Investing in this offer involves risks and this document is important and should be read carefully. If you are in any doubt as to its contents or the action to be taken, please consult your Banker, Stockbroker, Accountant, 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 120 hereof.

RMB NIGERIA
ISSUANCE SPV PLC
RC: 1415305

RMB Nigeria Issuance SPV PLC

₦40,000,000,000 BOND AND STRUCTURED NOTE PROGRAMME

This Shelf Prospectus and the Bonds and Structured Notes (the “**Instruments**”) which it offers have been cleared by and registered with the Securities & Exchange Commission (the “**SEC**” or the “**Commission**”). It is a civil wrong and a criminal offence under sections 85 and 86 of the Investments and Securities Act No. 29 of 2007 (the “**ISA**” or the “**Act**”) to issue a prospectus which contains false or misleading information. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Shelf Prospectus is provided in sections 85 and 86 of the ISA.

Clearance and registration of this Shelf Prospectus and the securities, which can be issued under the Programme do not relieve RMB Nigeria Issuance SPV Plc (“**RMBN SPV**” or the “**Issuer**”) or Rand Merchant Bank Nigeria Limited (the “**Sponsor**” or the “**Arranger**”) of any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact.

This Shelf Prospectus which has been issued in compliance with Part IX of the Act, the Rules and Regulations of the Commission (“**SEC Rules**”) and the listing requirements of the FMDQ OTC PLC (“**FMDQ**”) and the Nigerian Stock Exchange (“**The NSE**”) (together, the “**Rules and Regulations**”), contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to this ₦40,000,000,000 Bond and Structured Note Programme (the “**Programme**”). This Shelf Prospectus will be available for download on the Commission’s website (www.sec.gov.ng) and the Sponsor’s website (www.rmb.com.ng).

Under the Programme described in this Shelf Prospectus, RMBN SPV may from time to time issue Bonds as more fully described herein (the “**Bonds**”) or Structured Notes (the “**Structured Notes**”). The Instruments may be issued from time to time in separate series, amounts, prices, by public offer or private placement and on terms to be set out in any accompanying supplementary shelf prospectus (“**Supplementary Shelf Prospectus**” or “**Supplement**”).

The maximum aggregate nominal amount of all Instruments issued from time to time and outstanding under the Programme shall not exceed ₦40,000,000,000.

This Shelf Prospectus is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference and, in relation to any series issued under the Programme, together with the applicable Supplement.

The registration of this Shelf Prospectus and any Supplement shall not be taken to indicate that the Commission endorses or recommends the Bonds and Structured Notes or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Shelf Prospectus or any Supplementary Shelf Prospectus. No Instrument will be allotted or issued on the basis of this Shelf Prospectus read together with a Supplementary Shelf Prospectus later than three (3) years after the date of the issue of this Shelf Prospectus or any other time frame prescribed by the SEC following the issue of this Shelf Prospectus.

ISSUING HOUSES / BOOKRUNNERS

Stanbic IBTC Capital
RC1031358

RMB NIGERIA
Rand Merchant Bank Nigeria Limited
RC1031371

Standard Chartered
RC680774

This Shelf Prospectus is dated 22 June, 2018

This Programme is valid for 3 years from the date of issuance

IMPORTANT NOTICES

This Shelf Prospectus has been prepared by RMB Nigeria Issuance SPV PLC (as Issuer) and Rand Merchant Bank Nigeria Limited (as Sponsor) in connection with the Issuer's ₦40,000,000,000 Bond and Structured Note Programme, for the purpose of providing information to prospective investors in respect of the Issuer, the Sponsor and the Bonds and Structured Notes described herein. The SEC has cleared and registered this Shelf Prospectus and the securities referred to herein.

The respective Boards of Directors of the Issuer and the Sponsor accept full responsibility for the information contained in this Shelf Prospectus. The respective Boards of Directors of the Issuer and the Sponsor confirm (having taken all reasonable care to ensure that is the case) that the information contained or incorporated by reference in this Shelf Prospectus is correct and does not omit anything likely to affect the import of such information and is in accordance with the facts and the relevant Rules and Regulations.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Shelf Prospectus or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by either the Issuer, or any of the parties to the Programme.

To the fullest extent permitted by law, the Issuing Houses make no representation, warranty or undertaking, express or implied and accept no responsibility for the contents of this Shelf Prospectus or for any other statement, made or purported to be made by the Issuing Houses or on their behalf in connection with the Issuer, the Sponsor or the issue and offering of the Bonds and Structured Notes. Each Issuing House accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Shelf Prospectus or any such statement.

Neither this Shelf Prospectus nor any other information supplied in connection with the Programme or the Instruments: (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Sponsor, Arranger, Issuer, Issuing Houses, Share Trustee or Bond Trustee or any other professional adviser involved in the establishment of this Programme that any recipient of this Shelf Prospectus or any other information supplied in connection with the Programme, the Issuer, the Sponsor or the securities referred to herein should purchase the Bonds and Structured Notes.

Each prospective investor contemplating the purchase of any Instrument should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and the Sponsor. Neither this Shelf Prospectus nor any other information supplied in connection with the Programme or the Bonds and Structured Notes constitutes an offer or invitation by or on behalf of the Issuer, the Issuing Houses or the Bond Trustees to any person to subscribe for or to purchase the Bonds and/or Structured Notes.

Neither the delivery of this Shelf Prospectus nor the offering, sale or delivery of the Bonds and/or Structured Notes shall in any circumstances imply that the information contained herein concerning the Issuer and / or the Issue is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme continues to remain correct as of any time subsequent to the date indicated in the document containing the same.

The Issuing Houses expressly do not undertake to review the financial condition or affairs of the Issuer or the Sponsor throughout the life of the Programme or the Bonds and Structured Notes or to advise any investor in the Bonds and Structured Notes of any information coming to their attention. The Issuing Houses have not separately verified the information contained in this Shelf Prospectus and accordingly no representation, warranty or undertaking, express or implied, is made and to the fullest extent permitted by law no responsibility or liability is accepted whether in contract or otherwise by the Issuing Houses as to the accuracy of the information contained in this Shelf Prospectus or any other information supplied in connection with the Bonds and Structured Notes or their distribution. Each person receiving this Shelf Prospectus acknowledges that such person has not relied on the Issuing Houses or any person affiliated with any of them in connection with its investigation of the accuracy of this Shelf Prospectus or such information or its investment decision.

IMPORTANT NOTICES

The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice from the Issuing Houses to any prospective investor. Prospective investors should make their own independent assessment of the merits or otherwise of subscribing for the Instruments offered herein and should take their own professional advice in connection with any prospective investment by them.

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KEY TERMS AND ABBREVIATIONS

Unless the context otherwise requires, the following expressions shall have the meanings respectively assigned to them:

Terms	
"Administration Agreement"	Administration and Origination Agreement dated 22 June 2018 and made between the Issuer, the Share Trustee and the Originator in respect of the administration and governance of the Issuer and the arrangement, origination, structure and or management of the Instruments to be issued under the Programme as may be amended and restated from time to time
"Agency Agreement"	Agency Agreement to be executed between the Issuer, Rand Merchant Bank Nigeria Limited as the Paying Agent and Calculation Agent and Rand Merchant Bank Nigeria Limited as the Transfer Agent or any other issuing and paying agent or transfer agent as may be appointed from time to time in respect of the Structured Notes as may be further supplemented and/or amended and restated from time to time
"Arranger"	Rand Merchant Bank Nigeria Limited in the context of the Structured Notes issued under the Programme
"Board" or "Directors"	Board of Directors of the Sponsor or the Issuer in the context specified
"Board Resolution"	The resolution of the Board of the Issuer dated 21 August 2017 .authorizing the establishment of the Programme
"Bondholder"	In relation to any Bonds of a Series or Tranche, a person (whether currently or in the future) registered in the applicable Register of such Tranche or Series of Bonds, as the holder of those Bonds from time to time and shall include the legal, personal representative or successor of such holder and those entered as joint holders
"Bonds"	A notice of allocation (for electronic credits directly to Bondholders' CSCS accounts) of debt issued by the Issuer under the Programme which the Issuer obligates itself to pay to a Bondholder an aggregate principal amount and Coupons (if any) on a specified date after the Issue Date
"Bonds Deed of Covenant"	The Deed of Covenant dated on or about the date of this Master Trust Deed executed by the Sponsor as a deed poll in favour of the Issuer and the Bond Trustee, constituting the RMB Notes and undertaking to fulfil all its payment obligations under the Master Notes Purchase Agreement and enforceable by the Bond Trustee for the benefit of the Bondholders;
"Bond Trustee"	United Capital Trustees Limited or any successor trustee acting on behalf of Bondholders who hold legal title to the Bonds
"Business Day"	Any day except Saturdays, Sundays and public holidays declared by the Federal Government on which banks are open for business in Nigeria
"CAC"	Corporate Affairs Commission
"CAMA"	Companies and Allied Matters Act Cap C20, LFN, 2004

"Calculation Agent"	Any person appointed by the Issuer as an agent of the Issuer pursuant to the Agency Agreement to act as its calculation agent in relation to the Structured Notes
"CBN"	Central Bank of Nigeria
"Certificates"	In relation to the Bonds, a certificate in or substantially in the form specified in the First Schedule to the Master Trust Deed or in such other form as may be agreed from time to time by the Trustees and in relation to the Structured Notes, a certificate in or substantially in the form specified in the Agency Agreement or in such other form as may be agreed from time to time by the Calculation, Transfer and Paying Agents
"CITA"	Companies Income Tax Act Cap C21, LFN, 2004 as amended by the Companies Income Tax (Amendment) Act No. 11 of 2007
"Company Secretary"	ALP Nominees Limited or any other person appointed by the Board of the Issuer from time to time
"Coupon" or "Coupons"	Interest payment or payments due to Noteholders and Bondholders as specified in the applicable Supplement
"Coupon Commencement Date"	The date on which the Coupons on each Bond or Structured Note start accruing to Bondholders or Noteholders as specified in the applicable Supplement
"Coupon Payment Date"	The date on which Coupons are to be paid to Bondholders or Noteholders as specified in the applicable Supplement
"Coupon Rate"	Interest rate payable to Bondholders or Noteholders as specified in the applicable Supplement
"Credit Event"	The occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, or any additional Credit Event, in each case as specified in the applicable Structured Note Supplement, as determined by the Calculation Agent
"Credit Linked Note" or "CLN"	The instruments described as such in the applicable Structured Note Supplement
"CSCS"	Central Securities Clearing System PLC
"Deliverable Obligation"	Refers to the subject as provided in Condition 9 (Physical Settlement) and determined in accordance with "A (Method for Determining Deliverable Obligations)" and "B (Interpretation of Provisions)" of the Agency Agreement
"Event of Default"	means the events of default which are particularly described in Condition 18 of the Terms and Conditions of the Bonds and in respect of Structured Notes such event(s) as described in the relevant Supplement
"Exchange"	The NSE, FMDQ or any other securities exchange that the Issuer chooses to list the Bonds and or Structured Notes

"Federal Government" or "FGN"	Federal Government of Nigeria
"Fixed Rate Bonds"	Bonds in respect of which interest is to be calculated and paid on a fixed rate basis, and will not change during the life of the Bond
"Floating Rate Bonds"	Bonds in respect of which interest is payable in accordance with a variable benchmark rate as prescribed in the applicable Supplement
"FMDQ"	A SEC licensed OTC market securities exchange
"Force Majeure"	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer and the Bond Trustee which materially and adversely affects the ability of either party to perform its obligations under or pursuant to the Transaction Documents, which could not have been reasonably foreseen, including, without limitation, national emergency, war, acts of God, invasion by foreign enemy, revolution, act of terrorism and industrial unrest
"GDP"	Gross Domestic Product
"Investors"	Bondholder and / or Noteholder as the context requires
"ISA"	Investments and Securities Act No. 29 of 2007
"Issue"	The issuance of Bonds and or the Structured Notes (as the case may be) pursuant to the Programme
"Issue Date"	In respect of any particular Series or Tranche, the date on which the Bonds or Structured Notes are issued as specified in the applicable Supplement
"Issue Price"	The price at which the Bonds or Structured Notes are issued, as specified in the applicable Supplement
"Issuer" or "RMBN SPV"	RMB Nigeria Issuance SPV PLC
"Issuing House" or "Issuing House / Book Runner"	Stanbic IBTC Capital Limited, Rand Merchant Bank Nigeria Limited, or Standard Chartered Capital & Advisory Limited or any other issuing house appointed from time to time by the Issuer either generally in respect of the Programme and / or in relation to a particular Series or Tranche of Bonds and Structured Notes
"Master Notes Purchase Agreement"	A master notes purchase agreement dated 22 June 2018 and made between the Issuer, the Sponsor and the Bond Trustee in relation to the issuance of RMB Notes
"Master Trust Deed" or the "Trust Deed"	A master trust deed dated 22 June 2018 and made between the Issuer and the Bond Trustee, in relation to the Bonds issued under the Programme
"Maturity Date"	The date as specified in each applicable Supplement
"Naira" or "₦" or "NGN"	The Nigerian Naira, the lawful currency of the Federal Republic of Nigeria
"Nigeria"	The Federal Republic of Nigeria and the word "Nigerian" shall be construed accordingly
"Noteholder"	In relation to any Structured Notes of a Series or Tranche, a person registered in the applicable

	Register of such Tranche or Series of Structured Notes, as the holder of those Structured Notes from time to time and shall include the legal, personal representative or successor of such holder and those entered as joint holders
“Originator”	Refers to Rand Merchant Bank Nigeria Limited in its capacity set out in the Administration and Origination Agreement
“OTC”	Over-the-Counter
“Participating Assets”	In respect of each Series, the assets that may be acquired and/or invested in by the Issuer and specified in the applicable Supplement and/or Series Trust Deed, which are the subject of the trust created by the Issuer in favour of the Investors including the Issuer’s right, title, interest and benefits, present and future, in and to the Debt Service Reserve Account and any bank account established in relation to the relevant Series and amounts standing to the credit of such bank account, any permitted investments, the relevant Series transaction documents and the benefits of the indemnities, warranties etc. made thereunder by the Issuer, the Principal Amount, Coupon, assets, funds or any receivables in respect the particular Series, and any other assets acquired, invested in or transacted in respect a particular Series as stipulated in the memorandum and articles of association of the Issuer
“Paying Agent”	Any person appointed by the Issuer as an agent of the Issuer pursuant to the Agency Agreement to act as its paying agent in relation to the Structured Notes
“PITA”	Personal Income Tax Act, Cap P8, LFN 2004, as amended by the Personal Income Tax (Amendment) Act 2011
“Pricing Supplement”	The pricing supplement, with respect to the Bonds, to be issued pursuant to this Shelf Prospectus, which shall provide final terms and conditions of a specific Series or Tranche of Bonds under the Programme
“Principal Amount” or “Principal”	The nominal amount of each Instrument, as specified in the applicable Supplement
“Private Placement”	The issue of securities by a public company to select persons as defined in the SEC Rules
“Programme” or “Bond and Structured Note Programme”	The ₦40,000,000,000 Bond and Structured Note Programme described in this Shelf Prospectus and each other Supplement pursuant to which the Issuer may issue several separate Series or Tranches of Bonds and or Structured Notes from time to time with varying maturities, terms and conditions and variable rates of interests; provided however that the aggregate value does not exceed ₦40,000,000,000 (or its equivalent in other currencies)

"Programme Amount"	The maximum aggregate amount of all Instruments outstanding that may be issued under the Programme being an amount not exceeding ₦40,000,000,000.00 (or its equivalent in other currencies)
"Prospectus" or "Shelf Prospectus"	This Shelf Prospectus dated 22 June 2018
"RMB Notes"	Notes and other debt instruments including zero-interest or high-yield notes, index-linked notes or such other securities that are issued by RMB Nigeria to RMBN SPV as governed by a separate private placement programme constituted by the Master Notes Purchase Agreement
"Record Date"	The date on which the list of Bondholders or Noteholders is extracted from the register for the purpose of making Coupon or other payments
"Redemption Amount"	The aggregate Principal Amount outstanding in respect of any Bonds or Structured Notes (as the case may be) on the relevant Maturity Date
"Reference Entity"	The entity or entities specified as such in the applicable Structured Note Supplement. Any Successor to a Reference Entity either (a) identified by the Calculation Agent pursuant to the definition of "*Successor"* below on or following the Trade Date or (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, Successor in accordance with the Rules shall, in each case, be the Reference Entity for the purposes of the relevant CLNs, unless in the case of paragraph (b) the Calculation Agent, acting in good faith and a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2003 ISDA Credit Derivatives Definitions and the definition of Successor hereunder and such other factor(s) as it deems appropriate, determines that it is inappropriate to follow such DC Resolution for the purposes of the CLNs;
"Reference Obligation"	Each obligation specified as such in the applicable Structured Note Supplement or of a type described in the applicable Structured Note Supplement (if any are so specified or described in the applicable Structured Note Supplement) and any Substitute Reference Obligation;
"Register"	The register kept at the specified office of the Registrar into which shall be entered the names and addresses of each Bondholder or Noteholder and the particulars, transfers and redemption of the Bonds or Structured Notes held by each Bondholder or Noteholder, as the case may be
"Registrar"	First Registrars & Investor Services Limited
"SEC"	The Securities and Exchange Commission of Nigeria
"SEC Rules"	The Rules and Regulations of the Securities & Exchange Commission issued pursuant to the ISA
"Series"	A Tranche together with any further Tranche or Tranches which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their

	respective Issue Dates, Coupon Commencement Dates and/or Issue Prices
“Series Trust Deed”	A trust deed made between the Issuer and the relevant Bond Trustee in relation to a specific Series under the Programme in relation to the Bonds
“Share Trustee”	Vetiva Trustees Limited and/or any other trustee appointed by the Sponsor to hold the shares of RMBN SPV for the beneficiaries of the trust;
“Share Trust Deed”	Share Trust Deed dated 22 June 2018 and made between the Sponsor and the Share Trustee in respect of the agreement to the manner by which the shares are held in the Issuer, which may be further supplemented and/or amended and restated from time to time
“Sponsor” or “RMB Nigeria” or the “Bank”	Rand Merchant Bank Nigeria Limited in the context of the Bonds issued under the Programme
“Structured Notes”	A registered certificate or notice of allocation (for electronic credits directly to Noteholders’ CSCS accounts) of instruments issued by the Issuer under the Programme
“Structured Notes Deed of Covenant”	Deed of covenant executed from time to time by the Issuer as a deed poll in favour of the Noteholders constituting each Series or Tranche of the Structured Notes and setting out the Issuer’s undertakings to Noteholders
“Structured Note Supplement”	The supplement, with respect to the Structured Notes, to be issued pursuant to this Shelf Prospectus, which shall provide details of any Participating Assets as well as final terms and conditions of a specific Series or Tranche of Structured Notes under the Programme
“Supplement”	The Supplementary Shelf Prospectus or the applicable Pricing Supplement or the applicable Structured Note Supplement, as the case may be
“Supplementary Shelf Prospectus”	The supplementary shelf prospectus to be issued pursuant to this Shelf Prospectus, which shall amend the terms of this Prospectus
“Terms and Conditions of the Bonds”	Terms and conditions in accordance with which the Bonds will be issued, set out in the section headed “Conditions of the Bonds” and in the Second Schedule of the Master Trust Deed
“Terms and Conditions of the Structured Notes” or “Additional Terms and Conditions of the Structured Notes”	Terms and conditions in accordance with which the Structured Notes will be issued, set out in the section headed “Terms and Conditions” as may be contained in the Agency Agreement and / or such other Supplement
“The NSE” or “Stock Exchange”	The Nigerian Stock Exchange
“Tranche”	Bonds or Structured Notes which are identical in all respects (including as to listing)
“Transaction Documents”	All the agreements and documents, which relate to the Programme
“Transfer Agent”	Any person appointed by the Issuer as an agent of the Issuer pursuant to the Agency Agreement to act as its transfer agent in relation to the Structured Notes
“Trustee Act”	Trustee Investments Act Cap T22, LFN 2004
“VAT”	Value Added Tax as provided for in the VAT Act

"VAT Act"	The Value Added Tax Act, Cap V1, LFN 2004, as amended by the Value Added Tax (Amendment) Act No 12 of 2007
"WHT"	Withholding tax as provided for in the relevant sections of the CITA and the PITA

DESCRIPTION OF THE PROGRAMME

Under this Programme,[1] RMBN SPV may from time to time issue Bonds and/or Structured Notes, in Naira or an equivalent in such other currency or currencies as may be specified in the applicable Supplementary Shelf Prospectus. The applicable terms of any Bonds or Structured Notes will be set out in the Terms and Conditions incorporated by reference into the Shelf Prospectus and the applicable Supplement, and as more fully set out in any Structured Notes Supplement that may be issued in relation to a specific series of Structured Notes. A summary description of the Programme, the proposed issuance structure, and a summary of the generic Programme terms and conditions, is set out in this section, and sections under the respective headings "*Description of the Issuance Structure*" and "*Summary of the Programme*".

This Shelf Prospectus will apply to the Bonds and Structured Notes issued under the Programme, in an aggregate nominal amount outstanding which does not exceed the Programme Amount.

DESCRIPTION OF THE ISSUANCE STRUCTURE

The establishment of this Programme has been facilitated by RMB Nigeria, for purposes of either:

(i) supporting its own balance sheet asset growth, regulatory capital management and liability management objectives, and third party investment requirements (through the issuance of ***"Bonds"***); ***OR***

(ii) originating or creating asset opportunities, independent of its own balance sheet, for syndication to its partners and third party investing clients (via arranging the issuance of ***"Structured Notes"***)

In accordance with Section 67 of the ISA, which permits only public companies to issue securities to members of the public, RMB Nigeria may not issue bonds directly to members of the public. Consequently, a special purpose vehicle, incorporated as a public limited company (i.e. RMBN SPV) has been set up to issue Bonds and Structured Notes. For Bonds issued under the Programme, RMB Nigeria would be the ultimate beneficiary and obligor of the proceeds, and in this capacity is referred to as ***Sponsor***, whereas for Structured Notes issued under the Programme, RMB Nigeria would simply be referred to as ***Arranger***, primarily facilitating the origination, structuring and distribution of the Structured Notes, with exposure to some underlying asset, performance index, commodity returns, derivatives or other referenced entity.

RMBN SPV has been established as an "orphan" entity, with its shares owned by the Share Trustee and a nominee shareholder. By virtue of its status as an orphan SPV, the activities of RMBN SPV are isolated from RMB Nigeria.

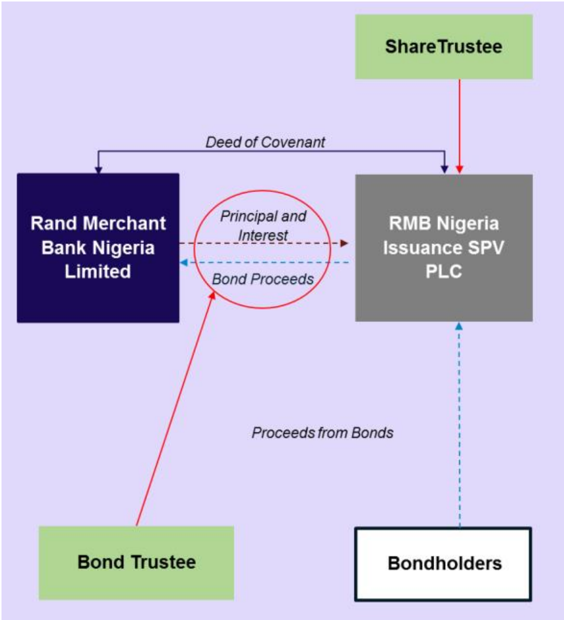
Under this structure, a Share Trust Deed has been executed between the Share Trustee and RMB Nigeria stipulating the terms and conditions under which the Share Trustee will hold the shares of RMBN SPV. In addition, the Issuer, RMB Nigeria and the Share Trustee have entered into an Administration and Origination Agreement appointing the Share Trustee to carry out certain administrative functions relating to the management of RMBN SPV and appointing RMB Nigeria to carry out certain functions including, but not limited to, collateral/asset manager, investment manager, and any other services necessary and appropriate for the acquisition and management of underlying assets etc.. RMBN SPV will be administered by the Share Trustee in accordance with these documents and carry out only the activities stipulated or contemplated in its constitutional documents.

In line with the envisaged structure, RMBN SPV will ring-fence the assets in connection with each separate issuance or transaction through a declaration of trust structure. Whilst another trustee will act on behalf of the Bondholders, the "***Bond Trustee***", in the case of the Structured Notes, an agent will be appointed on a case by case basis to act on behalf of the Noteholders.

[1] the CBN's No Objection to the Programme and proposed SPV structure was obtained in compliance with Rule 567 (l) of the SEC Rules and Regulations 2013 (as amended/consolidated) in 13 July 2017

Issuance Structure

RMB Nigeria as Sponsor of the Bonds

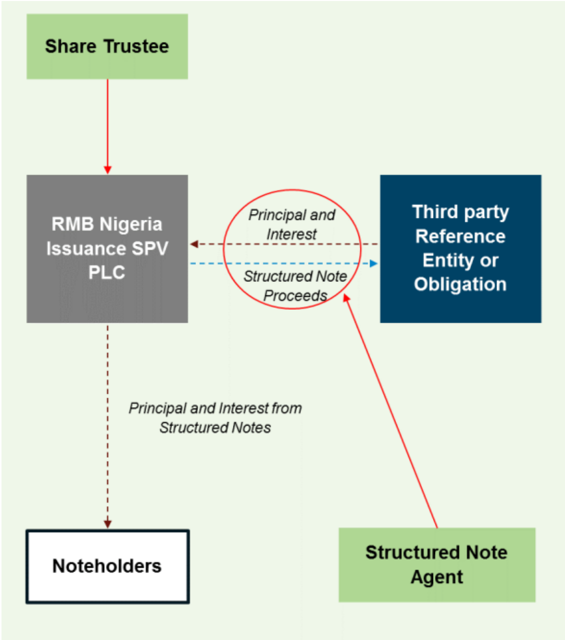


The proceeds of the Bonds issued under the Programme will be on-lent on mirrored terms to RMB Nigeria as Sponsor. Proceeds of the Bonds issued by RMBN SPV will be used to purchase notes (the "***RMB Notes***") from RMB Nigeria on similar terms through a private placement programme constituted by the Master Notes Purchase Agreement. Bonds issued under this framework will reflect on the Sponsor's balance sheet and investors will have recourse to the Sponsor as the final recipient / beneficiary of the capital raised, pursuant to the Bonds Deed of Covenant.

A summary of the documentation governing the Bonds to be issued under the Programme is below:

1. This Shelf Prospectus outlining material information on the Issuer and the Sponsor;
2. The Pricing Supplements relating to each series of Bonds as well as final pricing terms;
3. A Master Trust Deed between the Issuer and the Bond Trustee setting out inter alia, the powers, rights, obligations/duties of the Bond Trustee in relation to the Bonds issued under the Programme;
4. Series Trust Deeds will be entered into constituting each series of Bonds issued by RMBN SPV, and will contain specific terms relating to that particular issue of Bonds and ring-fence the proceeds of the Bonds issued to Bondholders;
5. A Master Notes Purchase Agreement between RMB Nigeria, the Bond Trustee, RMBN SPV and the Agent / Trustee for RMBN SPV's purchase of RMB Notes (using the proceeds from the SPV Bonds issuance) issued by RMB Nigeria;
6. Bonds Deed of Covenant by the Sponsor constituting the RMB Notes and undertaking to fulfil all payment obligations of RMBN SPV under the Master Notes Purchase Agreement as well as the SPV's obligation in relation to the Bonds issued under the Programme and enforceable by the Bond Trustee for the benefit of the Bondholders; and
7. Any other Supplement designated to apply to bonds.

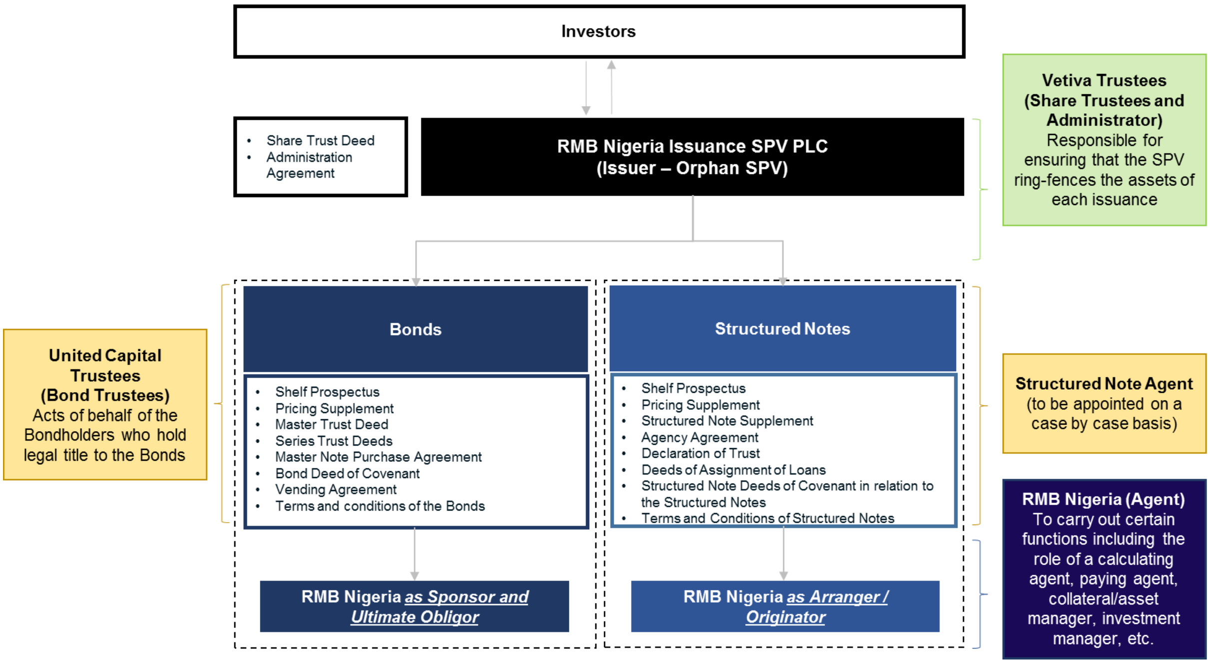
RMB Nigeria as Arranger of the Structured Notes



Structured Notes issued under the Programme will be arranged by RMB Nigeria for purposes of creating asset opportunities, independent of RMB Nigeria's balance sheet, with exposure to some underlying asset, performance index, commodity returns, derivatives or other referenced entity including but not limited to currency, equity, asset-backed or hybrid securities. As such, investors will have no recourse to RMB Nigeria with respect to Structured Notes issued under the Programme in the Event of Default. In addition, RMB Nigeria will perform agency functions, e.g. calculation agent, transfer agent, settlement agent on behalf of RMBN SPV.

A summary of the documentation governing Structured Notes to be issued under the Programme is as follows:

1. This Shelf Prospectus outlining material information on the Issuer and the Arranger;
2. Structured Note Supplements and any other supplement containing details specifically relating to series of Structured Notes, final pricing terms as well as certain other information specifically relating to a series of Structured Notes, which are not contained in the Pricing Supplements;
3. Agency Agreement setting out the relationship between the Issuer and Agents (Paying Agent, Transfer Agent and Calculation Agent) in respect of the Structured Notes and the terms and conditions of the Structured Notes;
4. Structured Notes Deed of Covenant constituting each Series of the Structured Notes and setting out the Issuer's undertakings to Noteholders including a declaration of trust affirming that (i) it holds the Participating Assets in trust for the benefit of the Noteholders and (ii) that same will not be co-mingled with RMBN SPV's assets or the assets with respect to a separate issuance of Structured Notes; and
5. Deed of Assignment where applicable (of Loan or other referenced obligation) setting out the agreement between RMB Nigeria or any other assignor and RMBN SPV relating to the underlying assets for the Structured Notes.



Ring-fencing of Issuer's Assets

Each issuance by RMBN SPV under a Series will be separate and distinct from any other issuance under another Series under the Programme. Investors in a particular Series will not have recourse to amounts raised or payments made in respect of any other Series under the Programme.

The assets arising from one Series cannot be used to satisfy the liabilities of another Series and any default with respect to a Series cannot lead to or result in a default under any other Series.

To enforce the ring-fencing structure, RMBN SPV will declare irrevocably and unconditionally in each Series Trust Deed (in relation to the Bonds) and each Structured Notes Deed of Covenant (in relation to the Structured Notes), a trust over the Instruments issued under that particular Series. No other Investor in Instruments issued by the Issuer under any other Series under the Programme or any other programme established by the Issuer shall have any right, interest or recourse to such Instruments.

1. GENERAL

Terms	Description
Issuer:	RMB Nigeria Issuance SPV PLC (“RMBN SPV” or the “Issuer”)
Programme Amount:	₦40,000,000,000.00 aggregate principal amount of Bonds and Structured Notes outstanding at any one time
Issuing Houses / Bookrunners:	Stanbic IBTC Capital Limited Rand Merchant Bank Nigeria Limited Standard Chartered Capital Advisory Limited Any other Issuing House / Bookrunner appointed as Issuing Houses from time to time
Trustees:	United Capital Trustees Limited as the Bond Trustee Vetiva Trustees Limited as the Share Trustee
Issuance in Series:	Bonds and Structured Notes will be issued in Series, and each Series may comprise one or more Tranches issued on different dates. The Bonds and Structured Notes in each Series will have their respective maturity dates specified in the applicable Supplement. However, Bonds and Structured Notes in each Tranche will have identical terms in all respects. Other details applicable to each Series and Tranche will be specified in the applicable Supplement. Each Series of Bonds and Structured Notes issued under the Programme shall be constituted separately under a trust deed in the case of Bonds or a deed of covenant in the case of Structured Notes.
Currency:	The Bonds and Structured Notes shall be denominated in Naira (₦) or in such other currency as may be agreed between the Issuer, the Sponsor or Arranger (as applicable) and the Issuing Houses and specified in the applicable Supplement, subject to compliance with all applicable legal and regulatory requirements. Where any currency other than Naira is specified in the applicable Supplement, the selling restrictions and additional disclosure requirements applicable to such other currency will be specified in the applicable Supplement.
Use of Proceeds:	The Proceeds from all Bond issuances under the Programme will go towards purchasing RMB Notes issued by the Sponsor; and in relation to the Structured Notes the use of proceeds from each Series shall be specified in the applicable Structured Note Supplement or such other relevant Supplement.
Maturity Date:	Such date as may be agreed between the Issuer and the relevant Issuing House(s) and indicated in the applicable Supplement, subject to maturities as may be allowed or required from time to time by the relevant laws or regulations applicable in Nigeria.
Coupon:	Bonds and Structured Notes may be interest-bearing or non-interest bearing. The Coupon, if any, payable on the Bonds and Structured Notes shall be determined by the Issuer and stated accordingly in the applicable Supplement.
Frequency:	The frequency of payment of interest and any other monies due on the Bonds and Structured Notes if applicable shall be specified in each applicable Supplement for the Bonds and / or Structured Notes being issued.

