BOX FOR ONE ALPHABET LEAVING ONE BOX BLANK BETWEEN FIRST WORD AND SECOND)																			

ORDER 1

PARTICIPANT AMOUNT (MINIMUM AMOUNT OF ₦20 MILLION AND IN MULTIPLES OF ₦5 MILLION THEREAFTER)										BID COUPON RATE									
IN FIGURES																			
IN WORDS																			

ORDER 2

PARTICIPANT AMOUNT (MINIMUM AMOUNT OF ₦20 MILLION AND IN MULTIPLES OF ₦5 MILLION THEREAFTER)										BID COUPON RATE									
IN FIGURES																			
IN WORDS																			

ORDER 3

PARTICIPANT AMOUNT (MINIMUM AMOUNT OF ₦20 MILLION AND IN MULTIPLES OF ₦5 MILLION THEREAFTER)										BID COUPON RATE									
IN FIGURES																			
IN WORDS																			

PLEASE TURN OVER TO COMPLETE THIS FORM

COMMITMENT FORM (REVERSE SIDE)

INVESTORS DETAILS (INDIVIDUAL/CORPORATE/JOINT) (PLEASE USE ONE BOX FOR ONE ALPHABET LEAVING ONE BOX BLANK BETWEEN WORDS)

Surname / Company Name

--	--	--	--

First Name (for Individual Applicants only) Other Names (for Individual Applicants only)

--	--

Joint Applicant's First Name (if Applicable) Other Names (for Joint Applicants only)

--	--

Full Postal Address

Tel City
 Email State

ALLOTMENT PREFERENCE

Please tick in the box to indicate allotment preference

Certificate	Electronic (Book Entry)
-------------	-------------------------

E-ALLOTMENT DETAILS (FOR BOOK-ENTRY ALLOTMENTS ONLY)

Please credit my/our CSCS Account as detailed below to the extent of the Bonds allotted:

Participant CSCS Account No.	CHN (Clearing House Number):
------------------------------	------------------------------

Name of Stockbroking Firm _____

BANK DETAILS (for E-Payment):

Name of Bank City/State

--	--	--	--

Branch Account No.

--	--	--	--

SIGNATURES

SIGNATURE	2ND SIGNATURE (Corporate/JOINT)	OFFICIAL SEAL & RC. NO.
Name of Authorised Signatory (Corporate only)	Name of Authorised Signatory (Corporate/JOINT)	
Designation (Corporate Only)	Designation (Corporate Only)	

STAMP OF BOOK RUNNERS/SELLING AGENT	STAMP OF RECEIVING AGENT
(BOOK RUNNERS/ISSUING HOUSES/STOCKBROKERS TO THE ISSUE ONLY)	(RECEIVING AGENT TO THE ISSUE ONLY)