Repayment:	Repayment terms in respect of the Bonds and Structured Notes issued under the Programme shall be specified in the applicable Supplement.
Day Count Convention:	Different day count conventions may be stipulated in the applicable Supplement.
Principal Redemption:	Bonds and Structured Notes will be redeemed on the dates specified in the applicable Supplement.
Early Redemption	The applicable Supplement issued in respect of each Series will state whether such Bonds and Structured Notes may be redeemed prior to their stated maturity by the Issuer and the terms applicable to such redemption.
Redemption Amount:	The applicable Supplement will specify the Redemption Amount or if applicable, the basis for calculating the Redemption Amount payable.
Listing:	Each Tranche or Series of the Bonds and Structured Notes may be listed on The NSE, FMDQ and / or admitted to listing, trading and / or quotation by any other listing authority, stock exchange and/or quotation system as specified in the applicable Supplement.
Programme Validity	No Bonds or Structured Notes shall be offered on the basis of this Shelf Prospectus or a Supplement after the expiration of: (i) the three (3) year validity period in force by the SEC as at the date of this Shelf Prospectus; or (ii) such other period of extension that may be approved by the SEC.
Taxation	Kindly refer to the section *"Tax Considerations*".
Governing Law	The Programme and related documents will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria.

2. IN RELATION TO THE BONDS

Terms	Description
Sponsor:	Rand Merchant Bank Nigeria Limited ("RMB Nigeria")
Form of Issuance:	The Programme covers bonds or notes and other debt instruments including, whether secured or unsecured, interest bearing or not, issued at par or at premium, or such other securities by whatever name called or such other characteristic that may be applicable on such securities issued under a particular Series, which may include, but is not limited to, fixed rate bonds, floating rate bonds, discounted bonds, plain vanilla, zero-coupon or high-yield bonds, index-linked notes or such other securities, bonds and / or a combination thereof, that may be issued by the Issuer under the Programme and specified in the applicable Pricing Supplement. The Bonds shall be constituted by the Master Trust Deed and the relevant Series Trust Deed (s). The provisions of the Master Trust Deed shall apply separately and independently to the Bonds, provided that any terms and conditions relevant to additional Bonds, if any, under the Programme shall be governed by the relevant Series Trust Deed.

3. IN RELATION TO STRUCTURED NOTES

Terms	Description
Arranger:	Rand Merchant Bank Nigeria Limited ("RMB Nigeria")
Form of Issuance	Structured Notes with exposure to some underlying asset, performance index, commodity returns, derivatives or other referenced entity including but not limited to currency, equity, asset-backed or hybrid securities and any combination thereof.

The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice from the Issuing Houses to any prospective investor. Prospective investors should make their own independent assessment of the merits or otherwise of subscribing to the securities offered herein and should seek their own professional advice in connection with any prospective investment by them.

The members of the Issuer's and Sponsor's Board of Directors individually and collectively accept full responsibility for the accuracy of the information contained herein and have taken reasonable care to ensure that the material facts contained herein are true and accurate in all material 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 material statement herein misleading or untrue. Additional information may be obtained through the office of the Issuing Houses as listed on page 27 of this Shelf Prospectus on any Business Day during the period of the respective opening and closing dates of the Issuance of Instruments under the Programme, provided the Issuing Houses possess such information or can acquire it without unreasonable effort or expense.

Nothing in this Shelf Prospectus should be construed to mean that the Issuing Houses are bound to provide any information coming to their attention to any Bondholder or Noteholder or potential investors in the Bonds and Structured Notes issued under the Programme. Also, the Issuing Houses are not bound to advise any investor or potential investors on the financial condition or affairs of the Issuer or the Sponsor during the life of the arrangement contemplated therein.

The Instruments are complex financial instruments suitable only for sophisticated investors. As such, each potential investor in any Instruments must determine the suitability of that investment in light of its own circumstances.

A potential investor should not invest in Instruments, which are complex financial instruments unless the potential investor has the expertise (either alone or with a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of the Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Prospectus or any applicable Supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact such an investment will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including thoroughly understanding the terms of the Instruments and be familiar with the behaviour of any relevant indices and financial markets; and (iv) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks

FORWARD LOOKING STATEMENTS

Certain statements included herein may constitute forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements can be identified by the use of forward looking terminology such as “estimates”, “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, ‘‘will continue”, “should”, “would”, “seeks”, “approximately”, or “anticipates”, or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Shelf Prospectus and will appear in applicable Supplements and include statements regarding the Issuer’s or the Sponsor’s intentions, beliefs or current expectations concerning, amongst other things, the Issuer’s and Sponsor’s results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which they operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Issuer’s and the Sponsor’s actual results of operations, financial condition and liquidity and the development of the industry in which they operate may differ materially from those made in or suggested by the forward-looking statements contained in this Shelf Prospectus. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realized.

Factors that could cause actual results to differ materially from the Issuer’s or Sponsor’s expectations are contained in cautionary statements in this Shelf Prospectus and include, among other things, the following:

- Overall political, economic and business conditions in Nigeria;
- Changes in government regulations;
- Changes in regulatory conditions;
- Economic and political conditions in international markets, including governmental changes;
- Changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- Interest rate fluctuations and other capital market conditions;
- Exchange rate fluctuations; and
- The timing, impact and other uncertainties of future actions.

The sections of this Shelf Prospectus entitled “**Risk Factors**”, “**The Nigerian Banking Industry**” “**Description of Rand Merchant Bank Limited**”, “**Reporting Accountant’s Report**” and “**Statutory and General Information**” contain more detailed discussions of the factors that could affect the Issuer’s and the Sponsor’s future performance and the industry in which they operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Shelf Prospectus may not occur.

The Issuer and the Sponsor do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer and Sponsor or to persons acting on either of their behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Shelf Prospectus.

THIRD PARTY INFORMATION

The Issuer and the Sponsor have obtained certain statistical and market information that is presented in this Shelf Prospectus on such topics as the Nigerian economic landscape and related subjects from certain government and other third party sources described herein. The Issuer and the Sponsor have accurately reproduced such information and, so far as the Issuer and the Sponsor are aware and are able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. Market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative.

Prospective investors should note that some of the Issuer's and Sponsor's estimates are based on such third party information. Neither the Issuer, the Sponsor nor the Issuing Houses has independently verified the figures, market data or other information on which these third parties have based their studies. Certain statistical information reported herein has been derived from official publications of, and information supplied by, a number of Government agencies and ministries, including the CBN, the Nigerian Debt Management Office and the Nigerian National Bureau of Statistics.

ROUNDING

Certain figures included in this Shelf Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

ISSUE OF SUPPLEMENTS

Following the publication of this Shelf Prospectus, a Supplementary Shelf Prospectus, Pricing Supplement or Structured Note Supplement may be prepared by the Issuer and the Sponsor / Arranger for the approval of the SEC, as the case may be, in accordance with Rule 279(3)(6)(b) of the SEC Rules.

Statements contained in any such Supplement shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Shelf Prospectus.

Each of RMBN SPV and RMB Nigeria declares, to the best of its knowledge and honest belief, that no material facts have been omitted from nor is there any material misstatement in this Shelf Prospectus, which would make any statement contained herein misleading or untrue. RMBN SPV and RMB Nigeria will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Shelf Prospectus, which is capable of affecting the assessment of the Programme or the Bonds or Structured Notes, prepare a Supplement to this Shelf Prospectus or publish a new Shelf Prospectus for use in connection with any subsequent issue of Bonds or Structured Notes.

DOCUMENTS TO BE INCORPORATED BY REFERENCE

This Shelf Prospectus should be read and construed in conjunction with the Sponsor's Audited Annual Report for the financial years ended 31st December 2012, 31st December 2013, 31st December 2014, 31st December 2015 and 31st December 2016, comprising of the audited annual financial statements of the Sponsor (and the notes thereto) and any quarterly or interim financial statements of the Sponsor for the life of the Programme and prepared in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board and prescribed by the Financial Reporting Council of Nigeria ("FRCoN") (which include standards and interpretations approved by the FRCoN), together with its pronouncements thereon from time to time, and applied on a consistent basis.

The Sponsor will, in the event of any material change in its financial position, which is not reflected in this Shelf Prospectus, prepare an amendment or supplement to this Shelf Prospectus. Also, the Sponsor's information given in this Shelf Prospectus and the terms and conditions of additional Bonds to be issued under the Programme (not including the Notes) may be updated in a Supplement pursuant to the SEC Rules. Any such amendment or supplement will be incorporated by reference into this Shelf Prospectus and form an integral part hereof. Any statement contained in a document that is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Shelf Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Shelf Prospectus.

AVAILABILITY OF INFORMATION

This Shelf Prospectus and any Supplement (for Instruments issued by public offer only) are accessible, and copies of them are available free of charge at the offices of the Issuing Houses from 8:00a.m till 17:00p.m on Business Days, and on the website of the Sponsor / Arranger, during the validity of the Programme.

Copies of the financial statements of the Sponsor incorporated by reference herein may be obtained from the Sponsor's website http://www.rmb.com.ng.

RMB NIGERIA ISSUANCE SPV PLC
RC: 1415305

17 August 2017

The Director General,
The Securities and Exchange Commission,
Plot 272/273 Samuel Adesoji Street,
Central business District,
Abuja.

Dear Sir,

RMB Nigeria Issuance SPV PLC ₦40 Billion Bond and Structured Note Programme and subsequent Issuance of Bonds and Structured Notes under the Programme: Disclosure Requirement

We, RMB Nigeria Issuance SPV PLC (the "**Issuer**"), are the Issuers in respect of this Shelf Prospectus, which has been prepared by the Issuing Houses with a view to providing a description of the relevant aspects of the Issuer's business in connection with the establishment of a ₦40 billion Bond and Structured Note Programme (the "**Programme**").

We hereby make the following declarations in respect of the Programme:

1. we confirm that the information contained in this Shelf Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import;

2. there has been no significant change in the financial condition, or material adverse change in the prospects of the Issuer since the date of the document; and

3. the Issuer is not in breach of any terms and conditions in respect of borrowed monies, which would result in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 months preceding the date of the Shelf Prospectus.

SIGNED for and on behalf of RMB Nigeria Issuance SPV PLC
By its duly Authorised Representatives:

Director
Theresa Orji

Director
Amese Osague-Idah

Company Secretary
Damilola Ajayi

OLAYINKA A. DOHERTY ESQ.
OLAYINKA A. DOHERTY & CO
Barristers, Solicitors And Notaries Public

Plot 2688, Kofo Abayomi Street
Victoria Island, Lagos
234-1-2718570
Directors: Theresa Orji - Amese Osague-Idah

DECLARATION BY THE SPONSOR

RMB
NIGERIA

19 July 2017

The Director General,
The Securities and Exchange Commission,
Plot 272/273 Samuel Adesoji Street,
Central business District,
Abuja.

Dear Sir

RMB Nigeria Issuance SPV PLC ₦40 Billion Bond and Structured Note and subsequent Issuance of Bonds and Structured Notes under the Programme: Disclosure Requirement

We are the Sponsors in respect of this Shelf Prospectus, which has been prepared on behalf of RMB Nigeria Issuance SPV PLC (the "**Issuer**") by the Joint Issuing Houses with a view to providing a description of the relevant aspects of the Issuer's business in connection with the establishment of a ₦40 billion bond and structured note programme (the "**Programme**").

We hereby make the following declarations in respect of the Programme:

1. we confirm that the information contained in this Shelf Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import;

2. there has been no significant change in the financial condition, or material adverse change in the prospects of the Issuer since the date of the document; and

3. the Issuer is not in breach of any terms and conditions in respect of borrowed monies, which would result in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 months preceding the date of the Shelf Prospectus.

SIGNED for and on behalf of Rand Merchant Bank Nigeria Limited
By its duly Authorised Representatives:

Michael Larbie
Chief Executive Officer

Bayo Ajayi
Chief Financial Officer

ODUJINRIN & ADEFULU
Company Secretary
Dr Adeoye Adefulu

NOTARIZED BY ME:
19/07/2017

OLUGBENGA MUYIWA AKINLABI
NOTARY PUBLIC FOR THE FEDERAL REPUBLIC OF NIGERIA
THE 19TH DAY OF JULY 2017
MY COMMISSION DOES NOT EXPIRE

PARTIES TO THE PROGRAMME

Directors and Company Secretary of the Issuer

Theresa Orji (Director)
Plot 266B, Kofo Abayomi Street
Victoria Island, Lagos

Ameze Osague-Iduh (Director)
Plot 266B, Kofo Abayomi Street
Victoria Island, Lagos

ALP Nominees Limited (Company Secretary)
21 Military Street
Onikan, Lagos

ALP Nominees Limited
COMPANY SECRETARY
Chinomso Oyekee.

Directors of the Sponsor

Louis Jordaan (Chairman)
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos
MICHEAL LARBIE

Peter Blenkinsop (Executive Director)
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos

Gert Christoffel Petrus Kruger (Non-Executive Director)
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos
MICHAEL LARBIE

Carel Vosloo (Non-Executive Director)
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos
MICHAEL LARBIE

Babatunde Savage (Independent Non-Executive Director)
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos
MICHAEL LARBIE

Michael Larbie (Managing Director/CEO)
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos

Philip Friedrich Spangenberg (Non-Executive Director)
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos
MICHAEL LARBIE

Ebrahim Motala (Non-Executive Director)
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos
MICHAEL LARBIE

Enase Okonedo (Independent Non-Executive Director)
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos
MICHAEL LARBIE

Remilekun Odunlami (Independent Non-Executive Director)
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos
MICHAEL LARBIE

Issuing Houses

Stanbic IBTC Capital Limited	Rand Merchant Bank Nigeria Limited	Standard Chartered Capital & Advisory Nigeria Limited
I.B.T.C. Place Walter Carrington Crescent Victoria Island, Lagos	3rd Floor, Wings, East Tower 17A Ozumba Mbadiwe Street Victoria Island, Lagos	142 Ahmadu Bello Way Victoria Island, Lagos
Kobby Bentsi-Enchill		DAVID ADEPOJU

PARTIES TO THE PROGRAMME

Joint Transaction Counsel

Banwo & Ighodalo

98, Awolowo Road
South West Ikoyi
Lagos

Akinsanya
Ayotunde Owoigbe

Aluko & Oyebode

1, Murtala Mohammed Drive
(Formerly Bank Road), Ikoyi
Lagos

Ayodeji Oyetunde
Aluko & Oyebode

Bond Trustee

United Capital Trustees Limited

12th Floor, UBA House
57 Marina
Lagos

Tokunbo Ajayi

Receiving Bank

Access Bank PLC

Plot 999c Danmole Street
Victoria Island, Lagos

Omolade Osibo

Solicitors to the Trustee

Udo Udoma & Belo-Osagie

St. Nicholas House (10th & 13th Floors)
Catholic Mission Street
Lagos

Ozofu Ogiemudia

Stockbrokers

RMB Nigeria Stockbrokers Limited

7th Floor, Churchgate Tower 2
Plot PC31 Churchgate Street
Victoria Island, Lagos

ADIOLA ADEKOYA

Reporting Accountant

Akintola Williams Deloitte

Civic Towers
Ozumba Mbadiwe Road
Victoria Island
Lagos

Tomitope Odukoya

Registrars

First Registrars & Investor Services Limited

Plot 2, Abebe Village Road,
Iganmu,
Marina,
Lagos

Yahya Lawal

Rating Agency

Agusto & Co

5th Floor, UBA House
57 Marina
Lagos

ADEBIYI OLUKOYA

Share Trustee

Vetiva Trustees Limited

Plot 266B, Kofo Abayomi Street
Victoria Island, Lagos

THERESA ORJI

TERMS AND CONDITIONS

IN RELATION TO THE BONDS

*The following is the text of the general terms and conditions which, (subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are set out in the relevant Series Trust Deed and/or Supplementary Shelf Prospectus (the **"Final Terms"**) and, save for the italicised text), will apply to the Bonds*

*The provisions of these terms and conditions set out below (the **"Conditions"**) which are applicable to the Bonds issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Bonds may be issued in individual tranches which together with other tranches may form a series of bonds. Any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions; alternative or optional provisions of these Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Conditions; and all provisions of these Conditions which are inapplicable to the Bonds shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Final Terms.*

The Bonds are constituted by and under a Master Trust Deed (the "Trust Deed") dated 22 June 2018 between RMB Nigeria Issuance SPV PLC (the "Issuer") and United Capital Trustees Limited (the "Trustee") as supplemented by the relevant Series Trust Deed between the Issuer and the Bond Trustee. The Bondholders are entitled to the benefit of and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the relevant Series Trust Deed applicable to them. Copies of the Trust Deed and any applicable Series Trust Deed are available for inspection at the offices of the Bond Trustee at UBA House (12th Floor), 57 Marina, Lagos and at the offices of the Registrar as specified in the Pricing Supplement.

Any Series of Bonds which is to be created and issued pursuant to the Trust Deed shall be constituted by, be subject to and have the benefit of a Series Trust Deed (the "Series Trust Deed") between the Issuer and the Bond Trustee. The Issuer shall execute and deliver such Series Trust Deed to the Bond Trustee containing such provisions (whether or not corresponding to any of the provisions contained in the Trust Deed) as the Bond Trustee and the Issuer may agree from time to time. Each Series Trust Deed shall set out the form of the Series of Bonds to be so constituted thereby.

These Conditions include summaries of, and are subject to the detailed provisions of the Trust Deed and the relevant Series Trust Deed. The Bondholders are entitled to the benefit of and are bound by, and are deemed to have notice of, all the provisions of the Master Trust Deed and the relevant Series Trust Deed applicable to them.

Words and expressions defined in the Trust Deed (as same may be amended, varied or supplemented from time to time with the consent of the Parties thereto) are expressly and specifically incorporated into and shall apply to these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Trust Deed unless the context otherwise required or unless otherwise stated.

1. Form, Denomination and Title

Unless otherwise specified in any applicable Supplement, the Bonds shall be issued in registered form in denominations of ₦1,000.00.

The Bonds will be issued in uncertificated (dematerialised or book-entry) form, which shall be registered with a separate securities identification code with the CSCS.

2. Repayment

The Principal Amount on the Bonds will be repaid on the relevant Maturity Date or on an amortising basis in accordance with the terms of the relevant Series or such date as the Bond Trustee in accordance with the Trust Deed declares the Bonds to have become immediately repayable, together with such premium (if any) agreed in the relevant Series Trust Deed, on such Bonds.

3. Redemption

3.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Bonds at their Principal Amount on such dates as specified in the Series Trust Deed.

3.2 Redemption prior to Maturity

3.2.1 Subject to the terms of the relevant Series Trust Deed, the Issuer shall be entitled at any time to redeem the whole or any part of the Bond upon giving the Bondholders to be redeemed three months' notice or such shorter period as agreed with the Bond Trustee of its intention to do so, and at the expiration of such notice, the Issuer shall be entitled and bound to redeem the Bonds in respect of which such notice has been given.

3.2.2 In the event of the Issuer at any time determining to redeem part only of the Bond for the time being outstanding, the particular Bond to be redeemed shall be selected by a drawing to be made by the Issuer as provided in Condition 8 or at the option of the Issuer pro rata to holdings.

3.2.3 Early redemption shall take place on such terms as shall be agreed in the relevant Series Trust Deed or on such terms as shall be determined by agreement between the Issuer and the Bondholder(s) whose Bond(s) is to be redeemed at 11a.m on the date set for redemption.

3.2.4 In the case of redemptions made under this Condition, not less than 3 (three) month's previous notice (or such shorter period as may be agreed between the Issuer and the Bond Trustee) in writing of the date fixed for redemption shall be given by the Issuer to each Bondholder any of whose Bond is to be redeemed. Such notice shall state the amount of the Bond due for redemption and the condition under which such redemption is to be effected and shall name the date and place for redemption of such Bond.

3.3 Redemption for Taxation Reasons

If so specified in the relevant Supplement, the Bonds may be redeemed at the option of the Issuer in whole, or in part, if on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Bondholders (which notice shall be irrevocable) at their early redemption amount together with the Coupon accrued to the date fixed for redemption, if:

(i) the Issuer satisfies the Bond Trustee and the Commission immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Nigeria or any political subdivision or any authority thereof or therein having power to tax (other than the expiry of the Companies Income Tax Act Cap C21 LFN 2004 exemption in respect of the Bonds set out in the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 in relation to Bonds with a maturity date later than January 2, 2022), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the Series or Tranche of the Bonds; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Bond Trustee and the Commission a certificate signed by two Directors stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

Provided, however, that no such notice of redemption shall be given earlier than:

(i) where the Bonds may be redeemed at any time, 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or would be entitled (as such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities; or

(ii) where the Bonds may be redeemed only on a Coupon Payment Date, 60 (sixty) days prior to the Coupon Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities.

3.4 Redemption of RMB Notes

If all or some of the RMB Notes applicable to any Series or tranche under the Master Note Purchase Agreement shall become redeemable (and be redeemed), for any reason whatsoever, all the corresponding Bonds then remaining outstanding shall thereupon become due and payable at their Principal Amount, and shall be redeemed by the Issuer. The Issuer shall notify the Bond Trustee immediately a notice of redemption is issued pursuant to the Master Note Purchase Agreement.

4. Purchase of Bond by the Issuer

The Issuer may at any time and from time to time purchase any part of the Bonds through the market or by tender (available to all Bondholders alike) but not otherwise. Any Bond so purchased will be cancelled and will not be available for re-issue.

5. Status of the Bonds

5.1 The Bonds are direct and unconditional obligations of the Issuer and the status of the Bonds shall be as set out under the relevant Pricing Supplement and Series Trust Deed.

5.2 The Participating Assets relating to each Series will comprise a separate sub-set of the assets and liabilities of the Issuer in respect of that Series, identified in the accounting records as being attributable solely to that Series and which will be segregated from other series by the trust created in favour of the Bondholders of that Series in the relevant Series Trust Deed.

5.3 In respect of a Series, once the Participating Assets are exhausted (whether pursuant to maturity, or liquidation) any remaining outstanding amounts owed to the Series Bondholders will be extinguished and no debt will remain owing by the Issuer.

6. Covenants by the Issuer

<u>Negative Pledge</u>

For as long as any of the Bonds of a Series remain outstanding, the Issuer shall not create any mortgage, charge, pledge, lien or any Encumbrance upon the Participating Assets for that Series to secure any Financial Indebtedness, unless the Issuer's obligations under the Bonds of that Series are secured equally and rateably therewith or have the benefit of such other security, guarantee, indemnity or other arrangement as the Bond Trustee in its absolute discretion shall deem not to be materially less beneficial to the Bondholders of that Series.

7. Coupon

If the Pricing Supplement so specifies, the Bonds of any Series will bear Coupon from the Coupon Commencement Date at the Coupon Rate(s) specified in, or determined in accordance with, the Pricing Supplement and such Coupon will be payable in respect of each Coupon Period on the Coupon Payment Date(s) specified in the Pricing Supplement. The Coupon payable on the Bonds of any Series for a period other than a full Coupon Period shall be determined in accordance with the Pricing Supplement.

7.1 Coupon on Fixed Rate Bonds

(a) The Fixed Rate Bonds (being those Bonds that specify the coupon is payable at a fixed rate) shall bear coupon on the Principal Amount outstanding at the Coupon Rate specified in the applicable Pricing Supplement from (and including) the Coupon Commencement Date specified in the applicable Pricing Supplement to (but excluding) the Maturity Date. Coupon shall be payable in arrears on the Coupon Payment Date in each year. The first payment of coupon will be made on the Coupon Payment Date following the Coupon Commencement Date (specified in the applicable Pricing Supplement) and, if the first anniversary of that Coupon Commencement Date is not a Coupon Payment Date, the first payment of coupon shall be as specified in the applicable Pricing Supplement.

(b) If the Maturity Date is not a Coupon Payment Date, coupon from (and including) the preceding Coupon Payment Date (or the Coupon Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount. If coupon is required to be calculated for a period of other than a full year, such coupon shall be calculated on the basis of the actual number of days elapsed divided by 365 or such other method as described in the applicable Pricing Supplement.

7.2 Coupon on Floating Rate Bonds

(a) General

The Floating Rate Bonds (being those Bonds that specify the coupon is payable at a floating rate) shall bear interest on its Principal Amount by reference to a specified floating rate benchmark plus a margin as may be described in the applicable Pricing Supplement and/or Series Trust Deed.

(b) Coupon Payment Dates

The Floating Rate Bonds shall bear coupon on its Principal Amount from (and including) the Coupon Commencement Date at the rate equal to the Coupon Rate payable in arrears on the Coupon Payment Date(s).

(c) Coupon Rate

The Coupon payable from time to time in respect of each of the Floating Rate Bonds will be determined in the manner specified in the applicable Pricing Supplement.

(d) Calculation of Coupon

The Coupon amount payable in respect of the Bonds shall be calculated by applying the Coupon Rate to the specified denomination and multiplying such sum by the applicable Day Count Fraction.

For the Purposes of Condition 7.2 (d):

"Day Count Fraction" means, in respect of the calculation of an amount of Coupon for any Coupon Period (specified in the applicable Pricing Supplement):

(i) if "Actual/365" is specified, the actual number of days elapsed in the Coupon Period divided by 365; or

(ii) such other specified calculation method.

7.3 Discounted Bonds

The Zero-Coupon Bonds (being those Bonds that are issued at a discount to their face value) will be issued at an issue price such that the yield to maturity is reflected in the difference between the discounted issue price and the final redemption amount of such zero-coupon Bond as specified in the applicable Pricing Supplement and/or Series Trust Deed. Zero Coupon Bonds will not bear Coupon other than in the case of late payment, which will be calculated as specified in the applicable Supplement and/or Series Trust Deed.

8. Debt Service Reserve Account

8.1 The provisions of this Condition 8 will only apply where provision is made for a sinking fund/debt service reserve account in the relevant Series Trust Deed. Where no such provision is made, this Condition 8 shall not apply to the Bonds.

8.2 The Issuer shall, not later than the date specified in a Series Trust Deed for any Series, cause payments to be made into a bank account which shall be called a "Debt Service Reserve Account" ("DSRA") which shall be managed by the Bond Trustee and shall form part of the trust property. The Issuer shall irrevocably authorise the Chief Finance Officer or any officer for the time being in charge of the finance of the Issuer to deduct, as a first charge on the Issuer's cashflows and to place to the credit of the DSRA (in accordance with the Series Trust Deed setting up a particular Series and referenced in the applicable Pricing Supplement), such sum or sums from the finance of the Issuer, at the Issuer's discretion not below the sum as stipulated in the Series Trust Deed on a monthly basis which sum shall be applied by the Bond Trustee towards the payment of Coupon and the redemption, at par, of the Bond PROVIDED THAT the Bond Trustee at its discretion may ask the Issuer to increase the amount being credited to the account if in its opinion the amount being credited to the account may not be sufficient to meet Coupon and Principal Amount repayment due on the Bonds at any time.

8.3 Authorised Investment

Any monies standing to the credit of the DSRA may, at the discretion of the Bond Trustee, be invested by the Bond Trustee in its name or under its legal control in any investments for the time being authorised by the Trustee Investment Act, Cap T22, LFN 2004 for the investment of trust monies or in any other investments which may be approved by the Commission. **PROVIDED HOWEVER** that the Bond Trustee shall, while any Bonds are outstanding, render accounts on a half-yearly basis to the Issuer.

8.4 If at any time prior to the date specified in the Series Trust Deed, the Issuer redeems any Bond under the provisions of Condition 3 hereof or purchases any Bond under the provisions of Condition 4 above, the Bond Trustee shall remit to the Issuer such monies received from the Issuer for the credit of the DSRA which are over and above the amount necessary to meet all future Coupon payments and Principal Amount redemptions, at par, PROVIDED THAT, subject to Clause 14 of the Deed, the Bond Trustee in its absolute discretion may withhold such sums as deemed necessary to maintain a cushion against Coupon fluctuations.

9. Cancellation of Bonds

Any part of the Bonds redeemed or purchased shall be cancelled and the Issuer shall not keep such Bond valid for the purpose of re-issue.

10. Drawing of Bonds for Redemption

Whenever under these Conditions a drawing of Bond for redemption is required to be made, the Issuer shall (subject as provided in these Conditions) cause such drawing to be made at the registered office of either of the Bond Trustee for the time being or at some other place approved by the Bond Trustee. Notice in writing of the day, time and place of every such drawing shall be given by the Issuer to the Bond Trustee and any person appointed by the Bond Trustee shall be entitled to be present at such drawing. Every such drawing shall be made in such manner and by such methods as the Bond Trustee may approve as convenient for selecting the amount of Bonds required to be drawn.

11. Trusts

11.1 Except as required by law or as ordered by a court of competent jurisdiction the Issuer will recognise the Bondholder of any Bond as the absolute owner of such Bond and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Bond may be subject.

11.2 The receipt by a Bondholder for the time being of any Bond (or in the case of joint registered holders, the payment to the joint Bondholder whose name stands first in the Register) of the Principal Amount of such Bond or of any other money payable in respect of such Bond shall be a good discharge to the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, coupon or claim of any other person to or in such Principal Amount, dividend or other money. No notice of any trust whether express, implied or constructive shall (except as provided by statute or as required by a court of competent jurisdiction) be entered on the Register in respect of any Bond.

12. Freedom from Equities

Every Bondholder will be recognised by the Issuer as entitled to his Bond free from any equities, set-off or cross-claim on the part of the Issuer against the original or any intermediate holder of the Bond.

13. Transfers

13.1 The Bond is transferable in amounts or integral multiples of an amount specified in the Series Trust Deed.

13.2 Transfers of the Bond shall be by an instrument in writing in any form the Issuer and the Bond Trustee may approve.

13.3 If the Bonds are listed, the Bonds shall be transferred on the Exchange in accordance with the rules and regulation of the Exchange.

13.4 Every instrument of transfer must be signed by or on behalf of the transferor or where the transferor is a corporation, properly executed according of its constitutional documents, and the transferor shall be deemed to remain the owner of the Bonds until the name of the transferee is entered in the Register.

13.5 Every instrument of transfer must be left for registration at the place where the Register shall for the time being be kept accompanied by such evidence as the Issuer may require in order to prove the title of the transferor or his right to transfer the Bond and (if the instrument of transfer is executed by some other person on his behalf) the authority of that person so to do.

13.6 All instruments of transfer which shall be registered will be retained by the Issuer.

13.7 Closed Periods: No Bondholder may require the transfer of a Bond to be registered during the period of 15 (fifteen) days ending on the due date for any payment of Principal Amount or Coupon on that Bond.

14. Transmission

14.1 In the case of the death of a Bondholder the survivor or survivors where the deceased was a joint holder and the executor or administrator of the deceased where he was a sole or only surviving holder shall be the only person recognised by the Issuer as having any title to such Bond.

14.2 Any person becoming entitled to any Bond in consequence of the death or bankruptcy of any Bondholder or of any other event giving rise to the transmission of such Bond by operation of law may upon producing such evidence of his title as the Registrars shall think sufficient, be registered himself as the holder of such Bond or subject to Condition 13 may transfer such Bond without himself being registered as the holder of such Bond.

15. Payment of Moneys

15.1 Method of Payment of Principal Amount, Coupon and Premium

15.1.1 Payment of the Principal Amount, Coupon and premium (if any) for the time being owing or due on all or any part of the Bond will be credited to the bank account nominated for this purpose by the Bondholder (or in the case of joint registered Bondholders) by the joint Bondholders free from any Taxes, charges, rates or fees levied by any person of authority, which may include withholding or deduction for, or on account of, any present or future Taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of or within Nigeria, unless the withholding or deduction of such Tax, charge, levy or rate is required by law, and in any such event, the Issuer shall gross-up such payment to the Bondholder as if no deduction or withholding was ever made on such Principal Amount, Coupon or equivalent payment; PROVIDED that where a Bondholder has not nominated any bank account, the Bond Trustee shall notify the Bondholder, and pending the time the Bondholder provides the account details, shall withhold payment on such amount. For the avoidance of doubt, no coupon shall accrue from the period commencing on date of notification to the Bondholder to the date on which the Bondholder provides the account details.

15.1.2 Without prejudice to the provisions of the Conditions attaching to the Bonds referred to in the Second Schedule, the receipt by each Bondholder or in the case of joint Bondholders by any one of such joint Bondholders of any Principal Amount or interest payable in respect of Bond held by such Bondholder or joint Bondholders shall constitute a discharge of the payment obligations of the Issuer to pay such Principal Amount or Coupon.

15.1.3 If several persons are entered in the register as joint holders of any Bond, then the receipt of any of such persons for any Coupon or Principal Amount or other money payable on or in respect of such Bond shall be as effective a discharge to the Issuer as if the person signing such receipt were the sole registered holder of such Bond.

15.2 Application of Moneys / Priority of Payment

The priority of payment shall be as provided for in the Trust Deed.

16. Ring-fencing of Issuer's Assets

The Issuer shall, in each Series Trust Deed, irrevocably and unconditionally declare a trust over all the Participating Assets in favour of the Bondholders of the Bonds issued under that particular Series and no other person or investor being an investor in securities issued by the Issuer under any other Series under the Programme or any other programme established by the Issuer shall have any right, interest or recourse to such Participating Assets.

17. Transfer

Transfer of title to Bonds issued in uncertificated form shall be effected in accordance with the rules governing transfer of title in securities held by CSCS.

18. Events of Default

If any of the following events stated in this Condition 18 ("Events of Default") have occurred and are continuing in accordance with the time frame set out below, the Bond Trustee may at its discretion or shall,

i. if so directed in writing by three quarters (¾) of the Bondholders; or
ii. if so directed by an Extraordinary Resolution of the Bondholders,

give written notice to the Issuer at its specified office and the Commission that the Bonds are immediately repayable whereupon the Principal Amount outstanding on the Bonds together with accrued Coupon shall become immediately due and repayable:

18.1 **Non-Payment**: if the Issuer fails to pay any sums representing the Principal Amount, Coupon and premium (if any) on the Bond other than as a result of a Participating Asset Default) in accordance with this Deed, unless such failure to pay is caused by an administrative or technical error, and payment is made within 10 (ten) Business Days of its due date. PROVIDED however that where such non-payment is due to a Force Majeure event the Bond Trustee may in its discretion (after consultation with the Issuer) determine that such Force Majeure event can be remedied within a reasonable period after the grace period referred to above in this Clause and extend the grace period;

18.2 **Cross Default:** if any Financial Indebtedness of the Sponsor of a value exceeding N7,500,000,000.00 (seven billion, five hundred million Naira) in aggregate:

i. (for the avoidance of doubt, any amounts being contested in good faith shall not be counted towards such value) is not paid within 1(one) month or any applicable grace period, (whichever is later) save for any Financial Indebtedness of the Sponsor owed to any member of the FirstRand Group; or
ii. is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); and

such event shall be certified in writing by the Bond Trustee to be in its opinion materially prejudicial to the interest of the Bondholders. PROVIDED a Bond Acceleration Notice shall only be issued in relation to this event, if the relevant Financial Indebtedness is declared to be, or otherwise become due and payable and the Bond Trustee is directed to do so in writing by the Majority Bondholders, or by an Extraordinary Resolution of the Bondholders and in each case is indemnified to its satisfaction..

18.3 **Insolvency:** If

18.3.1 the Issuer is deemed by applicable law or a court of competent jurisdiction to be unable to pay its debts, or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness;

18.3.2 A Moratorium is declared in respect of any Financial Indebtedness of the Issuer, and such Moratorium is not discharged within 45 (forty-five) Business Days after it was declared. PROVIDED that the Issuer is able to show to the satisfaction of the Bond Trustee within 10 (ten) Business days after such Moratorium is declared that it is in good faith negotiating for the lifting of the Moratorium;

18.3.3 Any corporate action or legal proceedings is concluded and judgment given against the Issuer in relation to:

18.3.3.1 a Moratorium of any Financial Indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer other than a solvent liquidation or any reorganisation of the Issuer;

18.3.3.2 the appointment of a liquidator (other than in respect of a solvent liquidation of the Issuer) receiver, administrator, administrative receiver or other similar officer in respect of the Issuer or any of its assets; or

18.3.3.3 any analogous procedure or step is taken in any jurisdiction, and such proceeding is not dismissed or terminated on or before the 30 (thirtieth) Business Day (which would exclude days on which Nigerian courts are on vacation) after the order is made or if any such dismissal or stay ceases to be in effect (or such longer period as the Bond Trustee may permit) PROVIDED THAT the Issuer has within 10 (ten) Business Days filed good faith legal proceedings in the relevant court for the order to be set aside, dismissed or stayed;

18.4 **Cessation of Business**: if the Issuer ceases to conduct all or substantially all of its business as is now conducted or changes all or substantially all of the nature of such business or merges or consolidates with any other entity without the prior written consent of the Bond Trustee pursuant to Clause 7.7 of the Trust Deed; or

18.5 **Material Adverse Effect:** If a Material Adverse Effect has occurred and has not been remedied within 15 (fifteen) Business Days of such occurrence;

18.6 **Enforcement Proceedings:** if any distress, execution or other process shall be levied or enforced or sued upon or against any material assets of the Issuer and shall not be discharged, or stayed within 90 (ninety) days of service by the relevant officer of the court of such attachment, execution or other legal process or if an encumbrancer shall take possession or a receiver shall be appointed over any material assets of the Issuer and such event shall be certified in writing by the Bond Trustee to be in its opinion materially prejudicial to the interests of the Bondholders PROVIDED THAT the Issuer has filed good faith legal proceedings in the relevant court for application for dismissal or stay within 10 (ten) Business Days of becoming aware of the order or action;

18.7 **Breach of Other Obligations:** if default shall be made by the Issuer in the performance or observance of any covenant, condition, provision or agreement including the representations and warranties, (other than any covenant for the payment of any sum owing on any part of the Bond) binding on it under this Deed or any Supplement or required by the Issue Documents to which it is a party or any other document delivered in connection with the Bonds, provided that the counterparty to the relevant Issue Documents calls a breach, and the Issuer fails to perform fully or make good the breach of such covenant, condition, provision or agreement within 30 (thirty) days from receipt of notice in writing by the Bond Trustee or in their opinion (or such longer period as the Bond Trustee may reasonably permit) materially prejudicial to the interests of the Bondholders; or

18.8 **Event of Default under Sponsor's Agreements:** If the RMB Notes are declared immediately payable in accordance with the terms of the Master Notes Purchase Agreement or upon the occurrence of a default under the Bonds Deed of Covenant.

19. Notices

19.1 Any notice or other document may be given to or served on any Bondholder either personally or by sending it by electronic mail, by post in a prepaid envelope or delivering it addressed to him at his registered address or (if he desires that notices shall be sent to some other persons or address) to the person at the address supplied by him to the Issuer for the giving of notice to him.

19.2 In the case of joint registered holders of any Bond a notice given to the Bondholder whose name stands first in the Register shall be sufficient notice to all the joint holders.

19.3 Any notice or other document duly served on or delivered to any Bondholder under these conditions shall (notwithstanding that such Bondholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Bond registered in the name of such Bondholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the Register as the holder of the Bond and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Bond.

19.4 Any notice shall be deemed to have been served on the fifth (5th) day following that on which the letter containing the notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice or the notice itself was properly addressed, stamped and posted. Any notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified. Notices to be given by any Bondholder shall be in writing and given by lodging the same with the Registrar or the Issuer.

20. Entitlement and Indemnification of Bond Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition), the Bond Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Bond Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

21. Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 6 (six) years from the appropriate Relevant Date in respect of the Principal Amount and Coupon. As used in these Conditions, "**Relevant Date**" in respect of any payment means the date on which such payment first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date 7 (seven) days after that on which notice is duly given to the Bondholders that such payment will be made.

22. Meetings of Bondholders

The rights and duties of the Bondholders in respect of attendance at meetings of Bondholders are set out in the Second Schedule of the Trust Deed (Provisions for Meetings of Bondholders). Decisions taken at Bondholders meetings may only be exercised by the Bond Trustee in accordance with the Trust Deed or under these Conditions. For the avoidance of doubt, the Conditions of the Bond can only be amended with the consent of the Parties as that term is defined in the Trust Deed.

23. Governing Law

The Bonds are governed by, and shall be construed in accordance with, the laws of the Federal Republic of Nigeria.

IN RELATION TO STRUCTURED NOTES

(A) GENERAL TERMS AND CONDITIONS

Save and except as otherwise stated in this Schedule, the General Terms and Conditions set out in Schedule 2 of the Master Trust Deed shall also apply to the Structured Notes.

(B) SUPPLEMENTAL CONDITIONS

Unless otherwise inconsistent with the context or otherwise separately defined in the applicable Structured Note Supplement, the following expressions shall have the following meanings:

Agency Agreement	means the agency agreement to be executed between the Issuer, the Paying Agent, the Calculation Agent and the Transfer Agent and as may be further supplemented and/or amended and/or restated from time to time;
Coupon Amount	means in relation to a Tranche of Notes, and a Coupon Period, the amount of coupon payable in respect of that Tranche of Notes for that Coupon Period;
Instalment Notes	means the Notes redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as specified in the applicable Structured Notes Supplement;
ISDA	International Swaps and Derivatives Association, Inc.
ISDA Definitions	means the 2003 ISDA Credit Derivatives Definitions published by the ISDA, as amended and supplemented from time to time;
NIBOR	means the Nigerian Inter-bank Offered Rate as quoted on https://www.fmdqotc.com on the relevant date;
Reference Bank	means (i) for the purposes of Screen Rate Determination, the principal Lagos office of four major banks in the Reference Rate Market; or (ii) otherwise, has the meaning ascribed thereto in the applicable Structured Note Supplement;
Reference Price	has the meaning ascribed thereto in the applicable Structured Note Supplement;
Reference Rate	has the meaning ascribed thereto in the applicable Structured Note Supplement;
Reference Rate Market	means, NIBOR, or the inter-bank market specified in the applicable Structured Note Supplement; in all other cases; and

Specified Denomination has the meaning specified in the applicable Structured Note Supplement.

CONDITION 1

COUPON

If the applicable Structured Note Supplement so specifies, the Notes of any Tranche will bear coupon from the Coupon Commencement Date at the Coupon Rate(s) specified in, or determined in accordance with, the applicable Structured Note Supplement or as otherwise specified in the applicable Structured Note Supplement and such Coupon will be payable in respect of each Coupon Period on the Coupon Payment Date(s) specified in the applicable Structured Note Supplement. The Coupon payable on the Notes of any Tranche for a period other than a full Coupon Period shall be determined in accordance with the applicable Structured Note Supplement.

a. Coupon on Fixed Rate Notes

Coupon on Fixed Rate Notes will be paid on the Coupon Payment Dates specified in the applicable Structured Note Supplement.

i. Accrual of Coupon

The Notes bear Coupon from the Coupon Commencement Date at the Coupon Rate payable in arrears on each Coupon Payment Date, subject as provided in Condition 16 of the General Terms and Conditions (*Payment of Moneys*).

ii. Fixed Coupon Amount

The amount of coupon payable in respect of each Note for any Coupon Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

iii. Calculation of Coupon Amount

The amount of coupon payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Coupon Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount, provided that:

(b) if an Initial Broken Amount is specified in the Structured Note Supplement, then the first Coupon Amount shall equal the Initial Broken Amount specified in the Structured Note Supplement; and

(c) if a Final Broken Amount is specified in the Structured Note Supplement, then the final Coupon Amount shall equal the Final Broken Amount specified in the Structured Note Supplement.

b. Coupon on Floating Rate Notes, Indexed Notes and FX Linked Coupon Notes

(i) Accrual of Coupon

The Notes bear coupon from the Coupon Commencement Date at the Coupon Rate or as otherwise specified in the Structured Note Supplement payable in arrears on each Coupon Payment Date, subject as provided in Condition 16 of the General Terms and Conditions (*Payment of Moneys*).

(ii) Coupon Rate for Floating Rate Notes

The Coupon Rate which is applicable to a Tranche of Floating Rate Notes for a Coupon Period will be determined on the basis of Screen Rate Determination or on the basis of ISDA Determination or on such other basis as may be determined by the Issuer and specified in the applicable Structured Note Supplement.

(iii) ISDA Determination including fallback provisions

If ISDA Determination is specified in the applicable Structured Note Supplement as the manner in which the Coupon Rate(s) is/are to be determined, the Structured Note Supplement will set out how the Coupon Rate will be determined. Coupon Rate applicable to the Notes for each Coupon Period will be the sum of the Margin and the relevant ISDA Rate where ISDA Rate for a Coupon Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under a coupon rate swap transaction if that Calculation Agent were acting as Calculation Agent for that coupon rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(a) the Floating Rate Option is as specified in the applicable Structured Note Supplement;

(b) the Designated Maturity is the period specified in the applicable Structured Note Supplement; and

(c) the relevant Reset Date is either: (i) if the applicable Floating Rate Option is based on NIBOR, the first day of that Coupon Period; or (ii) in any other case, as specified in the applicable Structured Note Supplement.

Floating Rate, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those expressions in the ISDA Definitions.

(i) Screen Rate Determination including fallback provisions

If Screen Rate Determination is specified in the applicable Structured Note Supplement as the manner in which the Coupon Rate is to be determined, the Coupon Rate applicable to the Notes for each Coupon Period will be determined by the Calculation Agent on the following basis:

(a) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Coupon Determination Date); or

(b) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Coupon Determination Date;

(c) if, in the case of (a) above, such rate does not appear on that page or, in the case of (b) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(i) request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Coupon Determination Date in question; and

(ii) determine the arithmetic mean of such quotations; and

(d) if fewer than 3 (three) such offered quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Reference Rate Market, selected by the Calculation Agent, at approximately the Specified Time on the first day of the relevant Coupon Period for loans in the Payment Currency to leading banks in the Reference Rate Market for a period equal to the relevant Coupon Period and in an amount that is representative for a single transaction in that market at that time;

and the Coupon Rate for such Coupon Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Coupon Period, the Coupon Rate applicable to the Notes during such Coupon Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Coupon Period.

(i) Currency Linked Coupon

If Currency Linked Coupon Notes are specified in the applicable Structured Note Supplement as being applicable, the Coupon Rate(s) (if any) applicable to the Notes for each Coupon Period will be determined in accordance with the manner specified in the applicable Structured Note Supplement.

(ii) Maximum and/or Minimum Coupon Rate

If the applicable Structured Note Supplement specifies a Maximum Coupon Rate for any Coupon Period, then the Coupon Rate for such Coupon Period shall in no event be greater than such Maximum Coupon Rate and/or if it specifies a Minimum Coupon Rate for any Coupon Period, then the Coupon Rate for such Coupon Period shall in no event be less than such Minimum Coupon Rate.

(iii) *Determination of* Coupon *Rate and Calculation of* Coupon *Amount*

The Calculation Agent will, at or as soon as practicable after each time at which the Coupon Rate is to be determined, determine the Rate of Coupon for the relevant Coupon Period.

The Calculation Agent will calculate the Coupon Amount payable in respect of each Note for the relevant Coupon Period by applying the Coupon Rate for such Coupon Period to either (i) the Calculation Amount, in the case of Notes represented by Individual Certificates, or (ii) the aggregate outstanding Nominal Amount of the Notes if the Notes are issued in uncertificated form, and in each case, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Payment Currency (half a sub- unit being rounded upwards) and, if sub-paragraph (i) applies, multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount or, if sub-paragraph (ii) applies, *pro rating* such rounded figure amongst the Notes by reference to the Specified Denomination of the relevant Note relative to the then aggregate Nominal Amount of Notes or (b) as specified in the applicable Structured Note Supplement.

(iv) *Calculation of Other Amounts*

If the applicable Structured Note Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the applicable Structured Note Supplement.

(ii) *Publication*

The Calculation Agent will cause each Coupon Rate determined by it, together with the relevant Coupon Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s) to be notified to the Issuer, the Paying Agent, the Transfer Agent, any exchange on which the relevant Floating Rate Notes are for the time being listed, as soon as possible after their determination and in any event in the case of Floating Rate Notes not later than the later of the day that is 3 (three) Business Days before the relevant Coupon Payment Date and the relevant Coupon Determination Date for that Coupon Period. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 6 of the Supplemental Conditions (*Notices*).

The Calculation Agent will be entitled to recalculate any Coupon Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Coupon Period. Any such amendment will be promptly notified to the Issuer and to the Noteholders in accordance with Condition 6 of the Supplemental Conditions (*Notices*) and, if the relevant Tranche of Notes is listed on the NSE or the FMDQ, the NSE or the FMDQ shall be notified. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each

Coupon Amount but instead may publish only the Calculation Amount and Coupon Amount in respect of a Note having the minimum Specified Denomination.

(iii) Notifications etc to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Condition 1 (b) (*Coupon on Floating Rate Notes, Indexed Notes and FX Linked Coupon Notes*) by the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agent and the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

c. Business Day Convention

If any Coupon Payment Date (or other date) which is specified in the applicable Structured Note Supplement to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(a) the **Floating Rate Business Day Convention**, such Coupon Payment Date (or other date) shall in any case where Coupon Periods are specified in accordance with Condition 1(b) (*Coupon on Floating Rate Notes, Indexed Notes and Currency Linked Coupon Notes*), such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, or

(b) the **Following Business Day Convention**, such Coupon Payment Date (or other date) shall be postponed to the next day which is a Business Day; or

(c) the **Modified Following Business Day Convention**, such Coupon Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Coupon Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or

(d) the **Preceding Business Day Convention**, such Coupon Payment Date (or other date) shall be brought forward to the first preceding Business Day.

CONDITION 2

REDEMPTION AND PURCHASE

A Tranche of Notes will, subject to Credit Linked Condition 6 (*Redemption Following the Occurrence of a Credit Event*) in the case of Credit Linked Notes or as otherwise specified in the applicable Structured Note Supplement, be redeemed on the Maturity Date in accordance with Condition 2.1 (*Scheduled Redemption*). If the "*Early Redemption at the option of the Issuer (Call Option)*" and/or "*Early Redemption at the option of the Noteholders (Put Option)*" and/or " Condition 3.3 of the General Terms and Conditions (*Redemption for Taxation Reasons)* is specified as applicable in the applicable Structured Note Supplement, a Tranche of Notes may, or upon the occurrence of an Event of Default as set out in Condition 3 (*Events of Default*), will be redeemed prior to its Maturity Date in accordance with this Condition 2 (*Redemption and Purchase*).

2.1 **Scheduled Redemption**

Subject to Credit Linked Condition 6 (*Redemption Following the Occurrence of a Credit Event*) in the case of Credit Linked Notes, the Notes will be redeemed at the Final Redemption Amount on the Maturity Date subject to the provisions contained in Condition 16 of the General Terms and Conditions (*Payment of Moneys*) unless:

(a) The Notes have been previously redeemed or purchased and cancelled due to any early redemption event; or

(b) In the case of Credit Linked Notes, a Grace Period Extension is specified as applicable and a Potential Failure to Pay has occurred on or prior to the Maturity Date.

2.2 **Early Redemption at the option of Noteholders (Put Option)**

If the Noteholders of Notes are specified in the applicable Structured Note Supplement as having an option to put any Notes, the Issuer shall, at the option of the Noteholders of such Tranche of Notes, redeem the Notes on the Optional Redemption Date(s) (Put) specified in the relevant Put Notice or in the applicable Structured Note Supplement, as the case may be, at the relevant Optional Redemption Amount(s) (Put) together with interest (if any) accrued to such date, provided that if Unwind Costs are specified in the applicable Structured Note Supplement as applicable, the Optional Redemption Amount(s) (Put) may be reduced by Unwind Costs. If the Optional Redemption Amount(s) (Put) is to be reduced by the Issuer for Unwind Costs, within 3 (three) Business Days of receipt of the Put Notice the Issuer shall advise the Noteholder in writing (the **Optional Redemption Amount(s) (Put) Amendment Notice**) as to the amount of the relevant Unwind Costs and the Noteholder shall have the option of revising the Put Notice or of persisting with the redemption at the amount indicated in the Put Notice as reduced by the Unwind Costs. The Noteholder shall notify the Issuer of its election within 3 Business Days of receipt of the Optional Redemption Amount(s) (Put) Amendment Notice.

In order to exercise the option contained in this Condition 2.2 (*Early Redemption at the option of Noteholders (Put Option)*), the Noteholders of such Notes must, not less than 30 (thirty) nor more than 60 (sixty) days, or such other period as specified in the applicable Structured Note Supplement, before the relevant Optional Redemption Date(s) (Put), surrender the Individual Certificates (if any) relating to such Notes with the Paying Agent in accordance with Condition 6 of the Supplemental Conditions (*Notices*), together with a duly completed Put Notice. The Optional Redemption Amount(s) (Put) specified in such Put Notice in respect of any such Note must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as specified in the applicable Structured Note Supplement, if applicable.

The delivery of Put Notices shall be required to take place during normal office hours of the Transfer Agent. Pro forma Put Notices shall be available from the Specified Office of the Issuer.

Any Put Notice given by a holder of any Note pursuant to this Condition 2.2 (*Early Redemption at the option of Noteholders (Put Option)*) shall be irrevocable except where after giving the notice, but prior to the due date of redemption, an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer and the Transfer Agent to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to *Condition 3 (Events of Default)*.

2.3 **Early Redemption upon the occurrence of an Event of Default**

Upon the occurrence of an Event of Default and receipt by the Issuer of a written notice declaring Notes held by the relevant Noteholder to be forthwith due and payable in accordance with Condition 3 (*Events of Default*), such Notes shall, become forthwith due and payable at the Early Redemption Amount in the manner set out in applicable Structured Note Supplement, together with interest (if any) to the date of payment, in accordance with Condition 3 (*Events of Default*).

2.4 **Intervening Credit Event in the case of Credit Linked Notes**

Any obligation on the part of the Issuer to redeem a Credit Linked Note pursuant to the provisions of Condition 3.3 of the General Terms and Conditions (*Redemption for Taxation Reasons)*, Condition 3.2 of the General Terms and Conditions (*Redemption prior to Maturity*) or Condition 2.2 of the Supplemental Conditions (*Early Redemption at the option of Noteholders (Put Option)*), shall terminate upon the occurrence before the performance of such obligation of a Credit Event.

2.5 **Instalment Notes**

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates and as specified in the applicable Structured Note Supplement.

2.6 **Early Redemption Amounts**

For the purpose of Condition 3.3 of the General Terms and Conditions (*Redemption for Taxation Reasons)*, Condition 3.2 of the General Terms and Conditions (*Redemption prior to Maturity*) or Condition 2.2 (*Early Redemption at the option of Noteholders (Put Option)*), and Condition 3 (*Events of Default*) (and otherwise as stated herein), the Notes will be redeemed at the Early Redemption Amount specified or determined in the manner specified in the applicable Structured Note Supplement, or if no such amount or manner is specified in the applicable Structured Note Supplement, at the Early Redemption Amount calculated as follows:

(a) in the case of Notes with a Final Redemption Amount equal to the Nominal Amount, at the Final Redemption Amount thereof; or

(b) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price (to be determined in the manner specified in the applicable Structured Note Supplement), at that Final Redemption Amount or, if no such amount or manner is so specified in the applicable Structured Note Supplement, at their Nominal Amount; or

(c) in the case of Zero Coupon Notes, at an amount (the **Accreted Face Amount**) equal to the sum of:

(A) the Reference Price; and

(B) the product of the Implied Yield (compounded semi-annually) being applied to the Reference Price from (and including) the Issue Date up to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable, or such other amount as is specified in the applicable Structured Note Supplement;

provided that if Unwind Costs are specified in the applicable Structured Note Supplement as applicable, the Early Redemption Amount determined in accordance with this Condition 2.6 (*Early Redemption Amounts*) may be reduced by Unwind Costs.

Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365, or such other calculation basis as may be specified in the applicable Structured Note Supplement.

CONDITION 3

EVENTS OF DEFAULT

An Event of Default in relation to the Notes shall arise upon the occurrence of the any of the events stated in Condition 18 of the General Terms and Conditions (Events of Default) save that

(i) Condition 18.1 shall be amended as follows: *Non-payment*: the failure by the Issuer to pay sums representing the Principal Amount, Coupon and premium (if any) on the Notes unless such failure to pay is caused by an administrative or technical error, and payment is made within 10 (ten) Business Days of its due date; and

(ii) Condition 18.2 shall not apply to the Notes.

Upon the happening of an Event of Default, any holder of Notes may, by written notice to the Issuer at its registered office, effective upon the date of receipt thereof by the Issuer, declare the Notes held by such Noteholder to be forthwith due and payable.

CONDITION 4

TRANSFER AGENT, CALCULATION AGENT AND PAYING AGENT

1. The names of the initial Agents and their initial specified offices are set out below.

Transfer Agent:

Rand Merchant Bank Nigeria Limited
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos

Calculation Agent:

Rand Merchant Bank Nigeria Limited
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos

Paying Agent:

Rand Merchant Bank Nigeria Limited
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos

2. The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, *provided that*:

   (a) there will at all times be a Paying Agent and a Transfer Agent;

   (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent and a Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

3. In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

CONDITION 5

MEETINGS OF NOTE HOLDERS

The Agency Agreement contains provisions for convening meetings of Noteholders.

CONDITION 6

NOTICES

(a) Notices to the Noteholders

All notices to the Noteholders will be valid if mailed to them at their respective addresses of record in the relevant register of Noteholders of a Series or Tranche maintained by the Transfer Agent/ Paying Agent. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the SEC Rules and the rules and regulations of any securities exchange or other relevant authority on which the Notes are for the time being listed. Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication.

(b) Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Certificate (if any), with the Issuer/Transfer Agent/ Paying Agent.

CONDITION 7

TAXATION

All payments in respect of the Notes and Coupons by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of or within Nigeria, unless the withholding or deduction of the Taxes is required by law.

CONDITION 8

RING-FENCING

The Issuer shall irrevocably and unconditionally declare that it holds all rights, title, interest and benefits, present and future, in, to and under the Participating Assets, upon trust absolutely for the Noteholders of that particular Series or Tranche.

CREDIT LINKED NOTES TERMS AND CONDITIONS

Interpretation

If specified as applicable in a *Supplementary Shelf Prospectus and/or applicable Structured Note Supplement*, the terms and conditions applicable to the Credit Linked Notes shall comprise the General Terms and Conditions, the Supplemental Conditions and the Additional Terms and Conditions for Credit Linked Notes set out below (the "**Credit Linked Conditions"**), in each case subject to completion and/or amendment in the *Supplementary Shelf Prospectus and/or applicable Structured Note Supplement*. In the event of any inconsistency between the General Terms and Conditions, the Supplemental Conditions and the Credit Linked Conditions, the Credit Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Terms and Conditions, the Supplemental Conditions and/or the Credit Linked Conditions and (ii) the *applicable Structured Note Supplement,* the *applicable Structured Note Supplement* shall prevail.

The applicable Structured Note Supplement for each Tranche of CLN is (to the extent relevant) incorporated herein for the purposes of those CLNs and supplements these Terms and Conditions. The applicable Structured Note Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of those CLNs. Capitalised expressions used in these Terms and Conditions and not herein defined shall bear the meaning assigned to them in the applicable Structured Note Supplement.

Unless otherwise inconsistent with the context or otherwise separately defined in the applicable Structured Note Supplement, the following expressions shall have the following meanings:

Accreted Amount	means with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (a)(ii) above), in each case calculated as of the earlier of (X) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (Y) the Delivery Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash and interest payments (as determined by the Calculation Agent) only if "*Include Accrued Coupon*" is specified in the applicable Structured Note Supplement. If an Accreting Obligation is expressed to accrete pursuant to a straight line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for purposes of (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such Obligation and the amount payable at the scheduled maturity of such Obligation, and shall be determined as of the earlier of (X) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (Y) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such Obligation in respect of the

value of the Equity Securities for which such Obligation is exchangeable;

Accreting Obligation means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable. With respect to any Accreting Obligation, “outstanding principal balance” shall mean the Accreted Amount thereof;

Additional Business Centre(s) means the city or cities specified as such in the applicable Structured Note Supplement;

Affiliate means, in relation to any entity (the **First Entity**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **control** of an entity means ownership of a majority of the voting power of the entity or the ability to appoint a majority of the directors of the entity;

Asset Amount means, in respect of each nominal amount of CLNs equal to the Nominal Amount, Deliverable Obligations, as selected by the Calculation Agent, with:

(a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance (including accrued but unpaid coupon (as determined by the Calculation Agent) if "*Include Accrued Coupon*" is specified in the applicable Structured Note Supplement, but excluding accrued but unpaid coupon if "*Exclude Accrued Coupon*" is specified in the applicable Structured Note Supplement, and if neither "*Include Accrued Coupon*" nor "*Exclude Accrued Coupon*" is specified in the applicable Structured Note Supplement, excluding accrued but unpaid coupon); or

(b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to the Nominal Amount (i) less, if Unwind Costs are specified in the applicable Structured Note Supplement as applicable and are payable by the CLN holder, Deliverable Obligations with a market value determined by the Calculation Agent on the Business Day selected by the Calculation Agent falling during the period from and including the Event Determination Date to and including the Delivery Date equal to Unwind Costs, and (ii) less, if the CLN holder has instructed that Delivery Expenses be deducted in the calculation of the Asset Amount in the Asset Transfer Notice or if the CLN holder has not paid the Delivery Expenses on or prior to the Delivery Expenses Cut-off Date as provided in Condition 9 (*Physical Settlement*), Deliverable Obligations with a market value determined by the Calculation Agent on the Business Day selected by the Calculation Agent falling during the period from and including the Event

Determination Date to and including the Delivery Date equal to Delivery Expenses.

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance;

Asset Transfer Notice means a notice that complies with Condition 9 (*Physical Settlement*) delivered by a CLN holder to the Issuer [or relevant Agent];

Auction Cut-Off Date means the date falling five (5) Business Days prior to the date falling thirty- five (35) calendar days after the Scheduled Maturity Date;

Auction Final Price means

(a) if the relevant Credit Derivatives Determinations Committee determines that an Auction (as defined in the Credit Derivatives Auction Settlement Terms) will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity, the relevant Auction Final Price determined in accordance with such Auction; or

(b) if the relevant Credit Derivatives Determinations Committee determines that more than one Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity:

the **Auction Final Price** determined in accordance with the Auction applicable to credit derivatives transactions triggered by the credit protection buyer there under (**Buyer Credit Derivatives Transactions**) with Scheduled Termination Dates of a range within which the Scheduled Maturity Date falls;

(i) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates of a range within which the Scheduled Maturity Date falls, the Auction Final Price determined in accordance with the Auction applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next earliest to the Scheduled Maturity Date;

(ii) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next earliest to the Scheduled Maturity Date, the Auction Final Price determined in accordance with the Auction applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next following the Scheduled Maturity Date; or

(iii) if no Auction is held applicable to Buyer Credit Derivatives

Transactions with Scheduled Termination Dates falling next following the Scheduled Maturity Date, the Auction Final Price determined in accordance with the Auction applicable to credit derivatives transactions triggered by the credit protection seller there under;

Bankruptcy

means when a Reference Entity:

(a) is dissolved (other than pursuant to a consolidation, scheme of arrangement, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up, liquidation or the commencement of business rescue proceedings, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up, liquidation or the commencement of business rescue proceedings or (ii) is not dismissed, discharged, stayed or restrained in each case within sixty (60) calendar days of the institution or presentation thereof or before the Scheduled Maturity Date, whichever is earlier; or

(e) has a resolution passed for its winding-up, official management, liquidation or the commencement of business rescue proceedings (other than pursuant to a consolidation, amalgamation or merger);

(f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, business rescue practitioner, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets;

(g) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within sixty (60) calendar days thereafter or before the Scheduled Maturity Date, whichever is earlier; or

(h) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive) of this definition;

Best Available Information

means:

(a) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purpose of the definition of Successor, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or

(b) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, or which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (a) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of Successor;

Information which is made available more than fourteen (14) calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information;

Business Day

means any day excluding Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which commercial banks in Lagos, Nigeria (the Business Centre) and any Additional Business Centre) are generally open to transact business and settle payments;

Calculation Amount

means the amount specified as such in the applicable Structured Note Supplement;

Call Option

if specified as applicable in the applicable Structured Note Supplement, means the option of the Issuer to redeem the CLNs early in whole or, if so specified in the applicable Structured Note Supplement, in part at the Optional Redemption Amount(s) on the Optional Redemption Date(s) in accordance with Condition 3.2 of the General Terms and Conditions (Redemption prior to Maturity);

Cash Settlement Amount

means:

(a) the amount specified as such in the applicable Structured Note Supplement; or

(b) if no such amount is specified as such in the applicable Structured Note Supplement, an amount calculated by the Calculation Agent in accordance with a formula specified in the applicable Structured Note Supplement for that purpose; or

(c) if an amount is not specified in the applicable Structured Note Supplement and a formula to determine the Cash Settlement Amount is not specified in the applicable Structured Note Supplement, an amount calculated by the Calculation Agent equal to:

(A X B) – C

where:

A is the Nominal Amount;

B is (i) the Credit Linked Reference Price minus (ii) one minus the Final Price or, if Auction Settlement is specified in the applicable Structured Note Supplement and Condition 8 *(Cash Settlement)* does not apply, the Auction Final Price; and

C is Unwind Costs,

provided that in no event shall the Cash Settlement Amount be less than zero;

Cash Settlement Date means (a) if the Cash Settlement Amount is not specified in the applicable Structured Note Supplement or is calculated by reference to the Auction Price or the Final Price, the day falling the number of Business Days specified in the applicable Structured Note Supplement (or, if a number of Business Days is not specified in the applicable Structured Note Supplement, three Business Days) after the calculation of the Final Price or the publication of the Auction Final Price, as the case may be, or (b) in all other cases, the date that is the number of Business Days specified in the applicable Structured Note Supplement (or, if a number of Business Days is not so specified in the applicable Structured Note Supplement, three Business Days) following the satisfaction of all Conditions to Settlement;

Change in Law on, or after the Issue Date of the first Tranche of the CLN in any Series of CLNs, (a) due to the adoption of or any change in any Applicable Law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any Applicable Law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that it will incur a materially increased cost in performing its obligations under such CLNs (including, without limitation, due to any tax liability, decrease in tax benefit or other adverse effect on its tax position);

Conditionally Transferable Obligation means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that the consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of Conditionally Transferable Obligation.

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

Conditions to Settlement means either:

(a) If Auction Settlement is specified in the applicable Structured Note Supplement and other than where the relevant Credit Event is a Restructuring, following the occurrence of a Credit Event Resolution Request Date on or following the Trade Date, or, if specified as applicable in the applicable Structured Note Supplement, the Credit Event Backstop Date, ISDA publicly announces during the Notice Delivery Period that the relevant Credit Derivatives Determinations Committee has Resolved that such event constitutes a Credit Event; or

(b) the delivery by the Calculation Agent to the Issuer of a Credit Event Notice that is effective and if Notice of Publicly Available Information is specified as applying in the applicable Structured Note Supplement, a Notice of Publicly Available Information, that is effective, in each case, during the Notice Delivery Period,

Provided that,

(i) in the case of sub-paragraph (a) above, if the relevant Credit Derivatives Determinations Committee subsequently resolves that the relevant event does not constitute a Credit Event, Conditions to Settlement shall be deemed not to have been satisfied;

(ii) and in the case of sub-paragraph (b) above and if Auction Settlement is specified in the applicable Structured Note Supplement, if following the delivery of the Credit Event Notice by the Calculation Agent a Credit Event Resolution Request Date occurs in relation to the event referred to in the Credit Event Notice and prior to the Valuation Date:

(A) the Credit Event Notice is deemed to be revoked in accordance with its definition below, Conditions to Settlement shall be deemed not to have been satisfied; or

(B) the relevant Credit Derivatives Determinations Committee Resolves that such event constitutes a Credit Event with respect to the relevant Reference Entity or Obligation thereof, the Calculation Agent may, other than where such Credit Event is a Restructuring, revoke the Credit Event Notice by giving notice to the Issuer, in which case Conditions to Settlement shall be deemed not to have been satisfied in accordance with subparagraph (b) above but shall be deemed to be satisfied in accordance with sub-paragraph (a) above

Convened DC	means the Credit Derivatives Determinations Committee composed in accordance with the provisions of the ISDA Annex;
Convertible Obligation	means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);
Coupon Commencement Date	means the first date from which coupon on the Notes, (other than zero coupon Notes), will accrue, as specified in the relevant applicable Structured Note Supplement;
Coupon Determination Date	means the date specified in the applicable Structured Note Supplement;
Coupon Payment Date	if applicable in relation to a Tranche of Notes, the date(s) specified in the applicable Structured Note Supplement or if no such date(s) is/are specified in the applicable Structured Note Supplement, the last day of each Coupon Period as may be adjusted in accordance with the relevant Business Day Convention (as specified in the applicable Structured Note Supplement);
Coupon Period	means each period commencing on, and including, the Coupon Commencement Date or any Coupon Payment Date up to, but excluding, the next Coupon Payment Date or the Coupon Termination Date;
Coupon Rate	means the rate or rates of coupon applicable to Notes (other than zero coupon Notes), as indicated in the applicable Structured Note Supplement;
Coupon Termination Date	means the date specified in the applicable Structured Note Supplement which shall be the earlier of the date so specified in the applicable Structured Note Supplement and the Coupon Payment Date immediately preceding any Event Determination Date (if any);
Credit Derivatives Auction Settlement Terms	means any Credit Derivatives Auction Settlement Terms published by ISDA in accordance with the Rules, a form of which will be published by the International Swaps and Derivatives Association, Inc. (**ISDA)** on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time in accordance with the Rules;
Credit Derivatives Determinations Committee	means a committee established by ISDA for purposes of reaching certain DC Resolutions in connection with Credit Derivative Transactions, as more fully described in the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof (the **Rules**);
Credit Event	means the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, or any additional Credit Event, in each case as specified in the applicable Structured Note Supplement, as determined by the Calculation Agent. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such

occurrence arises directly or indirectly from, or is subject to a defence based upon:

(a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

(b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described;

Credit Event Backstop Date means:

(a) for the purposes of any event that the relevant Credit Derivatives Determinations Committee has resolved as constituting a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (b) of the definition of Repudiation/Moratorium), the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or

(b) otherwise, the date that is 60 calendar days prior to the earlier of:

(i) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Structured Note Supplement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer during the Notice Delivery Period; and

(ii) in circumstances where:

(A) the conditions to convening a Credit Derivatives Determinations Committee to resolve the matters described in paragraph (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules;

(B) the relevant Credit Derivatives Determinations Committee has resolved not to determine such matters; and

(C) the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Structured Note Supplement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date.

For the avoidance of doubt, the Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention;

Credit Event Notice

means a notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after 12:01 a.m. (Greenwich Mean Time+1(GMT+1)) on the Trade Date or, if earlier and if specified as applicable in the applicable Structured Note Supplement, the Credit Event Backstop Date and at or prior to 11:59 p.m., (GMT+1), on the latest of:

(a) the Scheduled Maturity Date;

(b) the Grace Period Extension Date if (i) Grace Period Extension is specified as applicable in the applicable Structured Note Supplement, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date; and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11:59 p.m., GMT+1, on the Scheduled Maturity Date; and

(c) the Repudiation/Moratorium Evaluation Date if: (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date; (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs at or prior to 11:59 p.m., GMT+1, on the Scheduled Maturity Date; and (iii) the Repudiation/Moratorium Extension Condition is satisfied,

provided that if Auction Settlement is specified in the applicable Structured Note Supplement, if the relevant Credit Derivatives Determinations Committee subsequently Resolves that the event described in the Credit Event Notice does not constitute a Credit Event with respect to the relevant Reference Entity or Obligation thereof, the Credit Event Notice shall be deemed to be revoked and Conditions to Settlement shall be deemed not to have been satisfied. For the avoidance of doubt, such deemed revocation of the Credit Event Notice shall not prevent the Calculation Agent from delivering a further Credit Event Notice subsequently.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date that the Credit Event Notice is effective;

Credit Event Resolution Request Date

means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

(a) whether an event that constitutes a Credit Event has occurred with respect to the Reference Entity or Obligation thereof; and

(b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

unless the DC Resolutions in respect of which the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Credit Event under the 2003 ISDA Credit Derivatives Definitions and the definition of Credit Event hereunder and such other factor(s) as it deems appropriate, determines are inappropriate to follow for the purposes of the CLNs, the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules of Publicly Available Information with respect to the DC Resolutions referred to in paragraphs (a) and (b) above;

Credit Linked Reference Price means the percentage specified as such in the applicable Structured Note Supplement;

Currency Amount means, whenever an amount is denominated in a currency other than the Settlement Currency and is specified to be determined by reference to a Currency Amount, such amount converted to the relevant Settlement Currency using the Currency Rate;

Currency Rate means the rate determined by the Calculation Agent equal to the rate of conversion of the currency of the Deliverable Obligation into the Settlement Currency that is (i) the rate of conversion published by the Central Bank of Nigeria or any successor rate source determined by the Calculation Agent in a commercially reasonable manner on the date that the Notice of Physical Settlement is deemed given or on such date as it shall determine or (ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner;

Day Count Fraction in respect of the calculation of an amount for any period of time **("the Calculation Period")**, such day count fraction as may be specified in these Terms and Conditions or the applicable Structured Note Supplement:

(a) if Actual/Actual (ICMA) is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if Actual/365 or Actual/Actual (ISDA) is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if Actual/365 (Fixed) is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) Actual/360 is so specified, means the number of days in the Calculation Period divided by 360;

if '30/360', '360/360' or 'Bond Basis' is specified in the applicable Structured Note Supplement, the number of days in the Coupon Period divided by 360, calculated on a formula based as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x}(Y^2 - Y^1)] + [30\text{x}(M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:
"Y1" is the year, expressed as a number, in which the first day of the Coupon Period falls:

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Coupon Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Coupon Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Coupon Period falls;

"D1" is the first calendar day, expressed as a number, of the Coupon Period, unless such number is 31, in which case D1 will be 30; and "D2" is the calendar day, expressed as a number, immediately following the last day included in the Coupon Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(e) if 30E/360 or Eurobond Basis is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30 day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 day month;

DC Secretary means the ISDA;

Decision means the answer to a Reviewable Question determined in accordance with Section 4.6(d) of the Rules;

Default Requirement means the amount specified as such in the applicable Structured Note Supplement or its equivalent in the relevant Obligation Currency, or if a Default Requirement is not specified in the applicable Structured Note Supplement [Naira•], or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event;

Deliver means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Asset Amount to the relevant Designated Transferee free and clear of any and all liens, charges, claims or encumbrances (including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of Credit Event above or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor) provided that if all or a portion of the Asset Amount consists of Direct Loan Participations, "Deliver" means to create (or procure the creation) of a participation in favour of the relevant Designated Transferee and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, "Deliver" means to Deliver both the Qualifying Guarantee and the Underlying Obligation. "Delivery" and "Delivered" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time;

Deliverable Obligation

means, subject as provided in Condition 9 (*Physical Settlement*) and determined in accordance with "*A* (*Method for Determining Deliverable Obligations)"* and "*B (Interpretation of Provisions)"* below:

(a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Structured Note Supplement, as provider of any Qualifying Guarantee) determined pursuant to the method described in "*(A) Method for Determining Deliverable Obligations*" below (but excluding any Excluded Deliverable Obligation specified in the applicable Structured Note Supplement) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of Credit Event above) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the date on which the Notice of Physical Settlement is deemed given, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

(b) subject to the second paragraph of the definition of Not Contingent in "*(A) Method for Determining Deliverable Obligations*" below, each Reference Obligation, unless specified in the applicable Structured Note Supplement as an Excluded Deliverable Obligation;

(c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of Credit Event above) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a

Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable at the date on which the Notice of Physical Settlement is deemed given, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

(d) any Additional Deliverable Obligation of a Reference Entity specified in the applicable Structured Note Supplement as such;

(A) ***Method for Determining Deliverable Obligations.***

For the purposes of this definition of **Deliverable Obligation**, the term **Deliverable Obligation** may be defined as each obligation of each Reference Entity described by the Deliverable Obligation Category specified in the applicable Structured Note Supplement, and, subject to (B)(3) below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Structured Note Supplement, in each case, as of the date on which the Notice of Physical Settlement is deemed given. The following terms shall have the following meanings:

(1) **Deliverable Obligation Category** means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "*Obligation"* below, except that, for the purpose of determining Deliverable Obligations, the definition of Reference Obligations Only shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only);

(2) **Deliverable Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "*Obligation"* below), Not Contingent, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, as specified in the applicable Structured Note Supplement, where:

(i) **Not Contingent** means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent Deliverable Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (a) to convert or exchange such obligation or (b) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in clauses (a) and (b) of the preceding paragraph have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

(ii) **Assignable Loan** means a Loan that is capable of being assigned, subparticipated or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;

(iii) **Consent Required Loan** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent;

(iv) **Direct Loan Participation** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each CLN holder that provides each CLN holder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between the CLN holder and either (a) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

(v) **Transferable** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

(a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or

(b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;

(vi) **Maximum Maturity** means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified in the applicable Structured Note Supplement;

(vii) **Accelerated or Matured** means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and

(viii) **Not Bearer** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via CSCS, or any other recognised clearing system.

(B) ***Interpretation of Provisions***.

(1) If the Obligation Characteristic "*Listed*" is specified in the applicable Structured Note Supplement, the applicable Structured Note Supplement shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;

(2) if (i) either of the Deliverable Obligation Characteristics "*Listed*" or "*Not Bearer*" is specified in the applicable Structured Note Supplement, the applicable Structured Note Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if

Bonds are covered by the selected Deliverable Obligation Category; (ii) the Deliverable Obligation Characteristic "*Transferable*" is specified in the applicable Structured Note Supplement, the applicable Structured Note Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category); or (iii) any of the Deliverable Obligation Characteristics "*Assignable Loan*", "*Consent Required Loan*" or "*Direct Loan Participation*" is specified in the applicable Structured Note Supplement, the applicable Structured Note Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category;

(3) if any of Payment, Borrowed Money, Loan or Bond or Loan is specified in the applicable Structured Note Supplement as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified in the applicable Structured Note Supplement and need not satisfy all such Deliverable Obligation Characteristics; and

(4) in the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

(i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.

(ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Structured Note Supplement from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Structured Note Supplement, (a) the lawful currency of any of [ ] shall not be a Domestic Currency and (b) the laws of England and the laws of the Federal Republic of Nigeria shall not be a Domestic Law.

(iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the applicable Structured Note Supplement.

(iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Structured Note Supplement from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

(v) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

(vi) The terms "*Outstanding Principal Balance*" and "*Due and Payable Amount*" (as they are used in the Terms and Conditions, including without limitation, the definitions of "*Cash Settlement Amount*" and "*Quotation Amount*" in Condition 10 (*Partial Cash Settlement)*), when used in connection with Qualifying Guarantees are to be interpreted to be the then Outstanding Principal Balance or Due and Payable Amount, as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

For the avoidance of doubt the provisions of this subparagraph (b) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits;

Delivery Date means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered;

Delivery Expenses shall have the meaning specified in Condition 9 (*Physical Settlement*);

Designated Transferee means the person specified in an Asset Transfer Notice, to whom Delivery of the Deliverable Obligations is to be made, which person may be the CLN holder or any other person;

Domestic Currency means the currency specified as such in the applicable Structured Note Supplement and any successor currency. If no currency is so specified in the applicable Structured Note Supplement, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. [In no event shall Domestic Currency include any successor currency if such currency is the lawful currency of any of the United Kingdom or the United States of America or the euro (or any successor currency to any such currency);

Downstream Affiliate means an entity, at the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice, the Delivery Date or the time of identification of a Substitute Reference Obligation (as applicable), whose outstanding Voting Shares are more than 50% owned, directly or indirectly, by the Reference Entity;

Due and Payable Amount means, subject as provided in sub-paragraph (4)(vi) of paragraph (B) (Interpretation of Provisions) in the definition of Deliverable Obligation, the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts);

Early Redemption Amount the amount at which the CLNs will be redeemed by the Issuer pursuant to the provisions of Condition 3.3 of the General Terms and Conditions (*Redemption for Taxation Reasons)*, Condition 3.2 of the General Terms and Conditions (*Redemption prior to Maturity*) and Condition 3 of the Supplemental Conditions (*Events of Default*), determined in accordance with Condition 2.6 of the Supplemental Conditions (*Early Redemption Amounts)* or as set out in the applicable Structured Note Supplement;

Early Redemption Event means the occurrence of any of the events contemplated in Condition 3.3 of the General Terms and Conditions (*Redemption for Taxation Reasons)*, Condition 3.2 of the General Terms and Conditions (*Redemption prior to Maturity*) or Condition 2.2 of the Supplemental Conditions (*Early Redemption at the option of Noteholders (Put Option)*);

Eligible Reviewable Question a question determined in accordance with section 4.1(a) of the Rules;

Eligible Transferee means each of the following**:**

(a) (i) any bank or other financial institution; (ii) an insurance or reinsurance company; (iii) a mutual fund, unit trust or similar collective investment vehicle; and (iv) a registered or licensed broker or dealer;

(b) an Affiliate of an entity specified in the preceding paragraph (a);

(c) each of a corporation, partnership, proprietorship, organization, trust or other entity:

(i) that is an investment vehicle (including without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least ₦2,500,000,000 or its equivalent in the Specified Currency or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least ₦2,500,000,000 or its equivalent in the Specified Currency;

(ii) that has total assets of at least ₦ 5,000,000,000 or its equivalent in the Specified Currency; or

(iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keep well, support or other agreement by an entity described in sub-paragraphs (a) and (b) above; and

(d) a Sovereign, Sovereign Agency or Supranational Organisation;

Equity Securities means:

a) in the case of a Convertible Obligation, equity securities (including options) of the issuer of such obligation or depository receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and

b) in the case of an Exchangeable Obligation, equity securities (including options) of a person other than the issuer of such obligation or depository receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time;

Exchangeable Obligation means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);

Exchange Period means in respect of Exchangeable CLNs to which the CLN holders' Exchange Right applies (as specified in the applicable Structured Note Supplement), the period specified in the applicable Structured Note Supplement during which such right may be exercised;

Exchange Price the value specified in the applicable Structured Note Supplement according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable CLN will be determined;

Exchange Right if specified in the applicable Structured Note Supplement, the right of CLN holders of Exchangeable CLNs to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such CLNs;

Exchange Securities the securities specified in the applicable Structured Note Supplement which may be delivered by the Issuer in redemption of Exchangeable CLNs to the value of the Exchange Price;

Excluded Deliverable Obligation means any obligation of a Reference Entity specified as such in the applicable Structured Note Supplement or of a type described in the applicable Structured Note Supplement;

Excluded Obligation means any Obligation of a Reference Entity specified as such in the applicable Structured Note Supplement or of a type described in the applicable Structured Note Supplement as haven been excluded;

External Reviewer means each external reviewer determined in accordance with section 4.3 of the Rules;

Extension Date means the latest of:

(a) the Scheduled Maturity Date;

(b) where Grace Period Extension is specified as applying in the applicable Structured Note Supplement, the Grace Period Extension Date; and

(c) where the Repudiation/Moratorium is specified as applying in the applicable Structured Note Supplement, the Repudiation/Moratorium Evaluation Date;

Event Determination Date means the date of satisfaction of Conditions to Settlement, where Physical Settlement is specified in the applicable Structured Note Supplement as the applicable settlement method;

Failure to Pay means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure;

Fallback Settlement Method means the fallback settlement method specified in the applicable Structured Note Supplement;

Final Broken Amount the amount specified as such in the applicable Structured Note Supplement;

Final Decision means a Decision published in accordance with section 4.6(f) of the Rules;

Financial Exchange The NSE and/or such other or further exchange(s) as may be selected by the Issuer, subject to Applicable Laws;

Fixed Coupon Amount means the amount specified in the Applicable Structured Note Supplement;

Final Redemption Amount means the amount payable in respect of each CLN upon final redemption thereof, as specified in the applicable Structured Note Supplement;

Final Price means the price of the Reference Obligation, expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Structured Note Supplement. The Calculation Agent shall, as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by CLN holders at the specified office of the Agent (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price;

Full Quotation means, in accordance with the Quotation Method, each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation, with an Outstanding Principal Balance equal to the Quotation Amount;

Fully Transferable Obligation means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for the purposes of this definition of **Fully Transferable Obligation**. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of **Fully Transferable Obligation**, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

Governmental Authority means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative, regulatory or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity;

Grace Period means:

(a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred;

(b) if the Grace Period Extension is specified as being applicable in the applicable Structured Note Supplement, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Structured Note Supplement or, if no period is specified in the applicable Structured Note Supplement, thirty calendar days; and

(c) if, at the later of the Trade Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applicable in the applicable Structured Note Supplement, such deemed Grace Period shall expire no later than the Scheduled Maturity Date;

Grace Period Business Day means a day (other than a Saturday, Sunday or public holiday declared by the Federal Government of Nigeria) on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places, and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency;

Grace Period Extension Date means, if (a) Grace Period Extension is specified as applicable in the applicable Structured Note Supplement and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date, the date that is five Business Days following the day falling the number of days in the Grace Period after the date of such Potential Failure to Pay;

Higher Optional Early Redemption Amount means the amount Specified as such;

Implied Yield means the yield accruing on the Issue Price of Zero Coupon CLNs, as specified in the applicable Structured Note Supplement;

Initial Stub Amount means the amount Specified as such;

Intervening Period means such period of time as any person other than the relevant Designated Transferee shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount;

ISDA Annex means [Annex A to the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions published by ISDA on 14 July 2009];

ISDA Member means any entity listed, from time to time, as a Primary Member of ISDA or a Subscriber Member of ISDA on the Website;

Initial Broken Amount The amount specified as such in the applicable Structured Note Supplement;

Issue Price means the price specified in the applicable Structured Note Supplement, this being the price at which the Issuer issues the CLNs referred to in that Structured Note Supplement;

Latest Permissible Physical Settlement Date means the 30th Business Day following the Physical Settlement Date;

Mandatory Exchange means if specified in the applicable Structured Note Supplement, the obligation of the Issuer to redeem Exchangeable CLNs on the Scheduled Maturity Date by delivery of Exchange Securities to the relevant holders of Exchangeable CLNs

Market Value means, with respect to a Reference Obligation on a Valuation Date, (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject to subparagraph (b) of the definition "*Quotation*", an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation is obtained; and (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

Margin	has the meaning ascribed thereto in the applicable Structured Note Supplement;
Minimum Quotation Amount	means the amount specified as such in the applicable Structured Note Supplement (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified in the applicable Structured Note Supplement, in the relevant Obligation Currency) and (b) the Quotation Amount;
Minimum Optional Early Redemption Amount	means the amount Specified as such;
Modified Eligible Transferee	means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets;
Modified Restructuring Maturity Limitation Date	means, with respect to a Deliverable Obligation, the date that is the later of (a) the Scheduled Maturity Date and (b) 60 months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other Deliverable Obligations;
Multiple Holder Obligation	means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to [sixty-six and two-thirds] is required to consent to the event which constitutes a Restructuring Credit Event;
Naira Deposit Rate	[means the mid-market rate for deposits in Naira for a period of the Designated Maturity which appears on the Relevant Screen Page as at 11h00, Lagos time on the relevant date, or any successor rate];
Nominal Amount	means the total amount, excluding interest due from the Issuer under the CLN, as specified in the applicable Structured Note Supplement;
Notice Delivery Period	means the period from and including the Issue Date to and including (a) the Scheduled Maturity Date; (b) the Grace Period Extension Date if (i) Grace Period Extension is specified in the applicable Structured Note Supplement, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Maturity Date; (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied; or (d) the Postponed Maturity Date if the Maturity Date is postponed pursuant to Condition 5 (*Deferral of Maturity Date*);
Notice of Publicly Available Information	means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both clauses (i) and (ii) of the definition of Repudiation/Moratorium. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available

Information. If Notice of Publicly Available Information is specified as applying in the applicable Structured Note Supplement and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information;

Obligation means

(a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Structured Note Supplement, as provider of any Qualifying Guarantee) determined pursuant to the method described in "*Method for Determining Obligations*" below (but excluding any Excluded Obligation),

(b) each Reference Obligation specified in the applicable Structured Note Supplement, unless specified in the applicable Structured Note Supplement as an Excluded Obligation, and

(c) any Additional Obligation of a Reference Entity specified as such in the applicable Structured Note Supplement;

Method for Determining Obligations.

For the purposes of paragraph (a) of this definition of **Obligation**, the term **Obligation** may be defined as each obligation of each Reference Entity described by the Obligation Category specified in the applicable Structured Note Supplement, and having each of the Obligation Characteristics (if any) specified in the applicable Structured Note Supplement, in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice. The following terms shall have the following meanings:

(A) **Obligation Category** means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Structured Note Supplement, where:

(1) **Payment** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;

(2) **Borrowed Money** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

(3) **Reference Obligations Only** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;

(4) **Bond** means any obligation of a type included in the **Borrowed Money** Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed

Money;

(5) **Loan** means any obligation of a type included in the **Borrowed Money** Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and

(6) **Bond or Loan** means any obligation that is either a Bond or a Loan.

(B) **Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in the applicable Structured Note Supplement, where:

(1) (a) **Not Subordinated** means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the applicable Structured Note Supplement, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under paragraph (a) of the definition of "*Substitute Reference Obligation*" herein has occurred with respect to all of the Reference Obligations or if the events described in the final paragraph of the definition of "*Successor*" herein have occurred with respect to the Reference Obligation (each, in each case, a **Prior Reference Obligation**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "*Not Subordinated*" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, **Not Subordinated** shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the "*Not Subordinated*" Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or each Prior Reference Obligation, as applicable, shall be determined as of the date on which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred, and shall not reflect any change to such ranking in priority of payment after such date;

(b) **Subordination** means, with respect to an obligation (the **Subordinated Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **Senior Obligation**), a contractual, trust or similar arrangement providing that (a) upon the liquidation, dissolution, re-organisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (b) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **Subordinated** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign;

(2) **Specified Currency** means an obligation that is payable in the currency or currencies specified as such in the applicable Structured Note Supplement (or, if no currency is so specified in the applicable Structured Note Supplement, the lawful currencies of the Federal Republic of Nigeria, [Canada, Japan, the Republic of South Africa, the United Kingdom] and the United States of America and the euro and any successor currency to any of the aforementioned currencies, which currencies shall be referred to in the applicable Structured Note Supplement as the Standard Specified Currency);

(3) **Not Sovereign Lender** means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "*Paris Club debt*";

(4) **Not Domestic Currency** means any obligation that is payable in any currency other than the Domestic Currency;

(5) **Not Domestic Law** means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;

(6) **Listed** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and

Not Domestic Issuance means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity;

Obligation Acceleration means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations;

Obligation Currency means the currency or currencies in which an Obligation is denominated or is required to be discharged;

Obligation Default means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations;

Optional Early Redemption Amount(Call Option) means in respect of any CLN, its Nominal Amount or such other amount as may be specified in, or determined in accordance with, the applicable Structured Note Supplement;

Optional Early Redemption Amount (Put Option) means in respect of any CLN, its Nominal Amount or such other amount as may be specified in, or determined in accordance with, the applicable Structured Note Supplement;

Optional Early Redemption Date (Call Option) means the date(s) specified as such in the applicable Structured Note Supplement in relation to a Tranche of CLN pursuant to which the Issuer is specified as having an option to redeem in accordance with Condition 3.2 of the General Terms and Conditions (Redemption prior to Maturity) . If no such date(s) is/are specified in the applicable Structured Note Supplement, the Optional Early Redemption Date(s) (Call) shall be the Coupon Payment Date(s) (in the case of interest-bearing CLNs) or, such other date(s) (in the case of non-interest-bearing CLNs) stipulated as the date(s) for redemption of such Tranche of CLNs or the relevant portion of such Tranche of the CLNs, as the case may be, in the notice delivered by the Issuer pursuant to Condition 3.2 of the General Terms and Conditions (Redemption prior to Maturity) or Condition 2.2 of the Supplemental Conditions (*Early Redemption at the option of Noteholders (Put Option)*);

Optional Early Redemption Date(s) (Put Option) the date(s) specified as such in the applicable Structured Note Supplement in relation to a Tranche of CLN pursuant to which the CLN holders are specified as having an option to redeem in accordance with Condition 3.5 (Optional Early Redemption by the Holders (Put Option)). If no such date(s) is/are specified in the applicable Structured Note Supplement, the Optional Early Redemption Date(s) (Put Option) shall be the Coupon Payment Date(s) (in the case of interest-bearing CLNs) or such other date(s) (in the case of non-interest-bearing CLNs) stipulated as the date(s) for redemption of such Tranche of CLNs or the relevant portion of such Tranche of CLNs, as the case may be, in the Put Notice;

Outstanding Principal Balance means, subject as provided in sub-paragraph (4)(vi) of paragraph (B) (Interpretation of Provisions) in the definition of "*Deliverable Obligation*":

(a) with respect to any Accreting Obligation, the Accreted Amount thereof; and

(b) with respect to any other obligation, the outstanding principal balance of such obligation,

provided that with respect to any Exchangeable Obligation that is not an Accreting Obligation, **Outstanding Principal Balance** shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable;

Paying Agent

Rand Merchant Bank Nigeria Limited, or such other party as may be appointed by the Issuer in accordance with the Agency Agreement;

Payment Currency

means Naira or such other currency as specified in the applicable Structured Note Supplement;

Payment Requirement

means the amount specified as such in the applicable Structured Note Supplement or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not so specified in the applicable Structured Note Supplement, [₦150,000,000] or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable;

Permitted Currency

means (i) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership), or (iii) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof, AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof or an equivalent rating assigned to it by any other nationally recognised statistical rating organisation;

Physical Settlement Date

means the last day of the longest Physical Settlement Period following (x) the date on which the Physical Settlement Notice is deemed given to CLN holders in accordance with Condition 6 of the Supplemental Conditions (*Notices*) (y) if Physical Settlement is the applicable Fallback Settlement Method, the earlier to occur of the No Auction Announcement or the Auction Cut-Off Date;

Physical Settlement Period

means the number of Business Days specified as such in the applicable Structured Note Supplement or, if a number of Business Days is not so specified in the applicable Structured Note Supplement, then, with respect to a Deliverable Obligation comprising the Asset Amount, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent;

Potential Failure to Pay

means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure;

Potential Repudiation/Moratorium

means the occurrence of an event described in paragraph (i) of the definition of Repudiation/Moratorium;

Public Source

means each source of Publicly Available Information specified in the applicable Structured Note Supplement (or if a source is not so specified in the applicable Structured Note Supplement, each of Bloomberg Service, Business Day Newspaper (in each case any successor publications thereto) and the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources);

Publicly Available Information

means:

(a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/ Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if either the Calculation Agent or the Issuer or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the Issuer or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; (ii) is information received from or published by (a) a Reference Entity or, as the case may be, a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (b) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; (iii) is information contained in any petition or filing instituting a proceeding described in paragraph (d) of the definition of Bankruptcy against or by a Reference Entity; or (iv) is information contained in any order, decree, notice or filing, however described, of or filed with, a court, tribunal, exchange regulatory authority or similar administrative, regulatory or judicial body.

(b) In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (ii) a holder of such Obligation, the Calculation Agent shall be required to deliver to the Issuer a certificate signed by an officer or manager (or other substantively equivalent title) of the Calculation Agent, which will certify the occurrence of a Credit Event with respect to such Obligation.

(c) In relation to any information of the type described in paragraphs (a)(ii), (iii) and (iv) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Publicly Available Information need not state: (i) in relation to the definition of "*Downstream Affiliate*", the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and (ii) that such occurrence (a) has met the Payment Requirement or Default Requirement; (b) is the result of exceeding any applicable Grace Period; or (c) has met the subjective criteria specified in certain Credit Events;

Put Option

if specified as applicable in the applicable Structured Note Supplement, the option of a CLN holder to require the Issuer to redeem the CLNs in that Tranche of CLNs held by the CLN holder, in whole or in part at the Optional Redemption Amount on the Optional Redemption Date in terms of

Condition 3.5 (*Optional Early Redemption by the Holders (Put Option)*);

Put Notice

a notice which must be delivered to the Paying Agent by any CLN holder wanting to exercise the Put Option;

Qualifying Affiliate Guarantee

means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity;

Qualifying Guarantee

means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **Underlying Obligation**) for which another party is the obligor (the **Underlying Obligor**) and that is not at the time of the Credit Event Subordinated to any unsubordinated Borrowed Money obligation of the Underlying Obligor (with references in the definition of Subordination to the Reference Entity deemed to refer to the Underlying Obligor). Qualifying Guarantees shall exclude any arrangement (a) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (b) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation;

Qualifying Participation Seller

means any participation seller that meets the requirements specified in the applicable Structured Note Supplement. If no such requirements are specified in the applicable Structured Note Supplement, there shall be no Qualifying Participation Seller;

Quotation

means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.

(b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

(c) (i) If **Include Accrued Coupon** is specified in the applicable Structured Note Supplement in respect of Quotations, such

Quotations shall include accrued but unpaid interest, (ii) if **Exclude Accrued Coupon** is specified in the applicable Structured Note Supplement in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and (iii) if neither **Include Accrued Coupon** nor **Exclude Accrued Coupon** is specified in the applicable Structured Note Supplement in respect of Quotations, the Calculation Agent shall, based on then current market practice in the market of the Reference Obligation, determine whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

(d) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price;

Quotation Amount means the amount specified as such in the applicable Structured Note Supplement (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is so specified in the applicable Structured Note Supplement, the aggregate Nominal Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);

Quotation Dealer means a dealer (other than the Issuer or any Affiliate of the Issuer) in obligations of the type of Obligation(s) for which Quotations are to be obtained including each Quotation Dealer specified in the applicable Structured Note Supplement. If no Quotation Dealers are specified in the applicable Structured Note Supplement, the Calculation Agent shall select the Quotation Dealers. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s);

Quotation Method means the applicable Quotation Method specified in the applicable Structured Note Supplement by reference to one of the following terms:

(a) **Bid** means that only bid price quotations shall be requested from Quotation Dealers;

(b) **Offer** means that only offer price quotations shall be requested from Quotation Dealers; or

(c) **Mid-market** means that bid and offer price quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in the applicable Structured Note Supplement, Bid shall apply;

Reference Entity means the entity or entities specified as such in the applicable Structured Note Supplement. Any Successor to a Reference Entity either (a) identified by the Calculation Agent pursuant to the definition of "*Successor*" below on or following the Trade Date or (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a

Succession Event Resolution Request Date, Successor in accordance with the Rules shall, [in each case, be the Reference Entity] for the purposes of the relevant CLNs, unless in the case of paragraph (b) the Calculation Agent, acting in good faith and a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2003 ISDA Credit Derivatives Definitions and the definition of Successor hereunder and such other factor(s) as it deems appropriate, determines that it is inappropriate to follow such DC Resolution for the purposes of the CLNs;

Reference Obligation means each obligation specified as such in the applicable Structured Note Supplement or of a type described in the applicable Structured Note Supplement (if any are so specified or described in the applicable Structured Note Supplement) and any Substitute Reference Obligation;

Regular Period means:

(a) in the case of CLNs where coupon is scheduled to be paid only by means of regular payments, each period from and including the Coupon Commencement Date to but excluding the first Coupon Payment Date and each successive period from and including one Coupon Payment Date to but excluding the next Coupon Payment Date;

(b) in the case of CLNs where, apart from the first Coupon Period, coupon is scheduled to be paid only by means of regular payments, each period from and including a Regular Date, where Regular Date means the day and month (but not the year) on which any Coupon Payment Date falls; and

(c) in the case of CLNs where, apart from one Coupon Period other than the first Coupon Period, coupon is scheduled to be paid only by means of regular payments, each period from and including a Regular Date to but excluding the next Regular Date, where Regular Date means the day and the month (but not the year) on which any Coupon Payment Date falls other than the Coupon Payment Date falling at the end of the irregular Coupon Period;

Relevant Date means in respect of any payment, the date on which such payment first becomes due.

Relevant Obligations means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case;

Repudiation/Moratorium means the occurrence of both of the following events:

(i) an authorized officer of a Reference Entity or a Governmental Authority:

(b) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or

(c) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and

(ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date;

Repudiation/Moratorium Evaluation Date means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date, (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is sixty days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty days after the date of such Potential Repudiation/Moratorium;

Repudiation/Moratorium Extension Condition means the delivery of a Repudiation/Moratorium Extension Notice and, if specified as applicable in the applicable Structured Note Supplement, Notice of Publicly Available Information by the Calculation Agent to the Issuer that is effective during the period from (and including) the Issue Date to (and including) the Scheduled Maturity Date or, if Condition 5 (*Deferral of Maturity Date*) applies, the Deferred Maturity Date;

Repudiation/Moratorium Extension Notice means an irrevocable notice (which may be by telephone provided such telephone notice is subsequently confirmed in writing immediately afterwards) from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or after the Trade Date and on or prior to the Scheduled Maturity Date.

A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective;

Resolve, Resolved and **Resolves** mean a Convened DC making (a) a specified determination through a binding vote that satisfies the applicable voting threshold and (b) where the applicable voting threshold is not met, the specific determination that is deemed to be made by a Convened DC following a Final Decision of the External Reviewers or the failure of the External Reviewers to come to a Decision, and each such determination, a **DC Resolution**;

Restructured Bond or Loan means an Obligation which is a Bond or Loan and in respect of which the Restructuring that is the subject of a Credit Event Notice has occurred;

Restructuring means, with respect to one or more Obligations, and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs, is agreed between a Reference Entity or a Governmental Authority and the holders of such Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred:

(a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;

(b) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;

(c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;

(d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or

(e) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency;

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

(i) the payment in euro of interest or principal in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;

(ii) the occurrence of, agreement to or announcement of any of the events described in (a) to (e), above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business;

(iii) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above, in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity; and

(iv) unless Multiple Holder Obligation is specified as not applicable in the applicable Structured Note Supplement, the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above, unless the Obligation in respect of such events is a Multiple Holder Obligation.

For purposes of the definition of Restructuring and the definition of Multiple Holder Obligation above, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Structured Note Supplement, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the initial paragraph and sub-paragraphs (a) to (e) of the definition of Restructuring shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity;

Restructuring Date means, with respect to a Restructured Bond or Loan, the date on which a Restructuring becomes legally effective in accordance with the terms of the documentation governing such Restructuring;

Restructuring Maturity Limitation Date means the date that is the earlier of (x) thirty months following the Restructuring Date and (y) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Scheduled Maturity Date or later than thirty months following the Scheduled Maturity Date and if it is, it shall be deemed to be the Scheduled Maturity Date or thirty months following the Scheduled Maturity Date, as the case may be;

Reviewable Question means an Eligible Reviewable Question rephrased in accordance with section 4.1 (b) of the Rules;

Scheduled Maturity Date means the date specified in the applicable Structured Note Supplement;

SEC Rules means the Securities and Exchange Commission Rules and Regulations, made pursuant to the provisions of the Investment and Securities Act No. 29 of 2007 (as amended or supplemented from time to time)

Series means a Tranche of CLNs together with any further Tranche or Tranches of CLNs which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Coupon Commencement Dates and/or Issue Prices;

Settlement Currency means the currency specified as such in the applicable Structured Note Supplement or if no such currency is specified in the applicable Structured Note Supplement, the Payment Currency;

Sovereign means any state, or government, or any Sovereign Agency thereof;

Sovereign Agency means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign;

Sovereign Restructured Deliverable Obligation means an Obligation of a Sovereign Reference Entity (i) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (ii) described by the Deliverable Obligation Category specified in the applicable Structured Note Supplement and, subject to paragraph (3) of "(B) *Interpretation of Provisions*" in the definition of Deliverable Obligation, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Structured Note Supplement, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring;

Specified means specified in the applicable Structured Note Supplement;

Specified Number means the number of Public Sources specified in the applicable Structured Note Supplement (or, if a number is not so specified in the applicable Structured Note Supplement, two);

Substitute Reference Obligation means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Structured Note Supplement, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

(a) In the event that:

(i) a Reference Obligation is redeemed in whole; or

(ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.

(b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* (or, if no such Obligation exists, then, at the Issuer's option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Trade Date and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent of the delivery and payment obligations of the Issuer and (iii) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Structured Note Supplement, as provider of any Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.

(c) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

(d) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.

(e) If:

(i) more than one specific Reference Obligation is identified as a

Reference Obligation in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to all of the Reference Obligations and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations; or

(ii) only one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the later of (a) the Scheduled Maturity Date, (b) the Grace Period Extension Date (if any) and (c) the Repudiation/Moratorium Evaluation Date (if any). If (1) either "*Cash Settlement*" is specified in the applicable Structured Note Supplement and the Cash Settlement Amount is determined by reference to a Reference Obligation or "*Physical Settlement*" is specified in the applicable Structured Note Supplement and the Reference Obligation is the only Deliverable Obligation and (2) on or prior to the later of (a) the Scheduled Maturity Date, (b) the Grace Period Extension Date or (c) the Repudiation/Moratorium Evaluation Date, a Substitute Reference Obligation has not been identified, the Issuer's obligations under the CLNs shall cease as of the later of (a) the Scheduled Maturity Date, (b) the Grace Period Extension Date

(iii) or (c) the Repudiation/Moratorium Evaluation Date.

For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CSIN, CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation;

Succession Event means (i) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement or scheme or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, **Succession Event** shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event;

Succession Event Resolution Request Date means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

(a) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity; and

(b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (i) with respect to a

Reference Entity that is not a Sovereign, the legally effective date of such event or (ii) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective;

Successor means:

(a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:

(i) if one entity directly or indirectly succeeds to seventy-five per cent or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;

(ii) if only one entity directly or indirectly succeeds to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity by way of a Succession Event and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor;

(iii) if more than one entity each directly or indirectly succeed to more than twenty-five per cent of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the applicable Structured Note Supplement will be adjusted as provided below;

(iv) if one or more entities each directly or indirectly succeed to more than twenty-five per cent of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Terms and Conditions and/or the applicable Structured Note Supplement will be adjusted as provided below;

(v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of the Succession Event; and

(vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the

Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor; and

(b) in relation to a Sovereign Reference Entity, any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

In the case of (a) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under(a)(vi) above, as applicable; provided that the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in the definition of Successor in relation to the relevant Reference Entity, and in paragraphs (a) and (b)(i) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor or the request the subject of the Succession Event Resolution Request Date is withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event with respect to the relevant Reference Entity has occurred, unless in either case the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2003 ISDA Credit Derivatives Definitions and the definition of Successor hereunder and such other factor(s) as it deems appropriate, determines that it is inappropriate to follow such DC Resolutions for the purposes of the CLNs. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information and shall, as soon as practicable after such calculation, make such calculation available for inspection by CLN holders at the specified office of the Agent.

In the case of (b) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the date of occurrence of the relevant Succession Event), and with effect from the date of occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under (b) above; provided that the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in the definition of Successor in relation to the relevant Reference Entity, and in paragraphs (a) and (b)(ii) of the definition of

Succession Event Resolution Request Date are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor or the request the subject of the Succession Event Resolution Request Date is withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event with respect to the relevant Reference Entity has occurred, unless in either case the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2003 ISDA Credit Derivatives Definitions and the definition of Successor hereunder and such other factor(s) as it deems appropriate, determines that it is inappropriate to follow such Resolutions for the purposes of the CLNs.

Where pursuant to paragraph (a)(iii) or (a)(iv) above, more than one Successor has been identified, the Calculation Agent shall adjust such of the Terms and Conditions and/or the applicable Structured Note Supplement as it shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of the Terms and Conditions and/or the applicable Structured Note Supplement in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the CLNs under the provisions of the 2003 ISDA Credit Derivatives Definitions.

Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to CLN holders in accordance with Condition 6 of the Supplemental Conditions (*Notices*)**,** stating the adjustment to the Terms and Conditions and/or the applicable Structured Note Supplement and giving brief details of the relevant Succession Event.

For the purposes of this definition of **Successor**, **succeed** means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations) that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to paragraph (a) of this definition of **Successor** shall be made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the Outstanding Principal Balance of Bonds for which Relevant Obligations have been exchanged.

Where:

(A) a Reference Obligation is specified in the applicable Structured Note Supplement;

(B) one or more Successors to the Reference Entity have been identified; and

(C) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of "*Substitute Reference Obligation*" above;

Supranational Organisation means any entity or organisation established by treaty, agreement or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the African Development Bank, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development, International Finance Corporation, [Africa Finance Corporation] and European Bank for Reconstruction and Development;

Tax Law Change a change or proposed change in, or amendment or proposed amendment to, the tax laws or regulations of Nigeria, by any authority thereof or therein having power to tax, or any change in the application or official interpretation of such tax laws or regulations (including a holding by a court of competent jurisdiction), which actual or proposed change or amendment becomes effective on or after the date of issue of the CLNs;

Trade Date means the date as specified in the applicable Structured Note Supplement as such

Tranche means in relation to any particular Series, all CLNs which are identical in all respects (including as to listing);

Valuation Date means

(a) where Physical Settlement is specified in the applicable Structured Note Supplement, the date that is the number of Business Days specified in the applicable Structured Note Supplement or, if the number of Business Days is not specified in the applicable Structured Note Supplement, five Business Days, after the Latest Permissible Physical Settlement Date, or

(b) where Cash Settlement is specified in the applicable Structured Note Supplement, (A) if **Single Valuation Date** is specified in the applicable Structured Note Supplement, the date that is the number of Business Days specified in the applicable Structured Note Supplement or if the number of Business Days is not so specified in the applicable Structured Note Supplement, five Business Days, in either case after (x) the Event Determination Date or (y) if Cash Settlement is the applicable Fallback Settlement Method, the earlier to occur of the No Auction Announcement Date or the Auction Cut-Off Date, and (B) if **Multiple Valuation Dates** is specified in the applicable Structured Note Supplement, each of the following dates:

(i) the date that is the number of Business Days specified in the applicable Structured Note Supplement after (x) the Event Determination Date or (y) if Cash Settlement is the applicable Fallback Settlement Method, the earlier to occur of the No Auction Announcement Date or the Auction Cut-Off Date (or, in either case, if the number of Business Days is not so specified in the applicable Structured Note Supplement, five Business Days); and

(ii) each successive date that is the number of Business Days specified in the applicable Structured Note Supplement (or, if the number of Business Days is not so specified in the applicable Structured Note Supplement, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When **Multiple Valuation Dates** is specified in the applicable Structured Note Supplement, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the applicable Structured Note Supplement (or, if the number of Valuation Dates is not so specified in the applicable Structured Note Supplement, five Valuation Dates). If neither Single Valuation Date nor Multiple Valuation Dates is specified in the applicable Structured Note Supplement, Single Valuation Date shall apply;

Valuation Method

(a) The following Valuation Methods may be specified in the applicable Structured Note Supplement for a Series with only one Reference Obligation and only one Valuation Date:

(i) **Market** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or

(ii) **Highest** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Structured Note Supplement, the Valuation Method shall be Highest.

(b) The following Valuation Methods may be specified in the applicable Structured Note Supplement for a Series with only one Reference Obligation and more than one Valuation Date:

(iii) **Average Market** means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or

(iv) **Highest** means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or

(v) **Average Highest** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the applicable Structured Note Supplement, the Valuation Method shall be Average Highest.

(c) The following Valuation Methods may be specified in the applicable Structured Note Supplement for a Series with more than one Reference Obligation and only one Valuation Date:

(vi) **Blended Market** means the unweighted arithmetic mean of the Market Value for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date; or

(vii) **Blended Highest** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Structured

Note Supplement, the Valuation Method shall be Blended Highest.

(d) The following Valuation Methods may be specified in the applicable Structured Note Supplement for a Series with more than one Reference Obligation and more than one Valuation Date:

(viii) **Average Blended Market** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date; or

(ix) **Average Blended Highest** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

If no such Valuation Method is specified in the applicable Structured Note Supplement, the Valuation Method shall be Average Blended Highest.

(e) Notwithstanding paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be;

Valuation Time means the time specified in the applicable Structured Note Supplement, or if no such time is so specified in the applicable Structured Note Supplement, 11:00 a.m. in the principal trading market for the Reference Obligation;

Voting Shares means those shares or other interests that have the power to elect a board of directors or similar governing body of an entity;

Website means www.isda.org or any such successor website of ISDA; provided that if the Website is unavailable for any reason, another comparable media outlet may be used by the DC Secretary as a replacement for purposes of publication of information that the DC Secretary is required to publish in accordance with the Rules;

Weighted Average Quotation means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but, if a Minimum Quotation Amount is specified in the applicable Structured Note Supplement, of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

CONDITION 1

STATUS

Unless otherwise specified in the applicable Structured Note Supplement, the CLNs constitute, direct, unsecured and unconditional obligations of the Issuer and rank pari passu among themselves. In the event of the Issuer's liquidation or insolvency, any claims of the CLN holders under the CLNs will rank pari passu with the claims of all unsubordinated creditors of the Issuer; save for such exceptions as may exist from time to time under applicable law.

CONDITION 2

CURRENCY, FORM, TITLE AND DENOMINATION

(a) Issue and Currency

The CLNs may be issued by the Issuer in Tranches. A Tranche of CLNs may, together with a further Tranche or Tranches, form a Series of CLNs issued, provided that the aggregate nominal amount of all CLNs outstanding under the Programme at any one point in time (when combined with any other Bonds or Structured Notes issued by the Issuer under the Programme) does not exceed the Programme Amount. The specific terms and conditions of each CLN or Tranche of CLN shall be as set out in the applicable Structured Note Supplement in respect of that CLN or Tranche of CLN.

1.1 The CLNs shall be in dematerialized registered form or as may be specified in the applicable Structured Note Supplement, in a Specified Currency and in Specified Denomination(s). The CLNs may be listed or unlisted (i) Fixed Rate CLNs, (ii) Floating Rate CLNs, (iii) Zero Coupon CLNs, (iv) Indexed Interest CLNs, (v) Indexed Redemption Amount CLNs, (vi) Partly-Paid CLNs, (vii) Instalment CLNs, (viii) a combination of any of the foregoing or (ix) such other types of CLNs as indicated in the applicable Structured Note Supplement.

1.2 The CLNs may also be senior or subordinated as may be indicated in the applicable Structured Note Supplement.

(b) Form and Title

The CLNs will primarily be in dematerialized or book entry form which shall be registered with a separate securities identification code with the CSCS, provided that a CLN holder may request to be issued a physical Certificate.

CONDITION 3

REPUDIATION/MORATORIUM EXTENSION

Where Repudiation/Moratorium is specified in the applicable Structured Note Supplement as a Credit Event, the provisions of this Condition 3 (*Repudiation/Moratorium Extension*) shall apply.

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if Condition 5(b) (*Deferral of Maturity Date*) applies, the Deferred Maturity Date (as defined below) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the CLN holders in accordance with Condition 6 (*Notices*) that a Potential Repudiation/Moratorium has occurred and:where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:

(a) each CLN will be redeemed by the Issuer by payment of the Final Redemption Amount on the third Business Day following the Repudiation/Moratorium Evaluation Date; and

(b) in the case of coupon bearing CLNs, the Issuer shall be obliged to pay coupon calculated as provided herein, accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date (or if none, the Coupon Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of coupon on the second Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of coupon shall be payable and no additional amount shall be payable in respect of such delay; or

where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and Conditions to Settlement are satisfied in the Notice Delivery Period the provisions of Condition 7 (*Auction Settlement*), Condition 8 (*Cash Settlement*) or Condition 9 (*Physical Settlement*) as applicable, shall apply to the CLNs.

CONDITION 4

GRACE PERIOD EXTENSION

Where Grace Period Extension is specified as applying in the applicable Structured Note Supplement, the provisions of this Condition 4 (*Grace Period Extension*) shall apply:

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but a Potential Failure to Pay has occurred with respect to one or more Obligations(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then:

(a) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:

(i) each CLN will be redeemed by the Issuer by payment of the Final Redemption Amount on the Grace Period Extension Date; and

(ii) in the case of Coupon bearing CLNs, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date (or if none the Coupon Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(b) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied in the Notice Delivery Period the provisions of Condition [7] (*Auction Settlement*), Condition 8 (*Cash Settlement*) or Condition 9 (*Physical Settlement*), as applicable, shall apply to the CLNs.

CONDITION 5

DEFERRAL OF MATURITY DATE

If

(1) on (i) the Scheduled Maturity Date or, (ii) if applicable, the Repudiation/Moratorium Evaluation Date, or (iii) if Grace Period Extension is specified in the applicable Structured Note Supplement as applicable, the Grace Period Extension Date, as the case may be, Conditions to Settlement have not been satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred or

(2) on the Scheduled Maturity Date, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred, the Calculation Agent may notify the CLN holders in accordance with Condition 6 of the Supplemental Conditions (*Notices*) that the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, has been postponed to a date (such date the **Deferred Maturity Date**) specified in such notice that is 35 Business Days after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, or if such date is not a Business Day, the immediately succeeding Business Day and

where
(1)
ondition 5(a) (*Deferral of Maturity Date*) applies and the Conditions to Settlement are not satisfied on or prior to the Deferred Maturity Date or where Condition 5(b) (*Deferral of Maturity Date*) applies and the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Deferred Maturity Date:

(i) subject as provided below, each CLN will be redeemed by the Issuer by payment of the Final Redemption Amount on the Deferred Maturity Date; and

(ii) [in the case of interest bearing CLNs, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date (or if none, the Coupon Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Deferred Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(2)
ondition 5 (a) (*Deferral of Maturity Date*) applies and the Conditions to Settlement are satisfied on or prior to the Deferred Maturity Date, the provisions of Condition 7 (*Auction Settlement*), Condition 8 (*Cash Settlement*) or Condition 9 (*Physical Settlement*), as applicable shall apply to the CLNs; or where Condition 5(b) (*Deferral of Maturity Date*) applies and the Repudiation/Moratorium Extension Condition is satisfied on or prior to

the Deferred Maturity Date, the provisions of Condition 3 (*Repudiation/Moratorium Extension*) shall apply to the CLNs.

CONDITION 6

REDEMPTION FOLLOWING THE OCCURRENCE OF A CREDIT EVENT

6.1 If a Credit Event occurs and the Conditions to Settlement are satisfied during the Notice Delivery Period:

a) if Auction Settlement is specified in the applicable Structured Note Supplement as the applicable Settlement Method, the provisions of Condition 7 *(Auction Settlement)* will apply;

b) if Cash Settlement is specified in the applicable Structured Note Supplement as the applicable Settlement Method or if Condition 7 (A) below (Auction Settlement) applies, the provisions of Condition 8 (Cash Settlement) will apply;

c) subject to the Partial Cash Settlement Terms, if Physical Settlement is specified in the applicable Structured Note Supplement as the applicable Settlement Method or if Condition 7(B) below *(Auction Settlement)* applies, the provisions of Condition 8 *(Physical Settlement)* will apply.

Upon discharge by the Issuer of its relevant payment or delivery obligations, as the case may be, on the due date for redemption, or otherwise as provided herein, the Issuer's obligations in respect of a CLN shall be discharged.

6.2 The Calculation Agent shall be responsible for making such determination, performing such acts and exercising such discretions as may be provided pursuant to the applicable Structured Note Supplement, including without limitation and as required:

a) determining a Successor;

b) determining whether the Substitute Reference Obligation provisions apply and if applicable, identifying a Substitute Reference Obligation;

c) obtaining Quotations (and, if necessary, determining whether such Quotations shall include or exclude accrued but unpaid interest) and determining the Final Price;

d) converting any amount from one currency to another;

e) choosing the Quotation Dealers and substituting Quotation Dealers in connection with obtaining Quotations; and

f) determining the Currency Rate.

Whenever the Calculation Agent is required to act or to exercise judgment, unless otherwise specified it will do so in its sole and absolute discretion.

CONDITION 7

AUCTION SETTLEMENT

Upon the satisfaction of the Conditions to Settlement during the Notice Delivery Period (the date of satisfaction, the Event Determination Date), and if Auction Settlement is specified in the applicable Structured Note Supplement as the applicable Settlement Method, the provisions of Condition 7 (*Auction Settlement*) shall apply.

Where Auction Settlement is specified in the applicable Structured Note Supplement as the applicable Settlement Method the Issuer shall give notice to the CLN holders in accordance with Condition 6 of the Supplemental Conditions (*Notices*) and redeem each CLN by the payment of the Cash Settlement Amount on the Cash Settlement Date, provided that if the relevant Conditions to Settlement are deemed not to have been satisfied in accordance with the definition thereof, the Event Determination Date previously determined shall be deemed not to have occurred and the redemption of the CLNs shall be cancelled and the CLNs shall continue in accordance with their terms as if the relevant Conditions to Settlement had not been satisfied, subject to such adjustments as the Calculation Agent determines appropriate to reflect the retrospective effect of this proviso (including without limitation, adjusting the due date for payment of any amount payable under the CLNs). The Issuer shall give notice to the CLN holders in accordance with Condition 6 of the Supplemental Conditions (*Notices*) that the relevant Conditions to Settlement are deemed not to have been satisfied as soon as practicable thereafter.

Unless settlement has occurred in accordance with the paragraph above, if on or prior to the Auction Cut-Off Date:

(x) ISDA publicly announces that no Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity (the date on which ISDA first makes such announcement, the No Auction Announcement Date); or

(xi) No Auction Announcement Date has occurred but the relevant Credit Derivatives Determinations Committee has not determined that one or more Auctions will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity,

then:

(A) if Cash Settlement is specified in the applicable Structured Note Supplement as the applicable Fallback Settlement Method, the Issuer shall redeem the CLNs in accordance with Condition 8 (*Cash Settlement*); or

(B) if Physical Settlement is specified in the applicable Structured Note Supplement as the applicable Fallback Settlement Method, the Issuer shall redeem the CLNs in accordance with Condition 9 (*Physical Settlement*).

If Conditions to Settlement are satisfied and the CLNs become redeemable in accordance with this Condition 7, upon payment of the Cash Settlement Amount in respect of the CLNs the Issuer shall have discharged its obligations in respect of the CLNs and shall have no other liability or obligation whatsoever in respect thereof. The Cash Settlement Amount may be less than the Nominal Amount of a CLN. Any shortfall shall be borne by the CLN holders and no liability shall attach to the Issuer.

CONDITION 8

CASH SETTLEMENT

Upon the satisfaction of the Conditions to Settlement during the Notice Delivery Period (the date of satisfaction, the Event Determination Date), and if Cash Settlement is specified in the applicable Structured Note Supplement as the applicable Settlement Method, or if Condition 7(A) (*Auction Settlement*) above applies, the provisions of Condition 8 (*Cash Settlement*) shall apply.

Where Cash Settlement is specified in the applicable Structured Note Supplement as the applicable Settlement Method the Issuer shall give notice to the CLN holders in accordance with Condition 6 of the Supplemental Conditions (*Notices*) and redeem each CLN by payment of the Cash Settlement Amount on the Cash Settlement Date.

If Conditions to Settlement are satisfied and the CLNs become redeemable in accordance with this Condition 8 (*Cash Settlement*), upon payment of the Cash Settlement Amount in respect of the CLNs the Issuer shall have discharged its obligations in respect of the CLNs and shall have no other liability or obligation whatsoever in respect thereof. The Cash Settlement Amount may be less than the Nominal Amount of a CLN. Any shortfall shall be borne by the CLN holders and no liability shall attach to the Issuer.

CONDITION 9

PHYSICAL SETTLEMENT

9.1 Upon the satisfaction of the Conditions to Settlement during the Notice Delivery Period (the date of satisfaction, the Event Determination Date), and if Physical Settlement is specified in the applicable Structured Note Supplement as the applicable Settlement Method, or if Condition 7 (B) (*Auction Settlement*) above applies, the provisions of Condition 9 (*Physical Settlement*) shall apply.

Where Physical Settlement is specified in the applicable Structured Note Supplement as the applicable Settlement Method the Issuer shall within 45 days of the Event Determination Date give notice (a Notice of Physical Settlement) to the CLN holders in accordance with Condition 6 of the Supplemental Conditions (*Notices*) and redeem each CLN by Delivery of the Deliverable Obligations comprising the Asset Amount, subject to and in accordance with this Condition 9 (*Physical Settlement*) and *Condition 10 (Partial Cash Settlement).*

The Notice of Physical Settlement shall describe the Deliverable Obligations comprising the Asset Amount that the Issuer expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.

If "**Restructuring Maturity Limitation and Fully Transferable Obligation**" is specified in the applicable Structured Note Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

If "**Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation**" is specified in the applicable Structured Note Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

If "**Conditions to Settlement"** are satisfied and the CLNs become redeemable in accordance with this Condition 9 (*Physical Settlement*), upon Delivery of the Deliverable Obligations Deliverable and/or payment of the Cash Settlement Amount, as the case may be, the Issuer shall have discharged its obligations in respect of the CLNs and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Cash Settlement Amount may be less than the Nominal Amount of a CLN. Any shortfall shall be borne by the CLN holders and no liability shall attach to the Issuer**.**

9.2 Subject as provided herein, the Issuer shall Deliver the Deliverable Obligations comprising the Asset Amount to the Designated Transferee on or before the Physical Settlement Date in the manner referred to in Condition 9.3 below.

9.3 In order to obtain Delivery of the Deliverable Obligations comprising the Asset Amount in respect of any CLN, the relevant CLN holder must deliver to the Transfer Agent within five Business Days of the date of delivery of the Notice of Physical Settlement (the Cut-Off Date), a duly completed Asset Transfer Notice as referred to in Condition 9.4 below together with, where applicable, the Certificates relating to the CLNs. No Asset Transfer Notice may be withdrawn after receipt thereof. Where applicable, no transfers of the CLNs the subject thereof will be effected by the Transfer Agent after delivery of an Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Agent

9.4 An Asset Transfer Notice shall:

1. specify the name of the CLN holder;

2. specify the name, physical and postal address and the banking and securities safe custody account details of the Designated Transferee;

3. specify the Nominal Amount of CLNs which are the subject of such notice;

4. irrevocably instruct and authorise the Transfer Agent to cancel the relevant CLNs and Certificates;

5. authorise the production of such notice in any applicable administrative or legal proceedings; and

6. either (i) include an undertaking to pay all Delivery Expenses on or prior to the Delivery Expenses Cut-off Date (as defined below); or (ii) instruct the Issuer to deduct in the calculation of the Asset Amount Deliverable Obligations with a market value determined by the Calculation Agent equal to the Delivery Expenses.

CLN holders should note that if they elect to pay all Delivery Expenses but have not done so on or prior to the Delivery Expenses Cut-off Date, notwithstanding such election, the Delivery Expenses will be deducted in the calculation of the Asset Amount as provided in the definition thereof.

Failure to properly complete and deliver an Asset Transfer Notice and, where applicable, the relevant Certificates may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered shall be made by the Transfer Agent in its sole and absolute discretion and shall be binding on the relevant CLN holder and the Issuer.

9.5 Upon receipt of a duly completed Asset Transfer Notice, the Transfer Agent shall [in the case of Registered CLNs] verify that the person specified in the notice as the CLN holder is the holder of the CLN referred to therein according to the Register, [and in the case of Bearer CLNs the Transfer Agent may for all purposes regard the person disclosed as the CLN holder in the Asset Transfer Notice as the holder of the CLN and the Transfer Agent shall not be required to perform any further verification or confirmation as to the identity of the holder of the CLN].

The Deliverable Obligations comprising the Asset Amount in respect of each CLN will be Delivered at the risk of the relevant CLN holder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the Designated Transferee or in such manner as specified in the applicable Structured Note Supplement. Any Designated Transferee other than the CLN holder shall be deemed to be the duly authorised agent of the CLN holder and any Delivery or payment to such person shall be deemed for all purposes to be a Delivery or payment to the CLN holder and shall satisfy the Issuer's obligations in respect thereof. Such person shall not be entitled to enforce any of the CLN holder's rights against the Issuer and the Issuer shall have no liability or obligation to or in respect of the Designated Transferee. By delivery of an Asset Transfer Notice, the CLN holder shall be deemed to represent that the Designated Transferee has agreed to the foregoing.

If the Asset Transfer Notice and where applicable, the relevant Certificates, are delivered to the Issuer later than close of business on the Cut-Off Date, then the Deliverable Obligations comprising the Asset Amount in respect of the relevant CLNs will be Delivered as soon as practicable after the date on which the duly completed Asset Transfer Notice is received, at the risk of the relevant CLN holder in the manner provided above. For the avoidance of doubt, such CLN holder shall not be entitled to any payment or to other assets, whether in respect of interest or otherwise, in the event of such later Delivery of the Deliverable Obligations comprising the Asset Amount and such later Delivery shall not constitute an Event of Default.

If the CLN holder fails to deliver an Asset Transfer Notice in the manner set out herein or, where applicable, fails to deliver the Certificates related thereto within one calendar year of the Event Determination Date, the Issuer shall be discharged from its obligations in respect of such CLNs and shall have no further obligation or liability whatsoever in respect thereof.

9.6 If due to an event beyond the control of the Issuer the Calculation Agent determines that it is impossible, impracticable or illegal for the Issuer to Deliver or procure the Delivery of any Deliverable Obligations (the "Undeliverable Obligations") comprising an Asset Amount on the Physical Settlement Date (including, without limitation, due to failure of any relevant settlement system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consent with respect to the Delivery of Loans) the Issuer shall Deliver or procure the Delivery of the Deliverable Obligations which it is not impossible, impracticable or illegal to Deliver and, as soon as possible thereafter, the Issuer shall Deliver or procure the Delivery of the Undeliverable Obligations.

If all or a portion of such Undeliverable Obligations are not Delivered by the Latest Permissible Physical Settlement Date, the provisions of Condition 10 (*Partial Cash Settlement*) below shall apply.

The relevant CLN holder shall not be entitled to any payment or to other assets, whether in respect of interest or otherwise, in the event of such late Delivery of or failure to Deliver such Undeliverable Obligations and such late Delivery or failure to Deliver shall not constitute an Event of Default.

9.7 Until Delivery of the Deliverable Obligations comprising the Asset Amount is made, the Issuer or any person holding such assets on behalf of the Issuer shall continue to be the legal owner of those assets. After Delivery of the Deliverable Obligations comprising the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to the CLN holder or its Designated Transferee of any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in respect of the securities or obligations included in such Asset Amount, (ii) be under any obligation to exercise or procure the exercise of any or all rights (including voting rights) attaching or appertaining to such securities or obligations included in such Asset Amount or (iii) be under any liability to a CLN holder for any loss, liability, damage, cost or expense that such CLN holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations included in such Asset Amount.

9.8 Where the Asset Amount is, in the determination of the Issuer, an amount other than an amount of Deliverable Obligation(s) capable of being Delivered at the relevant time, (i) the Issuer shall not Deliver and the relevant CLN holder shall not be entitled to receive in respect of its CLNs that fraction of a Deliverable Obligation which is less than a whole number (the Fractional Entitlement) and (ii) the Issuer shall pay to the relevant CLN holder a cash amount (to be paid at the same time as Delivery of the Deliverable Obligations comprising the Asset Amount) equal to the fair market value (as determined by the Calculation Agent) of such Fractional Entitlement.

9.9 The costs, taxes, duties and/or expenses (including stamp duty and/or other costs, duties or taxes) (the Delivery Expenses) of effecting any Delivery of the Deliverable Obligations comprising the Asset Amount (except for the expenses of delivery by regular mail (if any) which shall be borne by the Issuer) shall, in the absence of any provision to the contrary in the applicable Structured Note Supplement, be borne by the relevant CLN holder and shall, unless otherwise specified in the applicable Structured Note Supplement, either be:

1. paid to the Issuer by such CLN holder on or prior to the day falling ten Business Days following the date of delivery of the Asset Transfer Notice (the **Delivery Expenses Cut-off Date**) and in any event prior to the Delivery of the Deliverable Obligations comprising the Asset Amount (and, for the avoidance of doubt, the Issuer shall not be required to Deliver such Deliverable Obligations until it has received such payment); or

2. if so instructed by such CLN holder in the Asset Transfer Notice or if the CLN holder has not paid the Delivery Expenses on or prior to the Delivery Expenses Cut-off Date, deducted by the Issuer in the calculation of the Asset Amount.

CONDITION 10

PARTIAL CASH SETTLEMENT

10.1 If all or a portion of any Undeliverable Obligations comprising the Asset Amount are not Delivered on or prior to the Latest Permissible Physical Settlement Date, the Issuer shall give notice to CLN holders in accordance with Condition 6 of the Supplemental Conditions (*Notices*) (a **Cash Settlement Notice**) and the Issuer shall pay in respect of each Undeliverable Obligation, the Cash Settlement Amount (as defined in Condition 10.2(i) below) on the Cash Settlement Date (as defined in Condition 10.2(ii) (*Partial Cash Settlement*) below).

In the Cash Settlement Notice, the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations.

10.2 Unless otherwise specified, in this Condition 10 (*Partial Cash Settlement*):

(i) **Cash Settlement Amount** is deemed to be, for each Undeliverable Obligation, the greater of (x) (i) the aggregate of the Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as , of each Undeliverable Obligation multiplied by (ii) the Final Price with respect to such Undeliverable Obligation less (iii) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Asset Amount), and (y) zero;

(ii) **Cash Settlement Date** is deemed to be the date that is three Business Days after the calculation of the Final Price;

(iii) **Reference Obligation** is deemed to be each Undeliverable Obligation;

(iv) **Valuation Method** is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case, Valuation Method is deemed to be Market;

(v) **Quotation Method** is deemed to be Bid;

(vi) **Quotation Amount** is deemed to be, with respect to each type or issue of Undeliverable Obligation, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation;

(vii) There shall be no **Minimum Quotation Amount**;

(viii) **Valuation Time** is the time specified in the applicable Structured Note Supplement as such or, if no such time is specified in the applicable Structured Note Supplement, 11.00 a.m. in the principal trading market for the Undeliverable Obligation;

(ix) **Market Value** means, with respect to an Undeliverable Obligation on a Valuation Date,
if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values

(and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified in the applicable Structured Note Supplement as applicable and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest value or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then subject to clause (j)(ii) below, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations, a Weighted Average Quotation or (if) three Indicative Quotations are obtained; and (vii) if fewer than two Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

(x) **Quotation** means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified in the applicable Structured Note Supplement as applicable, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is not able to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified in the applicable Structured Note Supplement as applicable, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers;

(ii) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified in the applicable Structured Note Supplement as applicable, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day;

(iii) The Calculation Agent shall, based on then current market practice in the market of the relevant Undeliverable Obligation, determine whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination;

(iv) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for purposes of determining the Final Price;

(xi) **Indicative Quotation** means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation equal to the Quotation Amount, which reflects such Quotation Dealer's reasonable assessment of the price of such Undeliverable Obligation based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

CONDITION 11

COUPON AND OTHER CALCULATIONS

If the applicable Structured Note Supplement so specifies, the CLNs of any Tranche will bear interest from the Coupon Commencement Date at the Coupon Rate(s) specified in, or determined in accordance with, the applicable Structured Note Supplement and such interest will be payable in respect of each Coupon Period on the Coupon Payment Date(s) specified in the applicable Structured Note Supplement. The interest payable on the CLNs of any Tranche for a period other than a full Coupon Period shall be determined in accordance with the applicable Structured Note Supplement

Each CLN (or in the case of the redemption of part only of a CLN, that part only of such CLN) will cease to bear interest (if any) from its Coupon Termination Date.

If:

(a) Condition 3 (*Repudiation/Moratorium Extension*) or Condition 4 (*Grace Period Extension*) applies in respect of any Tranche of CLNs and in the case of Condition 3 (*Repudiation/Moratorium Extension*), a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or in the case of Condition 4 (*Grace Period Extension*), a Failure to Pay has not occurred prior to the Grace Period Extension Date as the case may be; and/or

(b) Condition 5 *(Deferral of Maturity Date*), applies in respect of the CLNs and the Scheduled Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, is postposed as provided therein, then Coupon will accrue as provided in Condition 3 (*Repudiation/Moratorium Extension*), Condition 4 (*Grace Period Extension*) or Condition 5 (*Deferral of Maturity Date*), as the case may be.

CURRENCY LINKED NOTES TERMS AND CONDITIONS

1. Interpretation

If specified as applicable in a *Supplementary Shelf Prospectus and/or applicable Structured Note Supplement*, the terms and conditions applicable to the Currency Linked Notes shall comprise the General Terms and Conditions, the Supplemental Conditions and the Additional Terms and Conditions for Currency Linked Notes set out below (the "**Currency Linked Conditions**"), in each case subject to completion and/or amendment in the *Supplementary Shelf Prospectus and/or applicable Structured Note Supplement*. In the event of any inconsistency between the General Terms and Conditions, the Supplemental Conditions and the Currency Linked Conditions, the Currency Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Terms and Conditions, the Supplemental Conditions and/or the Currency Linked Conditions and (ii) the *applicable Structured Note Supplement,* the *applicable Structured Note Supplement* shall prevail.

2. Definitions

Affiliate means, in relation to any entity (the "**First Entity"**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes control means ownership of a majority of the voting power of an entity.

Averaging Date means each date specified as an Averaging Date in the applicable Structured Note Supplement or, if that is not an FX Business Day for all the Reference Exchange Rates, the first FX Business Day for all the Reference Exchange Rates thereafter unless, in the opinion of the Calculation Agent, such day is an FX Disrupted Day for any Reference Exchange Rate. If such day is an FX Disrupted Day for any Reference Exchange Rate:

(a) if "Omission" is specified as applying in the applicable Structured Note Supplement, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant price Provided That, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on the final Averaging Date, as if such Averaging Date were a Valuation Date that was an FX Disrupted Day; or

(b) if "Postponement" is specified as applying in the applicable Structured Note Supplement, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price of such affected Reference Exchange Rate on that Averaging Date as if such Averaging Date were a Valuation Date that was an FX Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(c) if "Modified Postponement" is specified as applying in the applicable Structured Note Supplement then:

(i) where the Currency Linked Notes relate to a single Reference Exchange Rate, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth FX Business Day immediately following the original date that, but for the occurrence of another Averaging Date or FX Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (A) that eighth FX Business Day shall be deemed to be the Averaging Date (irrespective of whether that eighth FX Business Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below (for which purpose, that date shall be deemed to be the "Valuation Cut-off Date"); and

(ii) where the Currency Linked Notes relate to a basket of Reference Exchange Rates, the Averaging Date for each Reference Exchange Rate not affected by the occurrence of an FX Disrupted Day shall be the originally designated Averaging Date (the Scheduled Averaging Date) and the Averaging Date for each Reference Exchange Rate affected by the occurrence of an FX Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Reference Exchange Rate. If the first succeeding Valid Date in relation to such Reference Exchange Rate has not occurred as of the Valuation Time on the eighth FX Business Day for such Reference Exchange Rate immediately following the original date that, but for the occurrence of another Averaging Date or FX Disrupted Day, would have been the final Averaging Date, then (A) that eighth FX Business Day shall be deemed to be the Averaging Date (irrespective of whether that eighth FX Business Day is already an Averaging Date) in relation to such Reference Exchange Rate, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub- paragraph (b)(ii) of the definition of "Valuation Date" below (for which purpose, that date shall be deemed to be the "Valuation Cut-off Date"),

for the purposes of these Currency Linked Conditions Valid Date means, in relation to a Reference Exchange Rate, an FX Business Day for such Reference Exchange Rate that is not an FX Disrupted Day for such Reference Exchange Rate and on which another Averaging Date for such Reference Exchange Rate does not or is deemed not to occur.

Base Currency has the meaning specified in the applicable Structured Note Supplement.

Currency Performance means, in relation to an Averaging Date, a Valuation Date, an Observation Date or a Trigger Event Determination Date, as the case may be, an amount (howsoever expressed) determined by the Calculation Agent in accordance with the formula or such other basis of reference designated for such purpose in the applicable Structured Note Supplement.

Currency Price means, in relation to a Valuation Date, an Observation Date or an Averaging Date, as the case may be, and unless otherwise specified in the applicable Structured Note Supplement:

(a) in the case of Currency Linked Notes relating to a basket of Reference Exchange Rates either (i) an amount equal to the sum of the values calculated for each Reference Exchange Rate as the relevant Reference Exchange Rate appearing on the relevant FX Price Source at the relevant Valuation Time on (A) if Averaging is not specified in the applicable Structured Note Supplement, such Valuation Date or Observation Date or (B) if Averaging is specified in the applicable Structured Note Supplement, such Averaging Date, multiplied by the relevant Weighting; or (ii) in relation to a Reference Exchange Rate, such rate appearing on the relevant FX Price Source at the relevant Valuation Time as the relevant Reference Exchange Rate appearing on (A) if Averaging is not specified in the applicable Structured Note Supplement, such Valuation Date or Observation Date or (B) if Averaging is specified in the applicable Structured Note Supplement, such Averaging Date; and

(b) in the case of Currency Linked Notes relating to a single Reference Exchange Rate, such relevant Reference Exchange Rate appearing on the FX Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Structured Note Supplement, such Valuation Date or Observation Date or (B) if Averaging is specified in the applicable Structured Note Supplement, such Averaging Date.

FX Business Day means, in relation to a Reference Exchange Rate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), or but for the occurrence of a FX Market Disruption Event would have settled payments and been open for general business in each of the Specified Financial Centres for that Reference Exchange Rate specified in the applicable Structured Note Supplement.

FX Disrupted Day means, without prejudice to the provisions of Currency Linked Condition 4 (Repudiation/Moratorium Extension) and in relation to a Reference Exchange Rate, any FX Business Day for such Reference Exchange Rate on which a FX Market Disruption Event occurs.

FX Price Source(s) means, in respect of a Reference Exchange Rate, the price source(s) specified in the applicable Structured Note Supplement for such Reference Exchange Rate or, if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

Observation Cut-Off Date means, in respect of each Scheduled Observation Date, the eighth FX Business Day for all the Reference Exchange Rates immediately following the relevant Scheduled Observation Date or, if earlier, the second Business Day immediately preceding the date of payment of any amount calculated in respect of such Observation Date pursuant to the definition of Observation Date or, if such Business Day is not an FX Business Day for all the Reference Exchange Rates, the immediately preceding FX Business Day for all the Reference Exchange Rates.

Observation Date means each Observation Date specified in the applicable Structured Note Supplement or if such date is not an FX Business Day for all the Reference Exchange Rates the first FX Business Day for all the Reference Exchange Rates thereafter unless, in the opinion of the Calculation Agent such day is an FX Disrupted Day for any of the Reference Exchange Rates. If such day is an FX Disrupted Day for any of the Reference Exchange Rates, then:

(a) where the Currency Linked Notes relate to a single Reference Exchange Rate, the Observation Date shall be the first succeeding FX Business Day that is not an FX Disrupted Day, unless each of the FX Business Days up to and including the Observation Cut-Off Date is an FX Disrupted Day. In that case, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant Reference Exchange Rate in the manner set out in the applicable Structured Note Supplement or, if not set out or if not practicable, determine the relevant Reference Exchange Rate in accordance with its good faith estimate of the relevant Reference Exchange Rate as of the Valuation Time on the Observation Cut-Off Date; or

(b) where the Currency Linked Notes relate to a basket of Reference Exchange Rates, the Observation Date for each Reference Exchange Rate not affected by the occurrence of an FX Disrupted Day shall be the Scheduled Observation Date and the Observation Date for each Reference Exchange Rate affected (each an **Affected Reference Exchange Rate**) by the occurrence of an FX Disrupted Day shall be the first succeeding FX Business Day that is not an FX Disrupted Day relating to the Affected Reference Exchange Rate unless each of the FX Business Days immediately following the Scheduled Observation Date up to and including the Observation Cut-Off Date is an FX Disrupted Day relating to the Affected Reference Exchange Rate. In that case, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for the Affected Reference Exchange Rate (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant Reference Exchange Rate using, in relation to the Affected Reference Exchange Rate, a price determined in the manner set out in the applicable Structured Note Supplement or, if not set out or if not practicable, using its good faith estimate of the price for the Affected Reference Exchange Rate as of the relevant Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions.

Observation Period means the period or periods specified as such in the applicable Structured Note Supplement.

Reference Currencies means each Subject Currency and each Base Currency.

Reference Exchange Rate means the spot rate of exchange of a Base Currency into the corresponding Subject Currency (expressed as the number of units (or part units) of the relevant Subject Currency for which one unit of the relevant Base Currency can be exchanged).

Subject Currency has the meaning specified in the applicable Structured Note Supplement.

Scheduled Observation Date means any original date that, but for the occurrence of an event causing an FX Disrupted Day, would have been an Observation Date.

Specified Financial Centre(s) means the financial centre(s) specified in the applicable Structured Note Supplement.

Scheduled Valuation Date means any original date, that but for the occurrence of an event causing an

FX Disrupted Day, would have been an Averaging Date, an Observation Date or a Valuation Date.

Valuation Cut-off Date means the date falling eight FX Business Days immediately following the relevant Scheduled Valuation Date specified in the applicable Structured Note Supplement or, if earlier, the second FX Business Day for all the Reference Exchange Rates immediately preceding the date of payment of any amount calculated in respect of such Valuation Date pursuant to the definition of Valuation Date.

Valuation Date means each Valuation Date specified in the applicable Structured Note Supplement or if that is not an FX Business Day for all the Reference Exchange Rates the first FX Business Day for all the Reference Exchange Rates thereafter unless, in the opinion of the Calculation Agent such day is an FX Disrupted Day for any Reference Exchange Rate. If such day is an FX Disrupted Day for any Reference Exchange Rate, then:

(a) where the Currency Linked Notes relate to a single Reference Exchange Rate, the Valuation Date shall be the first succeeding FX Business Day that is not an FX Disrupted Day, unless each of the FX Business Days up to and including the Valuation Cut-Off Date is an FX Disrupted Day. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant Reference Exchange Rate in the manner set out in the applicable Structured Note Supplement or, if not set out or if not practicable, determine the relevant Reference Exchange Rate in accordance with its good faith estimate of the relevant Reference Exchange Rate as of the Valuation Time on the Valuation Cut-Off Date; or

(b) where the Currency Linked Notes relate to a basket of Reference Exchange Rates, the Valuation Date for each Reference Exchange Rate not affected by the occurrence of an FX Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Reference Exchange Rate affected (each an Affected Reference Exchange Rate) by the occurrence of an FX Disrupted Day shall be the first succeeding FX Business Day that is not an FX Disrupted Day relating to the Affected Reference Exchange Rate, unless each of the FX Business Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is an FX Disrupted Day relating to the Affected Reference Exchange Rate. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for the Affected Reference Exchange Rate (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant Reference Exchange Rate using, in relation to the Affected Reference Exchange Rate, a price determined in the manner set out in the applicable Structured Note Supplement or, if not set out or if not practicable, using its good faith estimate of the price for the Affected Reference Exchange Rate as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

Valuation Time means, in relation to a Reference Exchange Rate, the Valuation Time specified for such Reference Exchange Rate in the applicable Structured Note Supplement.

3. FX Market Disruption Event

FX Market Disruption Event means, in relation to a Reference Exchange Rate, the occurrence or existence, as determined by the Calculation Agent in its sole and absolute discretion, of any FX Price Source Disruption and/or any FX Trading Suspension or Limitation and/or, if Currency Disruption Event is specified as applicable in the Structured Note Supplement, any Currency Disruption Event and/or any other event specified as such in the applicable Structured Note Supplement.

For which purpose, unless otherwise specified in the applicable Structured Note Supplement:

Currency Disruption Event means any of General Inconvertibility, Specific Inconvertibility, General Non-Transferability, Specific Non-Transferability, Nationalisation and Dual Exchange Rate, each such term as defined below:

General Inconvertibility, being in relation to a Reference Exchange Rate, the occurrence of any event that, from a legal or practical perspective, generally makes it impossible or not reasonably practicable to (i) convert the relevant Subject Currency into the relevant Base Currency or (ii) to convert the relevant Reference Currencies for the purpose of determining the Currency Price, the Trigger Event Observation Price or any other relevant level or value, as the case may be, in any relevant jurisdiction through customary legal channels;

Specific Inconvertibility, being in relation to a Reference Exchange Rate, the occurrence of any event that, from a legal or practical perspective, has the direct or indirect effect of hindering, limiting, restricting, making it impossible or not reasonably practicable for any Hedging Party to convert the whole, or part thereof, (i) of any relevant amount in the relevant Subject Currency into the relevant Base Currency or (ii) of any relevant Reference Currencies for the purpose of determining the Currency Price or the Trigger Event Observation Price or any other relevant level or value, as the case may be, in any relevant jurisdiction, (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of either (i) the relevant Subject Currency into the relevant Base Currency or (ii) any relevant Reference Currencies for the purpose of determining the Currency Price or the Trigger Event Observation Price or any other relevant level or value, as the case may be) other than where such impossibility or impracticality is due solely to the failure by such Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or not reasonably practicable for such Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation);

General Non-Transferability, being in relation to a Reference Exchange Rate, the occurrence of any event that generally makes it impossible or not reasonably practicable to deliver (a) the relevant Base Currency from accounts inside any relevant jurisdiction to accounts outside such relevant jurisdiction or (b) the relevant Subject Currency between accounts inside the relevant jurisdiction or to a party that is a non-resident of such relevant jurisdiction;

Specific Non-Transferability, being in relation to a Reference Exchange Rate, the occurrence of any event that, from a legal or practical perspective, has the direct or indirect effect of hindering, limiting, restricting, making it impossible or not reasonably practicable for any Hedging Party to deliver (a) the relevant Subject Currency from accounts inside any relevant jurisdiction to accounts outside such relevant jurisdiction or (b) the relevant Subject Currency between accounts inside any relevant jurisdiction or to a party that is a non-resident of such relevant jurisdiction (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the relevant Subject Currency into the relevant Base Currency), other than where such impossibility or impracticality is due solely to the failure by such Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or not reasonably practicable for such Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation);

Nationalisation, being in relation to a Reference Exchange Rate, any expropriation, confiscation, requisition, nationalisation or other action is taken by a Governmental Authority which deprives any Hedging Party of all or substantially all of its assets in any relevant jurisdiction;

Dual Exchange Rate, being in relation to a Reference Exchange Rate, the occurrence of an event that splits any currency exchange rate specified for such Reference Exchange Rate into dual or multiple currency exchange rates;

FX Price Source Disruption means, in relation to a Reference Exchange Rate, it becomes impossible or otherwise impracticable to obtain and/or execute the relevant rate(s) required to calculate the Currency Price or the Trigger Event Observation Price or any other relevant level or value, as the case may be, on the Averaging Date, Observation Date, Valuation Date or Trigger Event Observation Date, or, if different, the day on which rates for that Averaging Date, Observation Date, Valuation Date or Trigger Event Observation Date, as the case may be, would in the ordinary course be published or announced by the relevant FX Price Source;

FX Trading Suspension or Limitation means, in relation to a Reference Exchange Rate, the suspension of and/or limitation of trading in the rate(s) required to calculate the Currency Price or the Trigger Event Observation Price or any other relevant level or value, as the case may be (which may be, without limitation, rates quoted on any over-the-counter or quotation-based market, whether regulated or unregulated) PROVIDED THAT such suspension or limitation of trading is material in the opinion of the Calculation Agent;

Governmental Authority means (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in each case in any relevant jurisdiction; and

Hedging Party means the Bank and/or any Affiliate and/or any other party which conducts hedging arrangements in respect of the Bank's obligations in respect of the Notes from time to time.

4. FX Market Disruption Event Adjustment / Termination Provisions

Without prejudice to the provisions of Currency Linked Conditions 2 and 3 above, upon the occurrence and/or continuation, in the determination of the Calculation Agent, of any FX Market Disruption Event, on or before the date on which the Bank's obligations in respect of the Notes are discharged, the Bank may, in its sole and absolute discretion, either:

(a) direct the Calculation Agent (i) to make, in good faith and a commercially reasonable manner, such consequential adjustments to any of the terms of the Notes (including any payment obligations) as it determines appropriate in order to reflect the economic effect of the relevant FX Market Disruption Event and/or (ii) to substitute any Reference Exchange Rate affected by such FX Market Disruption Event with a substitute Reference Exchange Rate selected by the Calculation Agent and to make such consequential adjustments to any of the terms of the Notes as it determines appropriate in order to reflect such substitution; or

(b) redeem all (but not some only) of the Notes by giving notice to Holders, in accordance with If the Notes are so redeemed, the Bank shall pay on a day selected by the Bank, the Early Redemption Amount to each Holder in respect of each nominal amount of Notes equal to the Calculation Amount.

5. Trigger Event Provisions

If "Trigger Event Provisions" are specified as applicable in the Structured Note Supplement, then the payment provisions under the Notes relating to the occurrence of a Trigger Event shall be as set out in the applicable Structured Note Supplement.

Unless otherwise specified in the applicable Structured Note Supplement:

Trigger Event means a Trigger Event (Closing Observation), a Trigger Event (Intraday Observation) or such other event as specified in the applicable Structured Note Supplement.

Trigger Event Observation Price means, in relation to a Trigger Event Observation Date and a Reference Exchange Rate, the Trigger Event Observation Price determined in the manner specified in the applicable Structured Note Supplement, or if not so specified in the applicable Structured Note Supplement, the Currency Price for which purposes, references in the definition of Currency Price to "Valuation Date" shall be deemed to be to "Trigger Event Observation Date" and "Valuation Time" shall be deemed to be "Trigger Event Valuation Time".

Trigger Event (Closing Observation) means, unless otherwise specified in the applicable Structured Note Supplement, a determination by the Calculation Agent that, on any Trigger Event Observation Date, any Trigger Event Observation Price at the Trigger Event Valuation Time is less than or equal to the relevant Trigger Price, as determined by the Calculation Agent.

Trigger Event Date means a date on which a Trigger Event has occurred as determined by the

Calculation Agent.

Trigger Event FX Disrupted Day Adjustments means:

(a) if Trigger Event (Closing Observation) is specified as applicable in the applicable Structured Note Supplement and any Trigger Event Observation Date is an FX Disrupted Day for any Reference Exchange Rate then, if "Trigger Event Observation Date consequences of an FX Disrupted Day" is specified in the applicable Structured Note Supplement as:

(i) "Omission", then such date will be deemed not to be a Trigger Event Observation Date for the purposes of determining whether a Trigger Event has occurred; Provided That if the final FX Business Day for all the Reference Exchange Rates in any Trigger Event Observation Period is an FX Disrupted Day for any Reference Exchange Rate and no Trigger Event has occurred in that Trigger Event Observation Period, such final day of such Trigger Event Observation Period shall be treated as a Valuation Date and the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on such day as if such day were a Valuation Date that was an FX Disrupted Day in respect of such affected Reference Exchange Rate(s) and the Calculation Agent shall determine the relevant price for such affected Reference Exchange Rate(s) in respect of such day for such affected Reference Exchange Rate(s) in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Structured Note Supplement, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for the purpose of determining whether a Trigger Event shall occur; or

(ii) "Postponement", then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on that Trigger Event Observation Date as if such Trigger Event Observation Date were a Valuation Date that was an FX Disrupted Day in respect of such affected Reference Exchange Rates and the Calculation Agent shall determine the relevant price for such affected Reference Exchange Rate in respect of such day for such affected Reference Exchange Rates in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Structured Note Supplement, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Trigger Event shall occur; or

(b) if "Trigger Event (Intraday Observation)" is specified as applicable in the applicable Structured Note Supplement and if on any Trigger Event Observation Date as of any Trigger Event Valuation Time a Trigger Event has or would have occurred but the conditions for an FX Disrupted Day in relation to any Reference Exchange Rate have been satisfied at such time then, if "Trigger Event intraday valuation consequences of disruption" is specified in the applicable Structured Note Supplement as:

(i) "Omission", then such Trigger Event Valuation Time shall be ignored for the purposes of determining whether a Trigger Event has occurred, Provided That if no Trigger Event has occurred in the Trigger Event Observation Period and the conditions for an FX Disrupted Day are satisfied for any Reference Exchange Rate as of the last occurring Trigger Event Valuation

Time on the final FX Business Day for all the Reference Exchange Rates in such Trigger Event Observation Period, then such day shall be treated as a Valuation Date and the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on such day as if such day were a Valuation Date that was an FX Disrupted Day for such affected Reference Exchange Rate and the Calculation Agent shall determine the relevant price for such affected Reference Exchange Rate in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Structured Note Supplement, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for the purpose of determining whether a Trigger Event shall occur; or

(ii) "Materiality", then (i) where the Calculation Agent determines that the relevant event or occurrence giving rise to such FX Disrupted Day is not material for the purposes of determining the relevant Trigger Event Observation Price as of such time, the Trigger Event shall occur notwithstanding such event or occurrence, or (ii) where the Calculation Agent determines that the relevant event or occurrence giving rise to such FX Disrupted Day is material for the purposes of determining the relevant Trigger Event Observation Price as of such time, then the Trigger Event shall be deemed not to have occurred at such time Provided That if no Trigger Event has occurred in the Trigger Event Observation Period and the conditions for an FX Disrupted Day are satisfied for any Reference Exchange Rate as of the last occurring Trigger Event Valuation Time on the final FX Business Day for all the Reference Exchange Rates in such Trigger Event Observation Period, then such day shall be treated as a Valuation Date and the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on such day as if such day were a Valuation Date that was an FX Disrupted Day for such affected Reference Exchange Rate and the Calculation Agent shall determine the relevant price for such affected Reference Exchange Rate in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Structured Note Supplement, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for the purpose of determining whether a Trigger Event shall occur.

Trigger Event (Intraday Observation) means, unless otherwise specified in the applicable Structured Note Supplement, a determination by the Calculation Agent that, on any Trigger Event Observation Date, any Trigger Event Observation Price is less than or equal to the relevant Trigger Price, as determined by the Calculation Agent.

Trigger Event Observation Date means each FX Business Day for all the Reference Exchange Rates during the Trigger Event Observation Period, subject as provided in Trigger Event FX Disrupted Day Adjustments above.

"Trigger Event Observation Period means the period specified as such in the applicable Structured Note Supplement.

Trigger Event Valuation Time means, in relation to a Reference Exchange Rate, the time or period of time on any Trigger Event Observation Date specified as such in the applicable Structured Note Supplement or, if no such time is so specified, the Valuation Time.

Trigger Price means, in relation to a Reference Exchange Rate, an amount equal to the product of (i) the relevant Trigger Percentage and (ii) the Trigger Event Strike Price specified for such Reference Exchange Rate in the applicable Structured Note Supplement.

Trigger Percentage means, in relation to a Reference Exchange Rate and, if so specified in the applicable Structured Note Supplement, a Trigger Event Observation Date, the percentage specified as such in the applicable Structured Note Supplement.

RISK FACTORS

This section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Instruments. The risks in this section are provided as general information only. Prospective investors should refer to, and carefully consider the risks described below and the information contained elsewhere in this Shelf Prospectus, which may describe additional risks associated with the Instruments.

An investment in certain Instruments may entail a risk of loss of all or a portion of the principal amount of the Instruments which is directly caused by fluctuation of interest rates; devaluation of the currency of issue; value of the Instruments at a securities market; or other indices or by a change in the condition of business or assets of the party selling the Instruments to other parties. Also an exercise of an option or other right associated with certain Instruments or cancellation of a contract for sale of certain Bonds and Structured Notes may be subject to certain time limitations.

The Sponsor and Issuer disclaim any responsibility for advising prospective investors of such risks as they exist at the date of this Shelf Prospectus or as such risks may change from time to time. Prospective investors should consult their own financial and legal advisers about the risks associated with an investment in the Instruments.

An investment in the Instruments involves certain risks, most of which may or may not occur and neither the Issuer, the Sponsor nor the Issuing Houses are in a position to express a view on the likelihood of any such contingency occurring. Accordingly, prospective investors should carefully consider, amongst other things, the following risk factors together with all of the other information included in this Shelf Prospectus and any applicable Supplement before purchasing the Instruments.

IN RELATION TO NIGERIA

I. Political risks

Political, economic and social stability in Nigeria have historically been affected by and led to political and religious conflicts, terrorism, and social and religious tensions. However, over the past year, there has been moderation in the number and frequency of attacks and cases of kidnapping across various parts of Nigeria. The sectarian conflicts in the Middle Belt and insurgence of Boko Haram activity in Northern Nigeria remain contributors to the regions' security challenges. If the Federal Government is unable to address conditions such as poverty, low levels of education, religious intolerance, weak enforcement of law and order, these risks may persist.

II. Economic risk

The Nigerian economy is largely dependent on the oil sector and revenue derived from the oil sector. Therefore, any change in oil production or global oil prices may have a wide reaching impact on all other sectors in the economy. The impact of the steady decline in oil prices from mid-2015 is evident within Nigeria as external reserves and foreign reserves have declined.

As a result of lack of foreign exchange liquidity in Nigeria, a number of manufacturing companies have had their ability to purchase raw materials impacted negatively leading to a decline in output. This has hindered the ability of such companies to service their loan facilities, thereby impacting the profitability of some banks and increasing their impairments.

Declining oil prices coupled with low capital budget implementation (due to delay in passing the 2016 budget into law) have also negatively impacted the economy as a whole. The GDP growth rate slowed to 2.8% in 2015 against a GDP growth rate of 6.22% in 2014. In 2016, Nigeria officially slid into recession as GDP contracted by (2.24%) in real terms in Q3 2016 which represents a decline of 18 bps from Q2 2016. In Q1 2017, the nation's Gross Domestic Product (GDP) contracted by –0.52%, in real terms, from Q1 2016 which represented the fifth consecutive quarter of contraction from the previous year. Following the upward rally of inflation in 2016, closing the year at 18.55%, 2017 has shown some moderation. Inflation as at May 2017 was recorded at 16.25% down from 17.24% in April.

IN RELATION TO THE ISSUER

I. Issuer is a special purpose vehicle with no business operations or significant assets

The Issuer is a special purpose vehicle with no business other than issuing Bonds and Structured Notes or other debt instruments. The Issuer may have no assets other than such Instruments and (where indicated in the applicable Supplement) other permitted underlying assets. The right of Bondholders and Noteholders to receive payments in respect of the Bonds and Structured Notes is therefore limited to payments actually received by the Issuer in respect of Notes issued by the Sponsor or transactions facilitated by the Arranger.

Investors are thus relying on the creditworthiness of the Sponsor and relevant reference entity, as applicable, for each issuance of the respective Bonds and Structured Notes

II. Change in Governing Law

The Issuer is duly incorporated and established under Nigerian law, which remains in effect as at the date of this Shelf Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Shelf Prospectus.

III. Credit Risk

The Issuer would use the proceeds of the Bonds and Structured Notes to purchase or invest in an underlying asset or Reference Obligation, therefore a default by such underlying or Reference Entity in its obligations to the Issuer on a payment date will translate into a default by the Issuer in its obligations to Investors leading to the non-payment of the Coupon, and the principal on the Bonds and Structured Notes on a payment date. The Issuer will be exposed to the credit risk of the underlying asset and or Reference Obligation with respect to such payments.

IN RELATION TO THE SPONSOR

The Sponsor is exposed to commercial and market risks in its ordinary course of business, the most significant of which are credit risk, market risk, liquidity risk, interest rate risk and operational risk, with credit risk being the largest.

Whilst the Issuer believes that the Sponsor has implemented appropriate policies, systems and processes to control and mitigate these risks, Investors should note that any failure to control these risks adequately could have an adverse effect on the financial condition and reputation of the Sponsor. The following is a description of the risk factors that are material in respect of the financial situation of RMB Nigeria as the Sponsor to the Bonds under the Programme.

I. Operational Risk

This is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Examples of these risks and their associated losses include: rogue trading, fraud/forgery, settlement failures, inappropriate sales practices, poor accounting processes, lapses in financial control, and legal settlements involving significant payments for losses alleged to have been caused by the financial institution.

The Sponsor does have systems, processes and internal controls designed to ensure that these risks are appropriately controlled and monitored, however, operational risks may still have an adverse effect on the Sponsor’s performance.

II. Credit Risk

As a financial institution that engages in creation of risk assets, trading in government and financial securities such as treasury bills, bond, commercial papers, bankers' acceptances and promissory notes, the Sponsor may be exposed to credit risk, through the lending and trading activities.

The Sponsor may incur a loss if a borrower, trading counterparty (such as a bank, corporate or sovereign) or an issuer of securities or other instruments that the Sponsor’s affiliate holds fails to perform under its contractual obligations or upon a deterioration in the credit quality of third parties whose securities or other instruments the Sponsor holds or transacts. The credit risk may be either a default or downgrade risk.

The Sponsor continues to apply appropriate and responsible lending criteria to ensure prudent lending practices in line with anticipated economic conditions and risk appetite. If macroeconomic conditions in Nigeria deteriorate significantly, there can be no assurance that the rate of the Sponsor’s non-performing loans and credit impairments will not increase which, in turn, could have an adverse effect on the Sponsor’s financial condition or results of operations.

III. Liquidity Risk

This is the risk that the Sponsor may be unable to meet its obligations as they become due. This may arise where the cushion provided by liquid assets is not sufficient to meet outstanding obligations. It may be triggered by consequences of other financial risks like credit risk and market risk such as interest rate risk, foreign exchange risk and security price risk.

IV. Market Risk

The Sponsor is inherently subject to the risk of market fluctuations caused by changes in interest rate levels, yield curves and spreads, which may affect margins realized between lending and borrowing. In addition, the Sponsor actively trades in money market instruments such as treasury bills, bonds, commercial papers and banker’s acceptances. The Sponsor holds all forms of securities and participates in the trading of derivatives for both trading and banking purposes. As a result, the performance of financial markets may cause changes in the value of the Sponsor’s investment and trading portfolios. Although the Sponsor has implemented risk management methods to mitigate these risks, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Sponsor’s financial performance.

V. Foreign Exchange Risk

This is the risk of losing earnings and capital arising from adverse movements in foreign exchange rates. The Sponsor takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows and may be adversely affected by such fluctuations.

IN RELATION TO FEATURES OF THE BONDS AND STRUCTURED NOTES

The Bonds and Structured Notes are exposed to certain risks by virtue of their nature as financial instruments, which could have an adverse effect on their performance or viability. The following is a description of some of such risks, which are material in respect of the financial instruments that may be issued under the Programme.

I. Variable rate instruments with a multiplier or other leverage factor

Bonds and Structured Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, or similar related features, their market values may be even more volatile than those for securities that do not include those features.

II. Inverse floating rate Bonds and Structured Notes

Under the Programme, there may be inverse floating rate Bonds and Structured Notes that have an interest rate equal to a fixed rate minus a rate based on a reference rate such as Nigerian Interbank Offered Rate. The market values of those securities typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Bonds and Structured Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the securities, but also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Bonds and Structured Notes.

III. Fixed/Floating Rate Bonds and Structured Notes

Fixed/Floating Rate Bonds and Structured Notes may bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Bonds and Structured Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/ Floating Rate Bonds and Structured Notes is tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Bonds and Structured Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the prevailing rates on its Bonds and Structured Notes.

IV. Bonds and Structured Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest – bearing securities with comparable maturities.

V. Suitability of the Instruments

Some of the Instruments are complex financial instruments suitable only for sophisticated investors. As such, each potential investor in any Instruments must determine the suitability of that investment in light of its own circumstances.

A potential investor should not invest in Instruments, which are complex financial instruments unless the potential investor has the expertise (either alone or with a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of the Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Prospectus or any applicable Supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact such an investment will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including thoroughly understanding the terms of the Instruments and be familiar with the behaviour of any relevant indices and financial markets; and (iv) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks

IN RELATION TO THE BONDS

I. Limited active trading market for the Bonds

Any Series or Tranche issued under the Programme will be new securities for which there may be no active two-way quote trading market, thus, the liquidity of the Bonds may be limited. Although an application will be made for Bonds issued under the Programme to be admitted to the Official List of any Exchange (subject to the provisions of the applicable Pricing Supplement), there is no assurance that an active trading market will develop or any listing or admission to trading of the Bonds will be maintained. Accordingly, there is no assurance of the development or liquidity of any trading market for any particular Tranche/ Series of the Bonds.

II. Credit ratings may not reflect the full impact of the Bonds' risks

The Bonds will be assigned a rating by Agusto & Co. The ratings are not a recommendation to prospective investors to buy, sell or hold securities and do not reflect all the risks related to structure, market, additional factors discussed above and any other factors that may affect the value of the Bonds.

III. Change in Sponsor's Creditworthiness

Bonds issued under the Programme will be general obligation bonds backed by the creditworthiness of the Sponsor. If a prospective investor purchases the Bonds, it is relying solely on the creditworthiness of the Sponsor. In addition, an investment in the Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Sponsor may adversely affect the market value of the Bonds.

IV. Early Redemption

The Bonds may be subject to early redemption. Therefore, Bondholders may face the risk that the Bonds will be redeemed before maturity in a falling interest rate environment, forcing the Bondholders to reinvest the proceeds at a lower rate of return.

IN RELATION TO THE STRUCTURED NOTES

Risks relating to Credit Linked Notes

a. Credit Exposure to Reference Entities

The amount payable under Credit Linked Notes will be dependent in part upon whether or not a Credit Event has occurred. A Credit Event may occur in respect of one or more entities or governmental or other authorities (each a Reference Entity) specified in the applicable Supplement. If a Credit Event occurs in relation to any Credit Linked Notes, the Issuer will, subject to certain conditions, redeem those Structured Notes by payment of money (in an amount equal to the Cash Settlement Amount) or, if so provided, by the delivery of Deliverable Obligations comprising the Asset Amount or, if so provided, partly in money and partly in Deliverable Obligations. The Cash Settlement Amount or the value of the Deliverable Obligations comprising the Asset Amount may be less than the Nominal Amount of the Notes or zero. Accordingly, the Noteholders may be exposed to the credit of the Reference Entities up to the full extent of their investment in the Structured Notes.

Prospective investors in the Credit Linked Notes should be aware that if a Credit Event occurs, the Structured Notes will cease to bear interest (if any) from (and including) the Interest Period in which the Event Determination Date falls and, as stated above, the amount received or the value of the assets delivered on redemption of the Structured Notes may be materially less than the original investment and in certain circumstances may be zero. The timing for payment of any such amounts or delivery of any such assets, as applicable, may occur at a different time than expected.

The market price of the Credit Linked Notes may be volatile and will be affected by various factors including, but not limited to, the time remaining to the maturity date of the Note, prevailing credit spreads in the market and the creditworthiness of the Reference Entity, which in turn may be affected by the economic, financial, political and other events in one or more jurisdictions. Prospective investors in the Credit Linked Notes should conduct their own investigation and analysis, including, where applicable, obtaining independent expert advice, with respect to the credit risk of the Reference Entity and the factors that may assist in determining the likelihood of the occurrence of a Credit Event with respect to the Reference Entity, including, but not limited to, general economic conditions, the condition of relevant financial markets, relevant political events and developments or trends in any relevant industries.

b. Physical Settlement – Obligations of The Noteholder

If a Credit Linked Note is redeemable in whole or in part by the delivery of Deliverable Obligations, the Issuer's obligation to deliver the Deliverable Obligations comprising of the Asset Amount to the Noteholder is subject to various conditions, including the delivery by the Noteholder to the Issuer of an Asset Transfer Notice and, in certain circumstances, the payment to the Issuer of the Delivery Expenses within the prescribed time limit. If the Noteholder fails to so deliver an Asset Transfer Notice, the Issuer shall be discharged from its obligations under the Structured Note. If applicable and a Noteholder fails to so pay Delivery Expenses, the Deliverable Obligations comprising the Asset Amount deliverable to such Noteholder will be reduced to reflect such Delivery Expenses.

c. Limited Liquidity

There can be no assurance that a secondary market for the Credit Linked Notes will develop or if a secondary market does develop, that it will provide the holders of the

Credit Linked Notes with liquidity of investment or that it will continue for the life of such Credit Linked Notes.

It may also not be possible to redeem the Credit Linked Notes prior to their Maturity unless a Credit Event occurs.

1. GENERAL OVERVIEW

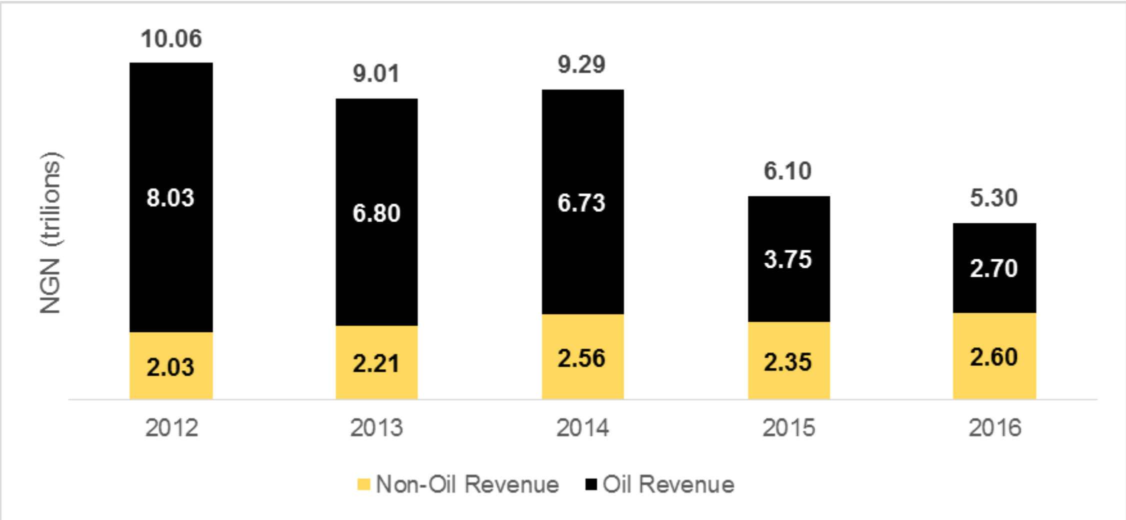
The Federal Republic of Nigeria is located in West Africa and has a total area of 923,768 km² and is bordered by the Republic of Benin to the west, Niger and Chad to the north, Cameroon to the east and the Gulf of Guinea to the south.

Nigeria consists of 36 states and the Federal Capital Territory, Abuja, which is located in central Nigeria. The states and the Federal Capital Territory are grouped into six geopolitical zones: North West, North Central, North East, South East, South South and South West. Lagos, which is situated in the South West of Nigeria, is the principal commercial center and main port in the country. There are currently 774 constitutionally recognized local government areas and area councils in Nigeria.

Nigeria, Africa's largest economy, has experienced considerable economic growth (9% average per year) since its return to democratic rule in 1999 and subsequent adoption of market friendly economic policies.

The Nigerian economy is highly dependent on the oil and gas sector, which, in 2016, accounted for 8.2% of real GDP and 50.1% of total gross federally collectible revenue. In 2015 and 2016, the oil sector accounted for 92.5% of export earnings. Real GDP in the oil sector grew by 1.6% in the second quarter of 2017 compared to the second quarter of 2016, which is an improvement on the year-on-year change of (11.7)% in the first quarter of 2017. In the first, second, third and fourth quarters of 2016, real GDP in the oil sector contracted by (4.8)%, (11.6)%, (23.0)% and (17.7)%, respectively. Dependence on oil makes the economy vulnerable to oil price fluctuations, as most economic sectors in Nigeria depend on public spending which itself is dependent on oil and gas revenues.

However, GDP performance in recent years generally has been supported by growth in non-oil and gas GDP, which grew by 5.8% in 2012, 8.4% in 2013, 7.2% in 2014 and 3.8% in 2015, followed by a contraction of (0.2)% in 2016, with the biggest growth drivers being agriculture, telecommunications, manufacturing and trade.[2] Real GDP in the non-oil sector grew by 0.5% in the second quarter of 2017 compared to the same period in 2016, due primarily to growth in agriculture, finance and insurance, electricity, gas, steam and air conditioning supply as well as and other services. The non-oil sector is expected to be the main driver of the country's economy in the near future. The multiplier effects of such development include creation of jobs and reduction in the unemployment gap, promotion of service-based businesses and establishment of ancillary goods and services in the agricultural sector.



National Bureau of Statistics

[2] GDP Statistics Source: Nigerian Bureau of Statistics

By 30 September 2016, Nigeria's aggregate nominal GDP was N26.6 trillion (or US$87.2 billion at an average exchange rate of N305.0/US$1) a 5.08 per cent contraction from the same period in 2015. This was largely attributable to the oil and gas as well as manufacturing sectors contracting by 22.01 per cent and 7.73 per cent respectively.

In the second quarter of 2017, Nigeria experienced growth in real GDP of 0.6% compared to the second quarter of 2016 indicating the emergence of the economy from recession after five consecutive quarters of contraction since the first quarter of 2016. In the first, second, third and fourth quarters of 2016, Nigeria experienced contractions in real GDP of (0.7)%, (1.5)%, (2.3)% and (1.7)%, respectively, in each case as compared to the corresponding period in 2015 and (0.5)% in the first quarter of 2017. This contraction was largely influenced by and attributable to a number of factors including but not limited to consumer spending, record high inflation, pipeline vandalism in the Niger Delta region, depletion of foreign reserves, and the weakening of the Naira against foreign currencies amongst others. Due to the foregoing, the government has put in place various fiscal policies to promote diversification of the economy in a move away from an 'oil revenue-reliant' economy. Amongst these include the Economic Recovery & Growth Plan 2017 – 2020, which aims to promote expansion of crop production and fisheries, livestock and forestry sub-sectors.

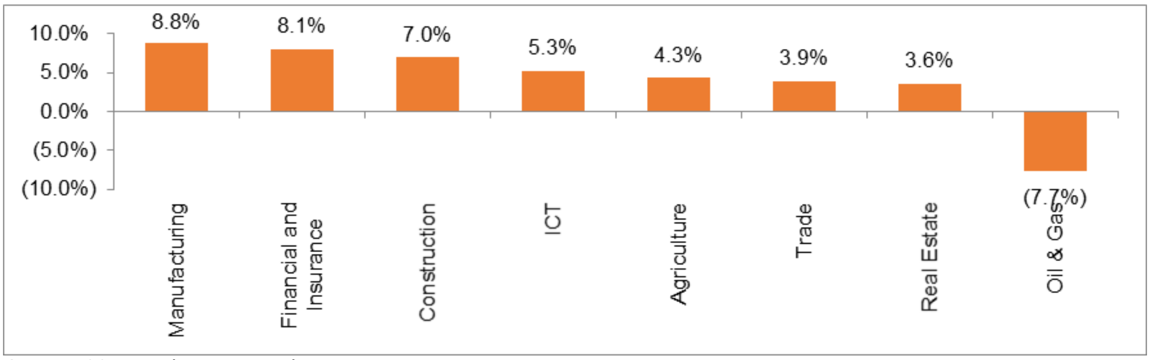
The following table sets forth the contribution to real GDP and growth rate of certain sectors of the Nigerian economy for the periods indicated (based on 2010 constant basic prices):

	31-Dec 2011	31-Dec 2012	31-Dec 2013	31-Dec 2014	31-Dec 2015	30-Sep 2016
Economic sector	**% of GDP**	**% of GDP**	**% of GDP**	**% of GDP**	**% of GDP**	**% of GDP**
Agriculture	23.35	23.91	23.33	22.90	23.11	28.66
Crude Petroleum and Natural Gas	14.95	13.64	11.24	10.44	9.61	8.19
Trade	16.76	16.44	16.62	16.57	16.95	16.39
Manufacturing	7.33	7.98	9.22	9.95	9.54	9.19
Information and Communication	10.58	10.46	10.73	10.81	11.17	10.14

National Bureau of Statistics

Following the 1.2 per cent. contraction recorded in the first half of 2016, Nigeria's economy entered a recession amidst a low oil-price environment. The Nigerian economy contracted further in the third quarter of 2016, primarily as a result of continued negative growth in the oil and gas sector as a result of decreasing oil production numbers. By contrast, the non-oil sector grew slightly during the third quarter of 2016, reversing two successive quarters of negative growth, driven by the growth in the agriculture (crop production), information & communication and other services sectors.

Non-Oil Sectors Driving Economic Growth Average annual growth rate 2012-2016



Source: 2017 Budget Proposal

Nigeria is also the most populous country in Africa, with a population of approximately 180.7 million in 2014, 182.2 million in 2015.

According to the UNDP's World Population Prospects, Nigeria's population was approximately 182.2 million in 2015, representing growth of 2.6% from 2014. Its population was about 186 million as at July 2017.[3] Nigeria has a relatively young population, with 2.7 per cent. of the population aged 65 and above, 53.3 per cent. between the ages of 15 and 64 and 44 per cent. under 15 years of age, as of the end of December 2015. The World Bank estimated the average population density for the country at 195 people per square kilometre in 2014 and at 200 people per square kilometre in 2015. Nigeria's population is unevenly distributed across the country.

2. ECONOMIC OVERVIEW

Government policy has focused on improving infrastructure and reforming key sectors which remain impediments to faster economic growth i.e. power, infrastructure and agriculture

Despite significant expected growth in the economy, Nigeria lacks stable power supply and adequate infrastructure leading to challenges in development of many sectors of the economy. Nigeria's National Integrated Infrastructure Master Plan (2014 – 2043) sets out a 30 year, US$3.1 trillion, action plan to address the nation's infrastructure challenges including power, and transport, amongst others. The aim of the plan is to raise the country's stock on infrastructure from its current level of 20-25% of GDP to 70% by 2043.

In addition, National Economic Recovery and Growth Plan (NERGP) published in March 2017 is a more comprehensive economic plan addresses the implementation of medium-term growth plans, as well as short-term initiatives aimed at strengthening the economy, and is intended to promote national prosperity and an efficient, dynamic and self-reliant economy to secure the maximum welfare, freedom and happiness of every citizen on the basis of social justice and equality of status and opportunity.

Understandably, power infrastructure is a high priority of Nigeria's competing developmental needs. It is estimated that the sector requires US$10 billion to restore the generation and distribution infrastructure in the next few years.

Reforms are critical for Nigeria to overcome the major structural challenges it faces, namely an overreliance on oil exports and a dearth of productive capacity. The reform drive is also expected to attract private sector capital into key sectors over the short-term.

President Muhammadu Buhari who became the first Nigerian presidential candidate to defeat an incumbent president after a peaceful election, has clearly communicated three key priorities – anti-corruption, security and the economy. More specifically – (i) Transparency in the oil and gas sector

[3] CIA World Factbook

and particularly the public sectors involvement in the Nigerian National Petroleum Corporation (NNPC) (ii) To restore security to areas plagued by heightened insecurity; and (iii) To deliver employment and heavy economic growth.

Restoring strength to Nigeria's agriculture sector is a core component of the government's strategy for the economy. There is critical focus on restoring competitiveness in palm oil, cocoa, rice, cassava, sesame, kola nuts etc. which would drive rural incomes, GDP growth and employment. The expectation is an improvement in the balance of payments and reduced reliance on imported food products.

Interest rates and inflation and exchange rates

The Naira to US Dollar exchange rate has historically been sensitive to fluctuations in the price of crude oil. The NGN/USD rate remained relatively stable around N155/$1 - N160/$1 through 2009 and 2013. However, the exchange rate has come under pressure since June 2014 following the decline in oil price, leading the CBN to alter its management of the FX market in February 2015 by closing the Retail Dutch Auction System (RDAS) and taking other administrative measures aimed at stabilising the foreign exchange market. As a result, the NGN/USD remained fairly stable at just below N200/$1 for the most part of 2015. As a result of further pressure on the Naira, the CBN deployed a range of policy interventions with a view to reducing foreign currency demand and avoiding Naira devaluation. Some of these policies include the harmonization of the Cash Reserve Ratio ("CRR") on public and private deposits, ban on banks from accepting foreign currency cash deposits from customers and restriction on accessing foreign currency from the official market for 41 specific items.

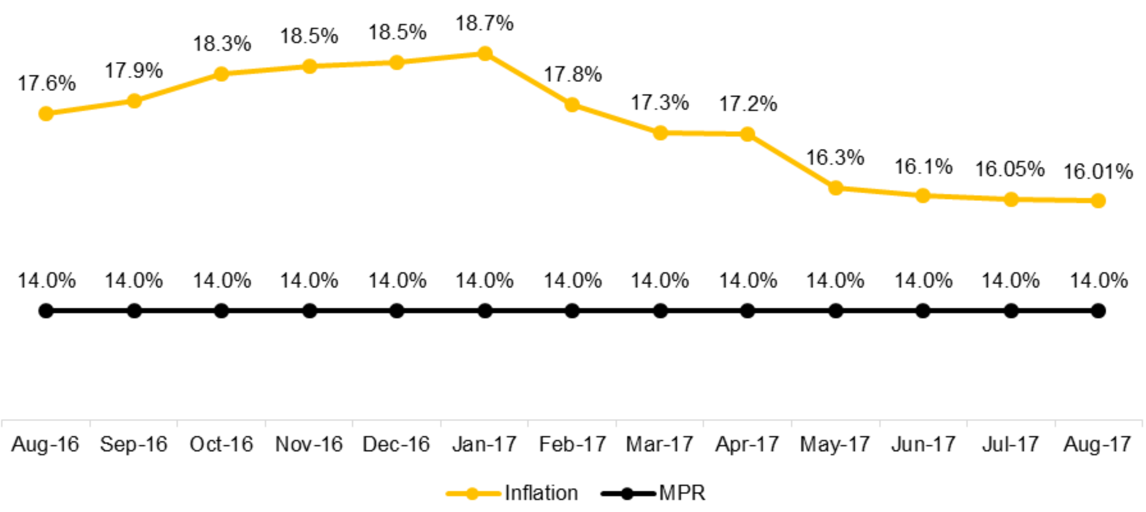
In 2016, the CBN tightened monetary policy as the economy faced the double challenge of contraction and sharply rising prices. Thus, while there was an increase in money supply, this increase was accompanied by sharply rising prices. The CBN also ended its U.S. dollar link on the Naira, allowing it to float freely on the inter-bank market and thus essentially allowing market forces to determine the exchange rate of the Naira to other currencies.

The CBN Official exchange rate is currently N305.35/$1 as at 20 September 2017. The market seems to be slowly gaining confidence in the CBN's newest FX reforms. Since the introduction of the Investors' and Exporters' (I&E) FX window, average daily turnover has increased to up to USD40m daily.[4] However, the CBN accounts for roughly 40% of the transactions. That said, limited visibility and transparency in the I&E window continues to keep the majority of investors away. In order to ease transparency concerns, the FMDQ is expected to publish market depth data subsequently. In the meantime, trading remains intermittent, although effective trading ranges have come lower from 400-410 at the start of May 2017, to around 360-370 as at September 2017. The expectation is for the range to continue moving lower as the backlog of potential portfolio outflows continues to fall.

In order to mitigate foreign exchange shortages in the economy as well as stimulate macroeconomic activity, the new exchange rate policies adopted by the CBN are expected to facilitate a more liquid and efficient foreign exchange market. While the introduction of the flexible exchange rate has further caused the Naira to devalue, it could also lead to a revival in local manufacturing as cheaper, locally produced substitutes will be heavily sought after. Additionally, a cheaper Naira it is expected to have a positive impact on foreign direct investment.

Over the years, a combination of tight monetary policies and modest wage growth have contributed to reduced inflationary pressure on the economy. Inflation has averaged 10.4% from 2007 till December 2015, reaching an all-time high of 15.6% in February 2010 and a low of 4.1% in September 2007. In line with the CBN's target, headline inflation rate remained within single-digits for over 2 years since January 2013.

[4] Standard Bank Research – Africa Markets Revealed, May 2017



Nigerian Bureau of Statistics, CBN

The inflation rate however accelerated in December 2015 with year-on-year inflation levels for headline inflation, core inflation and food inflation reaching 9.6%, 8.7%, and 10.6% respectively. The acceleration could be attributed to the significant increase in consumer prices on the back of tighter fuel supplies and exchange rate pass-through of the NGN devaluation and the removal of the fuel subsidy in Nigeria. These factors continue to impact the Consumer Price Index as year-on-year headline inflation as at September 2016 was 17.9%, up 1000bps from May 2016. The increase in headline inflation in September reflected increases in both food and core components of inflation. However, In August 2017, the year-on change for annual consumer price inflation was 16.0%, compared to 18.7% in January 2017, representing the seventh consecutive month of a decline in the headline consumer price index.[5]

A key priority of the CBN is to reduce interest rates over time and sustain the lower rates such that they provide access to lower cost of funds for development of the real sector. The CBN maintained its benchmark monetary policy rate at 12% from October 2011 till November 2014 when it was increased to an all-time high of 13%. This prolonged tightening phase came to an end in November 2015, when the MPC adopted an aggressive easing stance and cut the benchmark interest rate by 200 bps to 11%, with an asymmetric corridor of -700bps/+200bps. This was in a bid to align monetary policy with the policies of the fiscal authority, which were geared towards stimulating output growth whilst ensuring price stability. In July 2016, in a bid to curb increasing inflation due to high electricity tariffs and price hikes, the CBN increased the MPR rate by 200bps from 12% to 14%. Although inflation has dropped in 2017, the CBN has decided to keep the policy rate unchanged, while actually intensifying its currency sterilization operations[6]

[5] Nigerian Bureau of Statistics Quarterly Reports on Consumer Price Index
[6] Standard Bank Research

3. KEY DRIVERS OF ECONOMIC GROWTH IN NIGERIA

Drivers of growth	
Political reforms	▪ President Muhammadu Buhari's government assumed office on 29 May 2015 and pursued administrative and legislative steps to implement the agenda of the All Progressives Congress ▪ Some of the reforms which the current administration has taken include: – exiting the Joint Venture cash call obligation arrangement with international oil companies; – adopting the Zero Based Budget (ZBB) approach, commencing with the 2016 Budget, with the aim of justifying every government expenditure in line with government policies and priorities; – introducing a Treasury Single Account; – introducing the Efficiency Unit in the Ministry of Finance to guard against financial leakages; and – fully removing the fuel subsidy ▪ Such reforms are critical for the country to overcome the major structural challenges it faces, namely widespread corruption, an overreliance on oil exports and a dearth of productive capacity
Rising consumer class	▪ The outlook for consumer-facing industries is enhanced by Nigeria's attractive profile where the population – the continent's largest – is young, growing and increasingly wealthy ▪ The telecoms and food and beverage sectors have performed strongly over recent years and are expected to continue as GDP per capita rises
Power and Manufacturing	▪ Nigeria's consumer potential presents vast opportunities for manufacturers of finished goods ▪ Development of the manufacturing sector will help Nigeria deal with chronic unemployment issues, which will mitigate political risk and give a further boost to the country's private consumption outlook ▪ Interventions by the World Bank in the power sector are expected to provide the much needed capital to further develop the sector
The oil sector	▪ With a driver towards diversification, it is expected that the oil sector will contribute very little to economic growth over the forthcoming years, especially due to low crude oil prices and increased restiveness in the Niger Delta Region ▪ Nevertheless, the sector still accounts for the vast majority of fiscal and export revenues and will therefore be important to currency, price and general macro stability that are crucial for sustainable economic growth over the coming years
Agriculture reforms	▪ Agriculture contributed 23% to Nigeria's GDP in Q2 2017 ▪ Continued improvement in access to agricultural inputs over the coming years ahead will see yields rise and will boost the contribution of agriculture to GDP growth ▪ It will also increase the disposable income of the many Nigerians who rely on farming for their livelihood, which in turn will increase demand for consumer goods and services

4. POLITICAL OVERVIEW

Nigeria's political, economic and social stability has and will continue to be adversely affected by political and religious conflicts, terrorism, and social and religious tensions, any or all of which may materially and adversely impact economic conditions and growth in Nigeria.

Following years of some political and religious conflicts, Nigeria is experiencing some stability in its political landscape. Divisions are typically based on geography which was magnified by religious differences, particularly between the north, which has a predominantly Muslim population, and the south, which has a predominantly Christian population. Certain northern states have adopted Sharia law since the return to civilian rule in 1999. Other than the People's Democratic Party and the All Progressives Congress, many of Nigeria's political parties are based largely upon regional allegiance. These regional affiliations have in the past contributed to political and religious tension, which can also lead to social unrest.

Nigeria has also, from time to time, experienced attacks and kidnappings in parts of the country, particularly in the northern and south-southern states. It is believed that the attacks in the northern states have been carried out by Islamist militia groups based in the north, such as Ansaru and Boko Haram. Since his election in 2015, President Buhari has focused on combating terrorism in Nigeria as one of the key priorities of the Government, and has the support of Western governments and a joint task force consisting of military forces from Nigeria, Chad and Niger.

Insurgent activities in the north-east region of the country have also resulted in social and economic damage. The destruction of farm lands and a lack of labourers to engage in farming due to security fears have adversely affected agricultural production in the region and have resulted in instances of famine. Despite the recent successes in combating insurgent groups, the risk of insurgents regrouping remains, with the group's biggest and most recent attack on the northeast Nigerian city of Maiduguri.[7] In order to stabilise the political stirrings, it is imperative that the Government is able to address the root of the problems that contribute to this (such as poverty, low level of education, religious intolerance, weak enforcement of law and order and insecurity).

In the south eastern part of the country, secessionist sentiment has lingered in the region since the Biafra separatist rebellion tipped Africa's most populous country into a civil war between 1967 and 1970 that killed an estimated one million people. More recently, a group known as the Indigenous People of Biafra ("IPOB") has emerged campaigning for the secession of a part of south-eastern Nigeria, formerly known as Biafra.[8]

In view of generating wealth and easing tensions in the country, the long term goal of the current political administration is to achieve lower oil dependency and develop a diversified, competitive and investment-driven economy. In achieving this, the administration is currently focused on three key themes:

A. Amplifying the economic impact of policies

- Aim is to deliver sustainable economic growth and development
- A key focus of the current administration is to drive growth in key sectors of the economy and to facilitate infrastructural development
- An increase in capital expenditure of over 30% was provided for in the 2017 budget (NGN2.1trn from NGN1.6trn in 2016)
- Policy goal of import substitution in agriculture and manufacturing to improve domestic productivity along the value chain and a renewed focus on social safeguards

[7] Reuters, 8 June 2017
[8] Reuters, 12 September 2017

B. Reducing the exploitation of its citizens through an anti-corruption drive:

- Aim is to curb revenue leakages and create an effectual civil service
- Focused drive to resolve the interlinked challenges of corruption, insecurity and economic underperformance through:
  - Reforming the opaque and mismanaged oil sector by revamping the Nigerian National Petroleum Corporation (NNPC)
  - Tightening leakages in key government ministries (Defense, Customs, Finance and Budget)

C. Improving the level of security amidst insurgency:

- Aim is to restore security to the areas plagued with unrest
- The government has a defined objective of eliminating insurgency in the country's North East region
- President Buhari's military experience, his strong support in northern Nigeria and his dedication to this challenge has seen the government deliver clear advances in the fight against armed militancy in the north
- Emerging threats in the Niger Delta region receiving focused attention through negotiations with militant groups in the region who had resumed attacks on oil and gas facilities

The Information in this section has been extracted from publicly available data obtained from organizations such as the CBN, the International Monetary Fund and other sources believed to be reliable. The Issuer and the Sponsor have relied on the accuracy of this information without independent verification and make no representation as to its accuracy.

The Nigerian banking sector currently consists of 27 licensed banks, comprising 22 commercial banks, four merchant banks and one specialised bank with banking licenses to provide financial services to institutional, commercial, and retail clients. Over the years, the banking sector has undergone several regulatory driven reforms generally classified into phases.

In the first two decades after independence in 1960, the Nigerian financial sector was heavily regulated. Ceilings were placed on interest rates and credit expansion, reserve requirements, and minimum capital requirement were increased several times and restrictions placed on entry into the industry. However, in 1986, the malfunctioning of the financial system led to the introduction of the Structural Adjustment Program reform. Although it had been anticipated that the reforms would turn the economy around, it only led to unprecedented distress within the banking sector. New reforms were put in place between 1993 and 1998 but failed to remedy the situation. In 1999, a third phase of reforms which led to the liberalization of the industry and the adoption of a universal banking model was embarked upon. A more comprehensive reform phase began in 2004. The CBN introduced a number of reforms, including a requirement that all banks raise their minimum capital base. These reforms were marked by recapitalization and consolidation of several banks which were identified as suffering from structural and operational weakness, and consequently, visible improvements occurred within the sector. Following the implementation of the reforms, 25 banks emerged out of the 89 that existed in July 2004. As of January 2017, there were 27 licensed banks in Nigeria, comprising 22 commercial banks, four merchant banks and one specialized bank. This success was short-lived as the global financial crisis of 2008 revealed more weaknesses within the system and led to the fifth and current phase, which began in 2009.

The Bridge Banks

In June 2009, the CBN embarked on a systemic reform of the banking sector to assist and support the banking sector in overcoming the 2008-2009 global financial crisis and its impact. The reform was founded on four key pillars: enhance the quality of the banks, establish financial stability, enable healthy financial sector evolution and ensure the financial sector contributes to the real economy. Following a joint examination conducted in May 2009 by the CBN and Nigeria Deposit Insurance Corporation ("**NDIC**"), it was discovered that 10 out of the then 24 Nigerian commercial banks had substantial non-performing loans, suffered from poor corporate governance, capital adequacy deficiencies and were illiquid. The Asset Management Company of Nigeria ("**AMCON**") was established in 2010 to buy bad debts off the Nigerian banks' balance sheets. This was done in the wake of the global financial crisis of 2008 which had a negative impact on the banks' balance sheets through increased provisioning for bad debts, lower profitability and deterioration in the quality of banks' assets. The industry again witnessed another round of mergers and acquisitions such as Ecobank's acquisition of Oceanic Bank, the merger of Finbank with First City Monument Bank Limited, the merger of Intercontinental Bank with Access Bank PLC, and the acquisition of Equitorial Trust Bank by Sterling Bank. The exercise resulted in the CBN revoking the licenses of Spring Bank (Enterprise Bank), Afribank (Mainstreet Bank), and Bank PHB (now Keystone Bank) (jointly referred to as "**Bridge Banks**"). The CBN's rationale behind the intervention was to resolve liquidity challenges in the country's banking system and to restore stability and confidence to the banking sector.

Further to this, the NDIC through a purchase and assumption of all the assets and some of the liabilities of these banks, formed three new bridge banks, namely Mainstreet Bank Limited, Keystone Bank Limited, and Enterprise Bank Limited. AMCON purchased the nominal shares of NDIC in the Bridge banks and subscribed for the capital increase in the three banks and capitalised the banks in exchange for 100% share ownership by bringing the net asset value to zero and taking the banks beyond regulatory required capital adequacy. AMCON in exchange for absorbing the eligible bank assets (bad loans) of the banks, issued zero-coupon government-backed bonds. The CBN restored the banking licences of Societe General Bank (now known as Heritage Banking Company Limited) and Savannah Bank PLC (not currently operating).

In 2014, AMCON concluded the sale of its entire equity stakes in Enterprise Bank to HBCL Investment Services Limited (a special purpose vehicle sponsored by Heritage Banking Company Limited) and Mainstreet Bank Limited to Skye Bank PLC for ₦56.1 billion and ₦126 billion. In 2016, a year after Skye Bank PLC's acquisition, there was a takeover by the CBN in view of concerns regarding the bank's liquidity, capital adequacy and corporate governance. In 2017, AMCON concluded the sale of Keystone Bank Limited to Sigma Golf-Riverbank Consortium (comprising Sigma Golf Nigeria Limited and Riverbank Investment Resources Limited) for ₦25 billion.

Repeal of the Universal Banking Model

In October 2010, the CBN repealed the universal banking guidelines and issued new rules and guidelines for the banking sector - "Regulation on the Scope of Banking Activities & Ancillary Matters, No. 3, 2010" ("**Regulation 3**") aimed at streamlining banking operations in Nigeria as well as reducing the exposure of the banks to higher operational risks. Under Regulation 3, only commercial banks, merchant banks, and specialized banks (which include non-interest banks, microfinance banks, development banks, and mortgage banks) would be permitted to carry out banking businesses in Nigeria. This rule effectively required banks to divest from all non-banking business or to adopt a non-operating holding company structure in compliance with the regulation. Under Regulation 3, commercial banks were also required to maintain a minimum paid up share capital of ₦10 billion for institutions granted a regional banking license, ₦25 billion for institutions granted a national banking license and ₦50 billion for institutions granted an international banking license.

The CBN believed the erstwhile universal banking regime exposed banking business to greater risks that challenge the stability of the financial system. The risks arose because most banks have limited skills to cover the entire banking spectrum in the banking group, resulting in increased risk from affiliate transactions, improper allocation of depositors' funds to high risk businesses such as proprietary trading and investments, and weak group corporate governance structures. The objective of the new model is to make banks focus on their core banking business and develop specialization.

Banks such as First Bank of Nigeria, First City Monument Bank Plc (FCMB), Stanbic IBTC and United Bank for Africa have adopted the Holding Company structure.

Issuance of merchant Banking License

In 2012, the CBN issued the first merchant banking licenses in more than a decade to Rand Merchant Bank Nigeria Limited and First Securities Discount House (FSDH) Merchant Bank Limited. These two banks were the first merchant banks to be licensed since the CBN reintroduced merchant banks which were phased out following the advent of universal banking in 2004. There are currently four merchant banks operating in Nigeria. Merchant banks are required to have a capital base of ₦15 billion.

Since then, the CBN has issued licences to other merchant banks in Nigeria including RMB Nigeria, Coronation Merchant Bank Limited and FBN Merchant Bank Limited.

Changes to Tariff Structure

The CBN announced the re-introduction of a ₦65 fee on remote ATM withdrawals with effect from September 2014. As a result of this policy, a customer's bank will pay the ATM Bank and the inter-bank switch operator ₦65 for the first 3 remote transactions while the customer will pay for subsequent remote transactions per month.

Under this new tariff structure, the CBN announced gradual reduction in the permitted Commission on Turnover charged on current accounts from 2013 and eventual phase-out by 2016. Furthermore, there was an increase in interest rate on savings accounts where a minimum payment of 30% of the MPR per annum is required on savings deposits. This is expected to impact banks' cost of funds.

Pressures of the CRR on liquidity

Public sector deposits have historically accounted for an average of c.25% of banking sector deposits. Its relatively lower cost of funds made it an important source of funding for banks as they sought margin expansion. However, the dynamics have since changed. The series of hikes in public sector CRR by the Monetary Policy Committee ("**MPC**") of the CBN up from 12% in October 2012 to 75% in January 2014 reduced the importance of public sector funding. Given the concerns about classification of public/private sector deposit, the MPC at its May 2015 meeting harmonized the CRR for both public and private sector deposits at 31%.

Constrains on the liquidity of the banking industry have been further exacerbated by the institution of the Treasury Single Account ("**TSA**"). The TSA is a unified structure of government bank accounts which gives a consolidated view of government cash which were previously deposited in various banks across the country. As such there is significant pressure on banks to source funding outside government deposits. Whilst the autonomy from public sector deposits has been a lingering issue, in recent times, concerns over public sector loans have begun to emerge. With the continuous pressure on the price of crude oil in the international market, it is expected that the government will experience difficulty with raising additional capital to fund projects given that banks are expected to decrease their loan exposure to government parastatals as a reduced share of Federal Government's revenue allocation portends.

Foreign Exchange

Following a sharp decline in international oil prices, the ensuing fall in foreign exchange earnings and the widening margin between the inter-bank exchange rate and the Official Rate, prompted speculative activity by economic actors. These put pressure on foreign exchange reserves which caused the CBN to close the official foreign exchange auction window to avert the emergence of a multiple exchange rate regime and preserve the country's foreign exchange reserves.

In 2016, average monthly FX sales by the central bank fell to around USD1.4bn from USD2.0bn in 2015 and about USD3.2bn between 2013 and 2014 according to CBN data. In short, between 2015 and 2016, FX supply by the CBN more than halved from USD38.0bn in 2014 to USD16.8bn in 2016. The portfolio outflows of some USD12.4bn between 2014 and 2015 also exacerbated the FX supply-demand imbalance. At its height the backlog in demand for FX topped USD6.0bn. This comprised demand for goods imports as well as invisibles such as income remittances, payment for services and capital outflows.[9]

In June 2016, the CBN commenced operation of a liberalized single market structure with the introduction of an autonomous inter-bank foreign exchange market, thereby terminating the CBN pegging of the Naira to the U.S. dollar. Under the new policy, the CBN continues to intervene in the inter-bank market as required to meet genuine and legitimate demands in the single market (for the primary purposes of improving liquidity and volatility management) by purchasing or selling foreign exchange at no predetermined or maximum spread through the two-way quote system.

[9] *Source: Standard Bank Research*

In October 2016, the CBN approved Special Secondary Market Intervention Sales ("**SMIS**") for airlines operating in the country to enable them to access foreign exchange. On December 23, 2016, the CBN sold foreign exchange worth N1 billion on the forward market to clear a backlog of dollar obligations in selected sectors.

In February 2017, the CBN authorized the sale of foreign currency for personal travel allowances in the amount of $4,000 per quarter per qualified applicant and for qualified school fees in the amount of $15,000 per term or semester. In March 2017, the CBN directed all banks to adopt certain measures aimed at facilitating and expediting authorized retail sales of foreign currency. The CBN then created yet another FX market by introducing the Investors' and Exporters Foreign Exchange ("**IEFX**") window in April 2017 with the intent to increase liquidity in the foreign exchange market in Nigeria and ease the FX supply-demand mismatch

Research estimates suggest that a majority of the current backlog of c.US$ 2.0bn comprises mostly obligations between local subsidiaries of multinational companies and their parent companies. Given the increase in FX liquidity recently, it appears as if some of these multinationals are reasonably comfortable retaining credit exposures to their local subsidiaries and may, in fact, be exploring the possibility of converting such obligations into either debt or equity capital. Domestically-owned entities appear to have met a substantial portion of their accumulated import obligations.

The CBN has reiterated its commitment to sustaining market interventions to promote supply and liquidity while striving also to achieve exchange rate stability. This ability to boost FX sales has been underpinned by rising oil exports as well as a number of one-off payments into reserves. The level of foreign exchange reserves in the near term and over the next few years will depend on the price of crude oil in the international market, the cost of continued funding of imports and foreign capital flows.

Mobile Money and Cashless Policy

The CBN introduced a new policy that aims to reduce the amount of tangible cash circulated in the economy and encourage electronic based transactions. CBN stipulates charges for daily cash withdrawals exceeding ₦500,000 for individuals and ₦3,000,000 for corporate entities. The policy has:

- driven the development and modernization of payment system closer to Nigeria's 2020 goal of being amongst the top 20 economies by the year 2020.
- reduced the cost of banking services by providing more efficient transaction options and greater reach; and
- improved the effectiveness of monetary policy in managing inflation and driving economic growth.

Mobile money is a product of the cashless society and was introduced by the CBN to allow for the transfer of money using phones. It ties in with the CBN's aim of a cashless society and it reduces the cost and risks associated with traditional banking transactions. The service enables customers to open a mobile money account to store an electronic value of money to their mobile phones, using their mobile number as an account number. Customers are also able to transfer money to any mobile number, spend the money directly from their mobile money account to pay for goods as well as to buy airtime for themselves and others.

Use of Bank Verification Number ("BVN")

The CBN, in conjunction with the Bankers Committee introduced a financial inclusion strategy targeted at increasing access to financial services for many Nigerians at reduced cost. Following the introduction of "cashless policy" in 2013, the CBN kicked off the Bank Verification Number (BVN) project in February 2014. The BVN initiative aims to allocate a unique identification number to every customer which can be verified in the Nigerian banking system. The objectives are to improve banking reach, capture customers' data, reduce fraud, and enhance credit growth over the long term.

Over 2,000 BVN machines were deployed in 2014 to facilitate the enrolment process. An initial deadline of 30 June, 2015 was set by the CBN for the completion of the BVN enrolment exercise but was extended to October 31, 2015. According to the CBN, the extension was expected to facilitate a smooth completion of the registration exercise.

Recent Policies and Developments

- In the first quarter of 2017, the total assets and liabilities of commercial banks stood at ₦32.4 trillion[10] which represents 2.4 per cent increase from December 2016. Banks' credit to the domestic economy also grew by 1.1% to ₦21.7 trillion[11] over the same period.
- The Nigerian banking sector is driving digitisation and leveraging technology in the sector with about c.304 million transactions with a value of ₦22.0 trillion recorded across electronic payment channels in Q1 2017
    - 60% attributed to Nigeria Inter-bank Settlement System Plc ("NIBSS") Instant Payment
- At the 114th Monetary Policy Committee (MPC) meeting in July 2017, the MPC noted that the country is on a path to moderate recovery with a positive short to medium-term outlook anchored largely on fiscal stimulus, stable naira exchange rate and retreat of inflation.
- In consideration for the challenges facing the domestic economy and uncertainty in the global environment, the MPC retained the following policies for the banking:
    - Monetary Policy Rate at 14 per cent
    - CRR at 22.5 per cent
    - Liquidity Ratio at 30 per cent
- In April 2017, the CBN through a circular issued to Deposit Money Banks suspended charges on over-the-counter or ATM withdrawal above ₦500,000 or deposit of the same amount effective from 1 April 2017
- The CBN communicated the reversion to previous charges, which are:
    - 3% on individual lodgments or withdrawals
    - 5% on corporate accounts for lodgments or withdrawals over ₦3 million

[10] Central Bank of Nigeria - Economic Report (First Quarter 2017)
[11] Central Bank of Nigeria - Economic Report (First Quarter 2017)

HISTORY AND PROFILE

The Issuer was incorporated in Nigeria on the 24th of May, 2017 (with registration number 1415305) as a public limited company under the name of "RMB Nigeria Issuance SPV PLC". The Issuer carries on business at Plot 266B, Kofo Abayomi Street, Victoria Island, Lagos. The Issuer has no subsidiaries or affiliates and has been established as a special purpose vehicle for the purpose of raising, acquiring, investing or selling debt capital from the Nigerian capital markets or otherwise, either on a standalone basis or by establishing a programme (such as this Bond and Structured Note Programme) to support the balance sheet asset growth, regulatory capital management and liability management objectives of RMB Nigeria through issuance of Bonds or originating or creating asset opportunities, independent of RMB Nigeria's balance sheet, for syndication to its partners and third party investing clients (via arranging the issuance of Structured Notes).

The authorized and issued share capital of the Issuer is ₦1,000,000 divided into 1,000,000 ordinary shares of ₦1.00 each and are held through its nominees: 999,999 shares are held by the Share Trustee under the terms of a Share Trust Deed,for the benefit of certain charitable purposes. One (1) share is held by Oluwadamilola Ajayi as nominee of the Share Trustee.

The Share Trustee has no beneficial interest in and derives no benefit (other than any fees for acting as Share Trustee) from its holding of the shares. Neither the Sponsor nor any associated body of the Sponsor owns directly or indirectly any of the shares in the share capital of the Share Trustee or the Issuer.

SPV BUSINESS ACTIVITIES

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and registration as a public limited company, the authorization and issue of the Bonds and Structured Notes and of the other documents and matters referred to or contemplated in this document to which it is or will be a party and matters, which are incidental or ancillary to the foregoing.

SPV BOARD OF DIRECTORS AND KEY MANAGEMENT STAFF

The Issuer has no employees. The directors are employees of the Share Trustee. The Secretary of the Issuer is the company secretary of the Share Trustee.

Theresa Orji – Director

Theresa Orji holds a Bachelor of Laws (Hons) Degree from the University of Benin (2006) and was called to the Nigerian Bar in 2007. She subsequently obtained an LLM (International Business Law) from the University of London in 2013.

Theresa is the Head of Trust Business, Vetiva Trustees Limited. Since her secondment to Vetiva Trustees Limited from Vetiva Capital Management Limited ("Vetiva") in 2009, she has held several positions including Legal & Trust Services Executive, Senior Trust Relationship Manager and garnered experience in origination, structuring, documentation and execution for various trust business areas including syndication lending, security trust arrangements bond trusteeship, collective investment and employee benefit schemes, etc, as well as private trusts. Theresa also worked as a Legal Assistant with the Justice Development & Peace Commission, a Not-for-Profit Organisation dedicated to peace-building and conflict resolution.

Ameze Osague–Iduh – Director

Ameze possesses a Bachelor of Laws (Hons) Degree from the University of Benin (2003) and was called to the Nigerian Bar in 2004. She subsequently obtained an LLM (International Business Law) from the University of London in 2013.

Ameze was seconded to Vetiva Trustees Limited from Vetiva in 2010 and is Chief Compliance Officer of Vetiva Trustees Limited. Prior to joining Vetiva in 2007, Ameze worked at the law firm Udo Udoma & Belo-Osagie for several years gaining experience in legal drafting and transaction documentation. Ameze has distinct competence in legal due diligence for corporate investors specifically in relation to corporate governance and regulatory compliance. She also has expertise in articulating and preparing standard trust documentation for private and corporate transactions.

ALP Nominees Limited – Company Secretary

ALP Nominees Limited was incorporated on 7 August 2002, with registered offices at 21 Military Street, Onikan, Lagos. ALP Nominees Limited, a subsidiary of Akindelano Legal Practitioners, has a core group of practitioners and offers a wide range of services, with a commitment to ensuring that its clients remain in good corporate standing and that the highest standards of integrity and confidentiality are maintained.

Since commencing business, ALP Nominees has secured mandates to act as secretaries to both large and small companies. These include CCECC Nigeria Limited, Lekki Free Trade Zone Development Company Limited, Wartsila Marine and Power Services Nigeria Limited, Toucan Aviation Support Services Limited, Vetiva Capital Management Limited, Grand Oak Limited and Nigeria Distilleries Limited.

HISTORY AND PROFILE

RMB Nigeria was incorporated as a private limited liability company in May 2012. Following its incorporation, RMB Nigeria was licensed by the CBN to operate as a merchant bank in November 2012 and commenced operations in April 2013. RMB Nigeria offers its clients innovative, value-added advisory, funding, trading, corporate banking and principal investing solutions. Through RMB Nigeria's knowledge of the local financing requirements, legal and jurisdictional frameworks, together with the expertise and balance sheet of FirstRand Limited, the Bank is able to service the needs of the Nigerian economy across several sectors.

RMB Nigeria is a wholly owned subsidiary of FirstRand EMA Holding (Proprietary) Limited, a company incorporated in the Republic of South Africa, which owns 99.9% of its ordinary shares. The ultimate parent company is FirstRand Limited, the largest financial institution in Africa by market capitalization (c.US$20.7Billion) and one of the largest companies listed on the Johannesburg Stock Exchange. RMB Nigeria's parent company, FirstRand Limited has Total Assets of c.US$86 Billion, Net Income of c.US$1.7 Billion, Return on Equity of 23.3% and Return of Assets of 2.2% as at its June 2016 financial year-end.

In Nigeria, RMB Nigeria has a wealth of transactional experience ranging from advisory on infrastructure projects to funding of various transactions across multiple sectors having established a representative office in Lagos, Nigeria in 2010 which subsequently metamorphosed into a fully-fledged merchant bank - Rand Merchant Bank Nigeria Limited as it is known today.

RMB Nigeria is an investment bank built on traditional values and innovative ideas. This business philosophy is the pledge that underpins everything RMB Nigeria is and everything RMB Nigeria does. To deliver on this philosophy, the Bank employs smart, talented and passionate people who are committed to excellence and who can thrive in an entrepreneurial environment.

RMB Nigeria's shareholder base as at December 31, 2016 comprises of;

Shareholder's Name	No. Of Outstanding Shares	% of shareholding
FirstRand EMA Holdings (Pty) Limited	17,999,999,999	99.999
FirstRand Investment Holdings (Pty) Limited	1	0.001
TOTAL	**18,000,000,000**	**100.0**

RMB NIGERIA'S BUSINESS ACTIVITIES

RMB Nigeria operates through three business units; Corporate Banking, Global Markets and Investment Banking with the Client Coverage function supporting each of the three business units. The various product areas that make up each of the business units are shown below.

Investment Banking	Global Markets	Corporate Banking
	Coverage	
Debt Financing Group	Research	FX Product House
Real Estate Investment Banking	Structuring and Distribution (FX, Interest Rate & Commodities)	Trade and Working Capital Facilities
Infrastructure Finance	Money Markets	Transactional Banking
Resource Finance	Investment Solutions	Mid Tier Corporates
Acquisition & Leveraged Finance	Forex Trading	
Corporate Finance & ECM	Fixed Income Securities Trading	

Overview of Select RMB Nigeria's Products & Services:

Corporate Finance – The RMB Nigeria Corporate Finance team have been involved in several leading advisory transactions and are renowned for providing innovative solutions to complex transactions across a wide range of industries through Mergers and Acquisitions, Listings, Equity-linked funding, Share buy-back solutions, Principal investments, Valuations, Corporate Restructuring, Capital raisings and Leverage Buyout transactions.

THE Nigerian STOCK EXCHANGE	MMI HOLDINGS	BUA GROUP	Actis	Actis / PARAGON / RMB westport
Demutualization	50% acquisition of United Metropolitan Insurance Nigeria Limited	Sale of Flour and Pasta business to Olam International for	Acquisition of majority stake in Sigma Pensions Ltd. For	Sale of Ikeja Mall for
	US$16.5m	US$275m	US$62m	US$155m
Ongoing	2016	2016	2015	2015
Co-Financial adviser	Financial adviser	Financial adviser	Financial adviser	Financial adviser

Infrastructure and Project Finance – RMB Nigeria has an experienced, multi-disciplinary team that tailors funding solutions for infrastructure projects in Nigeria structuring the most appropriate arrangement. RMB Nigeria has solutions to meet the needs of our clients, whether for project finance, export credit finance, on-balance sheet lending or a combination thereof across the entire capital structure, including senior debt, mezzanine debt and equity. The Bank operates across all key infrastructure sectors, including: Public Private Partnerships (PPPs); power; renewable energy; ICT; roads; rail; ports; water; industrial and manufacturing facilities; and state-owned enterprises.

AZURA	IHS Towers of strength	MTN
450MW OCGT IPP	US$800m Capex Facility for shared tower infrastructure	US$3bn Term Syndicated Loan Facility
US$900 million	US$800m	US$3bn
2015	2015	2013
Joint Mandated Lead Arranger and Hedging Bank	Mandated Lead Arranger	Original Lender

***Leveraged Finance* –** RMB Nigeria's Leveraged Finance team develops and structures innovative, multi-disciplinary and integrated financial solutions for clients wishing to implement and effect: corporate acquisitions; balance sheet optimization; recapitalizations; management buy-outs; and leveraged buy-outs undertaken by equity sponsors and investment holding companies. The team covers all aspects of debt solutions, including debt arranging; debt structuring advisory; term debt funding (senior, mezzanine and hybrid capital funding solutions); and preference share funding and perpetual preference shares.

DANGOTE	AOS Orwell	Interswitch
US$3.3bn Term Syndicated Loan Facility	US$80m 4 year funding	N5.4bn Term Loan and RCF
US$3.3bn	US$80m	N5.4bn
2013	2014	2016
Senior Lead Arranger	Joint Lender	Mandated Arranger

***Loan Solutions* –** The Loan Solutions team ensures that each business has the right level of debt funding at the right time. From short term to long term debt solutions; domestic to international syndicated loan transactions; multi-sector and multi-jurisdictional expertise and has originated and executed significant corporate loan facilities with our clients in order to enable them meet their specific funding requirements.

african industries	AFC AFRICA FINANCE CORPORATION	ZENITH	BUA SUGAR REFINERY	SAB MILLER
N2bn Term Loan Facility	US$300m Club Term Loan Facility	US$300m Syndicated Loan Facility	US$100m Term Loan Facility	US$160m Loan Facility
N2bn	US$300m	US$300m	US$100m	US$160m
2016	2014	2014	2013	2013
Sole Lender	Mandated Lead Arranger	Mandated Lead Arranger	Joint Lender	Original Lender

***Debt Capital Markets (DCM)* –** RMB Nigeria's multidisciplinary Debt Capital Markets (DCM) team offers corporate clients (including state-owned enterprises and sovereigns) in sub-Saharan Africa on and off-balance sheet financing solutions to meet their capital raising requirements. The DCM team works across multiple sectors, asset classes and currencies, has specialist legal and regulatory skills, and has strong relationships with rating agencies. Solutions include: Corporate bonds, Sovereign bonds, Convertible bonds, Securitizations, Inflation linked notes and Interest loan notes.

African Development Bank Group ("AfDB") N12.95bn 7 year Medium Term Note

2014

Joint Issuing House & Bookrunner

Real Estate Investment Banking (REIB) – RMB Nigeria's REIB team is active in all areas of the real estate finance market in Nigeria, ranging from the funding of shopping centres and office developments, to the structuring of long-term debt solutions for the listed property sector and owners of large, unlisted portfolios in partnership with the RMB Westport Africa Property Development Fund.

Wings Towers

Construction / Term Loan

US$100m

2013

Joint Lead Arranger

Resource, Oil and Gas Finance – RMB Nigeria's Resource Finance team comprises talented individuals (former mining and petroleum engineers) who offer our clients the best solutions for their financing requirements. The skills and experience in the oil and gas industry, combined with their project finance skills enable us to deliver strategic advice and superior term debt financing to the local resources sector. The team has worked across the oil industry with a specific focus on providing finance to the Upstream (development finance, receivables finance and borrowing base and reserve based lending), Midstream (oil and gas pipelines and storage facilities) and oil services industry.

eland oil & gas plc	LEKOIL
US$19m accelerated placing of Eland Oil & Gas shares	US$46m placing of Lekoil shares
2016	2015
Joint Bookrunner	Placing Agent

Global Markets – RMB Nigeria's Global Markets team is made up of highly experienced, widely skilled specialists and dealers who provide a comprehensive range of Global Markets risk management, investment and business solutions to clients via: Foreign exchange risk solutions, Interest rate risk solutions, Liquidity (cash flow) risk solutions, Fixed income solutions, Commodity risks solutions and Investment solutions. The team partners with institutional clients to create long-term, reliable and sustainable execution whilst also providing the clients with alternative and enhanced fund solutions.

Corporate Banking – RMB Nigeria's corporate banking team delivers complex corporate transactional banking solutions through its transactional banking and trade and working capital solutions as seen below;

- Transactional Banking Solutions: Liquidity Management, Payments/Receipting and Working Capital Transactional Facilities
- Working Capital Finance: Supply Chain and Distribution Finance Solutions
- Trade Finance Solutions: Letters of Credit, Bills of Collection and Working Capital

The corporate banking team also offers bespoke banking solutions in support of RMB Nigeria's mid-tier corporate clients' value chains. The transactional banking solutions are further enhanced by our Global Markets offering to ensure a holistic treasury solution for our Clients.

Client Coverage - Client service is a core strategic thrust within RMB Nigeria, and we continually seek to improve the way we interact with our clients. RMB Nigeria's clients have access to a Coverage team to service and advise them on the combined products and services of RMB Nigeria and the broader FirstRand Group. The Coverage team members are industry specialists who understand the major market and economic drivers impacting their industries. RMB Nigeria has advised clients on key strategic sectors, including: financial services; oil and gas; power; telecommunications; agriculture; general manufacturing/industrials; financial sponsors; public sector and consumer goods.

RMB Nigeria's Deal Track Record in Nigeria:

RMB Nigeria has advised on and financed many projects, including resources projects, mergers and acquisitions and property developments in Nigeria over varied sectors as seen in the table below.

Client	Nature of the Deal	Deal value
AES Nigeria	RMB Nigeria provided financing for AES Nigeria's power barge station.	US$125-m
Exxon Mobil NNPC JV	RMB Nigeria provided funding for Exxon Mobil NNPC JV reserve development programme.	US$50-m
AOS Orwell	RMB Nigeria refinanced a loan to a private equity backed oil services company.	US$80-m
BP	RMB Nigeria through FirstRand confirmed an oil import documentary credit in favour of BP.	US$61-m
Dangote Industries	RMB Nigeria acted as senior lead arranger as part of a loan syndication for Dangote Industries' expansion into fertilizer and petrochemicals production	US$3.3-bn
BUA Group	RMB Nigeria acted as co-lender to fund the construction of a sugar refinery in Port Harcourt.	US$100-m
BUA Group	RMB Nigeria acted as financial adviser to the BUA Group on the divestment of its wheat milling and pasta manufacturing assets to Olam International Limited.	US$275-m
SAB Miller Plc	RMB Nigeria structured a term loan facility for SAB Miller Plc.	US$160-m
International Breweries Plc	RMB Nigeria provided a N4.0-bn facility to International Breweries Plc.	N4.0-bn
OLAM Nigeria	RMB Nigeria provided a working capital facility to OLAM Nigeria.	N3.2-bn
Crown Flour Mills	RMB Nigeria provided a working capital facility to Crown Flour Mills in Nigeria.	N2.0-bn

African Steel Mills	RMB Nigeria provided a Naira term-debt facility to African Steel Mills.	N3.5-bn
IHS	RMB Nigeria was the joint mandated lead arranger and bookrunner for a capex facility for IHS in Nigeria.	US$800-m
Ikeja City Mall	RMB Westport developed and let Ikeja City Mall (the largest retail complex in West Africa) in Lagos.	US$95-m
Oando Wings	RMB provided a US$ development and term-debt facility to Oando Wings.	US$50-m
Actis, RMB Westport, Paragon Holdings ('Sellers')	RMB Nigeria acted as financial adviser to the Sellers on the sale of Ikeja City Mall to Hyprop Investments Limited and Attacq Limited – a JSE-listed real estate capital growth fund.	US$155-m
AFDB	RMB Nigeria acted as joint issuing house and bookrunner on the Africa Development Bank's (AFDB) seven year medium Naira term note.	N12.95-bn
Africa Finance Corporation (AFC)	RMB Nigeria was the mandated lead arranger of a bilateral syndicated and club loan for the Africa Finance Corporation (AFC).	US$50-m US$250-m US$300-m
Zenith Bank	RMB Nigeria acted as initial mandated lead arranger, bookrunner and facility agent for Zenith Bank's inaugural syndicated loan.	US$350-m
First Bank	RMB Nigeria has been involved in various oil import LC confirmations for First Bank.	US$290-m
Actis	RMB Nigeria acted as financial adviser to Actis in the acquisition of a majority stake in Sigma Pensions Limited.	US$62-m
MTN Nigeria	RMB Nigeria acted as mandated lead arranger of a syndicated medium term facility for MTN Nigeria.	US$300-m
Airtel	RMB Nigeria participated in the Zain Africa acquisition by Airtel.	US$8-bn
Azura	RMB Nigeria provided a US$ term-debt facility to Azura – a Greenfields IPP.	US$900-m
Interswitch Limited	RMB Nigeria acted as sole lender for loan facilities to Interswitch Limited	N5.4-bn
GZI Industries Limited	RMB Nigeria acted as Lead Arranger as part of a larger N17 Billion syndicated loan	N3.0-bn
OVH Energy (BVI)	RMB Nigeria acted as Mandated Lead Arranger on a bridge financing for OVH Energy	US$13.75-m
Indorama Eleme Petrochemical Limited	RMB Nigeria acted as sole lead arranger to OIS Port Limited, a subsidiary of Indorama Eleme Petrochemical Limited to support the development of a multipurpose jetty and storage facility	US$31.5-m
Africa Finance Corporation (AFC)	RMB Nigeria acted as Joint Lead Manager and Bookrunner for AFC's debut US$ Murabaha Sukuk Issuance	US$150-m
African Wire and Allied Industries Limited	RMB Nigeria provided a Naira term-debt facility to African Wire and Allied Industries.	N1.0-bn

CORPORATE GOVERANCE IN RMB NIGERIA

The Corporate Governance Framework of RMB Nigeria is a policy of the Board and the Executive Committee ("ExCo").

The Board conducts its affairs in terms of the Nigerian Banks and other Financial Institutions Act ("BOFIA"), Companies and Allied Matters Act ("CAMA"), the Central Bank of Nigeria's ("CBN's") Code of Corporate Governance for Banks and Discount Houses in Nigeria 2014, the South African Companies Act (insofar as it applies to RMB Nigeria as a wholly owned subsidiary of a South African company), the King III Code on Corporate Governance in South Africa and any other applicable law or regulatory provision and the Charter of the Board.

The Board is ultimately responsible for approving strategic direction, ensuring sustainability and ensuring that adequate and effective processes of corporate governance, compliance, risk management, IT governance, capital maintenance, internal controls (including internal financial controls), ethics management, internal audit, internal capital adequacy assessment and integrated reporting) and policies and frameworks which are consistent with the risk appetite of the Board, the nature, complexity and risk inherent in RMB Nigeria's on-balance sheet and off-balance sheet activities and that respond to changes in RMB Nigeria's environment and conditions, are established and maintained.

The Board discharges these responsibilities as non-delegated functions where is retains authorities are as per the Charter of the Board and delegated functions where the Board delegates certain functions to the executive officers of RMB Nigeria and to the Committees of the Board, without abdicating its responsibilities.

Board Committees and Executive Officers

The Committees of the Board and executive officers report to the Board on all material and relevant matters which need to be advised to the Board in a format and at intervals as agreed with the Board

Board committees include:

- Audit, Risk and Compliance Committee ("ARCComm") as per the charter
- Credit Committee as per the charter
- Ethics Committee which is a committee of the Board of Directors of RMB Nigeria set up to establish a framework for the application of the FirstRand Code of Ethics to the operation of RMB Nigeria
- Governance and Nominations Committee as per the charter
- Remuneration Committee which is a committee of the Board of Directors of RMB Nigeriaset up to oversee the effectiveness of the remuneration process, oversee the setting, implementation and administration of the remuneration policy in line with FirstRand policy and in line with business conditions as well as approve bonuses and pay across the organization.

Sub-Committees of Board Committees include:

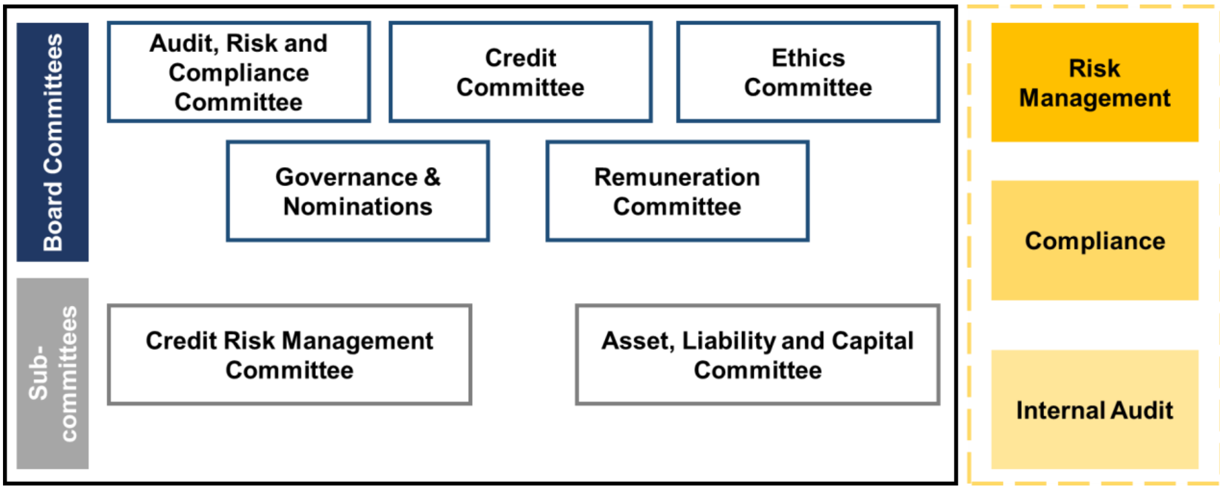
- Credit Risk Management Sub-Committee is a sub-committee of the Credit Committee set up to assist with discharging its responsibilities relative to the making of investments or granting of loans or advances or other credit which exceeds 15% of RMB Nigeria's capital and reserves
- Asset, Liability and Capital Sub-Committee, incorporating Trading Book Market Risk which is a sub-committee of ARCComm oversees the governance and risk management of all banking book market risk, trading book market risk, liquidity risk, capital and performance measurement in RMB Nigeria.

Other Governance and Risk Functions include:

- The Risk Management Function is an independent function which acts on behalf of the Board and the ARCComm, and is responsible for the establishment of risk management standards, policies, procedures and methodologies in conjunction with the Board and the ARCComm.
- The Compliance Function is an independent function which acts on behalf of the Board and the ARCComm, and is responsible for ensuring that business practices, policies, frameworks and approaches across RMB Nigeria are consistent with applicable laws and that any regulatory risks are identified and managed proactively
- The Internal Audit function is an independent function that will evaluates compliance with the policies, procedures, processes and controls of RMB Nigeria including the adequacy and effectiveness of the RMB Nigeria's internal controls (including internal financial controls), risk

management, compliance, corporate governance, IT governance, capital management and the maintenance of capital adequacy.

Governance Structure of RMB Nigeria



RMB NIGERIA BOARD OF DIRECTORS AND KEY MANAGEMENT STAFF

The Board of Rand Merchant Bank Nigeria Limited comprise of eleven (11) individuals consisting of the Chairman, two (2) executive directors, five (5) non-executive directors and three (3) independent non-executive directors who bring the wealth of their respective experiences to bear on the Bank's operations.

Their profiles are as follows:

Louis Jordaan – Chairman

He began his banking career in 1992 with FNB under the accelerated trainee program, receiving training in various functions including Foreign Exchange, Investments, Securities and Credit. In 1995, he was elevated to the role of Banking Analyst, Group Strategic Planning; after which he became an Internal Auditor carrying out various engagements in Johannesburg, Windhoek, London, and Zurich to name a few.

After gaining experience in various management capacities, Louis was elevated to the role of Chief Operating Officer, FNB Foreign Exchange Division in 2000. He followed that with appointment as the CEO of FNB International Banking in 2003, and Co-Head of Structured Trade and Commodity Finance in 2007. Currently, Louis occupies the role of Head of Fixed Income, Currency and Commodities (FICC), Africa. In this role, he is responsible for the FICC Africa desk (FX, FI and bank notes trading and sales) as well as the FICC operations in the various countries where the group has subsidiary companies (FNB Namibia, FNB Botswana, FNB Mozambique, FNB Swaziland, FNB Zambia and FNB Tanzania).

Louis earned a B. Compt. Degree in Finance and Audit from the University of South Africa in (1997).

Michael Larbie – Managing Director / Chief Executive Officer

Michael is the CEO of RMB Nigeria and Regional Head of the broader West African business. He obtained his BA in Accounting and Sociology from the University of Ghana in 1996, and his MBA in Finance and Entrepreneurial Management from the Wharton School of Business, University of Pennsylvania, USA in 2003.

His professional career began with Merrill Lynch, as a Financial Controller in 1997, after which he moved to American International Group (AIG), New York in the role of Management Consultant/Sigma Six Senior Project Manager. After obtaining his MBA, Michael re-joined Merrill Lynch as an Investment Banking Associate – Financial Institution's Group, working his way up to the role of Vice President. In 2010, now Head of Investment Banking for Sub-Saharan Africa / Head of Financial Institutions at Bank of America Merrill Lynch, he joined RMB Nigeria as the Head of Investment Banking & Coverage – Africa.

Michael's body of work and expertise includes Consulting & Business Advisory services, Mergers and Acquisitions, and Financing (Equity and Debt) mandates. Some transactions he has advised on are as follows: Lead advisor to FCMB on its acquisition of FinBank, the sale of NYMEX Holdings to CME Group (~US$9.6 billion), the US$3.3 billion IPO of Bolsa de Mercadorias & Futuros S.A (BM&F), a US$3.0 billion commercial paper financing for CME Group among others.

Peter Blenkinsop – Executive Director

Peter is the Chief Risk Officer of RMB Nigeria, and he is the Chairman of the RMB Nigeria Credit Risk Management Committee. He obtained a B.Sc. in Mathematics and Mathematical Statistics from Rhodes University (South Africa) in 1990 and then received his MBA (Finance) from Manchester Business in 2004.

After a brief stint in academia, Peter began his career at Eskom as a graduate trainee; rising to the role of Business Planning Manager. In 1995, he joined NBS bank and started the bank's department of Quantitative Financial Analysis, running the interest rate swap and structured finance hedging books in addition to his duties as a quants analyst. He later took up roles with HSBC Investment Bank and Citibank NA (South Africa) carrying out derivatives proprietary trading and market risk management mandates respectively.

Peter's career with the FirstRand Group at RMB Nigeria began in 1999 as a member of the Treasury Risk Management Team. Since then, he has held various senior positions in functions spanning Risk and Compliance, Market and Investment Risk and Enterprise Risk Management. In addition to these functions, Peter also sits on various committees within the bank.

Babatunde Savage – Independent Non-Executive Director

Babatunde is currently the Chairman of Guinness Nigeria Plc and has occupied that role since 2009. He obtained his B.Sc. with Honours in Physiology in 1977 from University of Ibadan and qualified as a Chartered Accountant in 1982, as well as professional certificates as a Qualified Accountant in 1982 and member of the Chartered Institute of Taxation of Nigeria in 1984.

He began his professional career with PricewaterhouseCoopers (then Cooper & Lybrand) as a graduate trainee, rising to and obtaining certification as a Chartered Accountant. Babatunde carried out financial and taxation analysis engagements in the Oil and Gas, Banking, Manufacturing, and Aviation sectors to mention a few. In 1983, he joined Guinness Nigeria Plc as a Management/Brewery Accountant.

During his time with Guinness, Babatunde quickly established himself and went on to hold a number of senior positions within the company including Company Treasurer, Director of Finance, Director of Corporate Planning, Director of Corporate Relations, Deputy Managing Director then ultimately, Chairman of the Board. Some of his notable achievements while at the company include restructuring the company's finances from indebtedness to a billion Naira surplus, out-sourcing of non-core operations and guiding Guinness Nigeria to becoming the most celebrated brand in Diageo International in 2009 i.e. the Company of the Year award among others.

Enase Okonedo – Independent Non-Executive Director

Enase is the Dean of the Lagos Business School (LBS), and has 17 years of management experience and 8 years of finance industry experience. She obtained her B.Sc. in Accounting from the University of Benin in 1987, an MBA from IESE in 1997, and a DBA from the International School of Management, Paris in 2010.

She began her career as an Accountant at the Nigerian Institute of Management, after which she went to on to hold various roles in the finance industry between 1989 and 2002 before venturing into academia. In academia, Enase's career has been at the Lagos Business School. Before her appointment as Dean in 2009, she held the following offices: Director of the Executive MBA Programme, Director of Degree Programmes, Director of Faculty, and Deputy Dean – Academics.

Her achievements include refocusing LBS' vision from addressing the Nigerian business environment to the wider African and emerging markets business environments through her research agenda, increasing alumni engagement and growing customized programmes for top corporates by 136% in one year. In addition to her work at LBS, Enase has been Chairperson, board of Association of African Business School (AABS), South Africa, Director, Universal Trust Insurance Company, Member, Selection Committee for new executive management of the Nigerian Stock Exchange to mention a few.

Remilekun Odunlami – Independent Non-Executive Director

Remilekun is a seasoned banker with close to 30 years of experience in the Nigerian finance industry. She obtained her B.Sc. in Mathematics from the University of Warwick in 1982 and later qualified as a Chartered Accountant (1986). Her professional career began with PricewaterhouseCoopers, before moving into a Finance and Administrative Manager role with VT Leasing Nigeria Limited in 1990.

She started her banking career in July 1990 with Nigeria International Bank Ltd (now Citibank Nigeria Ltd). In her 20-year career with Citibank as a Credit Risk professional, she had several responsibilities and held multiple job functions including Independent Risk Senior Credit Officer (first female in Citibank in Africa) and ultimately Country Risk Manager (Executive Director). She then joined First Bank of Nigeria as Chief Risk Officer (Executive Director) in 2009.

Remilekun's area of expertise is Risk Management spanning various risk dimensions including Credit Risk, Operational Risk, Legal Risk, Information Security Risk, Market and Liquidity Risk and Compliance Risk.

Gert Christoffel Petrus Kruger – Non-Executive Director

Gert is currently the Chief Risk Officer of RMB and has more than 12 years of in depth experience in the banking industry obtained through risk management, capital and balance sheet management and management consulting roles. He obtained his B.Com, with majors in Accounting, Finance, Tax and Auditing from the University of Pretoria in 1995. He achieved qualification as a Chartered Accountant in 1996, and then obtained his M.Sc. in Financial Economics from the University of London in 2005.

His professional career began with PricewaterhouseCoopers enjoying two separate stints with the organization and held the position of Market Risk Manager at PSG Investment Bank. He joined the First Rand Group in 2003 and held various roles including Capital Manager, Head of Economic Capital and Basel II, Head of Group Credit and Basel II, and Head of FRBG Credit Portfolio Management.

Gert's practical work experience spans the full range of the major financial risk and related finance disciplines including credit portfolio management (Retail and Corporate), capital management, liquidity risk management and market risk management for trading portfolios. He also has a good working knowledge of the field of operational risk management obtained during his work as a risk management consultant.

Ebrahim Motala – Non-Executive Director

Ebrahim is currently the Head of RMB Africa (excluding SA) responsible for developing and executing RMB's Africa strategy. He obtained his B.Com from the University of Natal, Durban in 1992, a Post Graduate Diploma in Accountancy (Honours) in 1994 and qualified as a Chartered Accountant in 1996.

He began his professional career began as an Articled Clerk with David Strachan & Tyler and later, a Project Accountant with Sanwa International (UK). His banking career began in 2001 with Rand Merchant Bank as a Middle Officer Manager. Since that time, he has held various positions/roles within RMB including Treasury Capital Solutions, RMB Treasury Product Development, Interest Rate Solutions, DCM Syndication Transactor, and Head of Africa & International (excluding SA) RMB Global Markets.

Ebrahim's knowledge and expertise spans various areas in banking including Debt Capital Markets, Global Markets and Products, Commodities to mention a few. He also sits on a number of committees and boards including the RMB's Management Board, RMB Africa Risk and Compliance Committee, the Financial Resources Management Board, Africa Management Board among others.

Philip Friedrich Spangenberg – Non-Executive Director

Phillip is currently the Chief Risk Officer of RMB Africa and has over 15 years of financial markets and banking experience. He obtained his B.Com & B.Com Honours (Economics) and (Investment Management) in 1993, M.Com in Economics in 1995, both from University of Stellenbosch and qualified as a Chartered Accountant in 2012.

He began his professional career with Transnet Treasury as Financial Manager in Asset and Liability Management and Funding. After that, he held various roles Trading, Treasury and Risk at International Bank of Southern Africa (BNP Paribas & Dresdner Bank JV) and Mercantile Bank Limited. He began his career at RMB in 2004 as the Head of Market and Investment Risk. In addition to that, he has held various other offices like Chief Operating Officer of Risk and Compliance and Head of Risk and Compliance.

Phillip's knowledge and specialities span the management of Market Risk, Operational Risk, Assets and Liabilities, Trading Counterparties and Credit Risk, Fixed Income and FX Trading and Structuring, and Basel II and III and Economic Capital Management. He has also sat on various boards and committees including the RMB Market Risk Committee and the RMB Africa Exco.

Carel Vosloo – Non-Executive Director

Carel is currently a Co-Head of RMB's Investment Banking Division, a position he has held since 2014. He obtained his B.Com (Honours) from University of Stellenbosch in 1997 and M.Com (Tax) from University of Witwatersrand in 2004. He qualified as a Chartered Accountant in 2000 and as a Charted Financial Analyst in 2002.

His professional career began with PricewaterhouseCoopers in 1998, he then moved to iCapital as an Associate Director of Corporate Finance, and then joined Cazenove as a Corporate Finance Executive. He joined RMB in 2004 as a Transactor in Corporate Finance predominantly on transactions in the natural resources space, and was promoted to the role of Head of Corporate Finance in 2009; a position held until his appointment as Co-Head of Investment Banking.

As part of his achievements, Carel has led many of the largest M&A transactions on the South African landscape and twice received RMB's coveted BSD Award – an award granted in recognition of outstanding deal making achievement in any given year. Aside from Investment Banking Division Management responsibility, Carel maintains responsibility for some of RMB's key corporate clients, including Anglo American Plc, Exxaro Resources Limited, Tongaat Hulett Limited and Rand Merchant

Insurance Limited. He sits on a number of committees including the RMB Management Board, RMB Investment Committee, RMB Investment Banking Management Board (Co-Chair) among others.

Bayo Ajayi – Chief Financial Officer

Bayo has over 17 years banking experience spanning banking operations, financial management and reporting, taxation, accounting and Internal Controls, corporate governance, Compliance and business performance management.

Before joining RMB Nigeria in 2015, Bayo worked in Citibank Nigeria Limited joining as head of regulatory reporting and tax and rising to become the Chief Financial Officer. He also served in Citibank Cameroon as Chief Financial Officer. He started his banking career in banking operations with former Standard Trust Bank and later joined the former Leadbank Plc as head of branch operations before moving over to finance.

Bayo holds a Bachelor of Science degree in Chemical Engineering from Obafemi Awolowo University Ile-Ife (1997), He is a Fellow of the Chartered Certified Accountants UK (2009) and an Associate of the Institute of Chartered Accountants of Nigeria (2011).

Kobus Bastiaanse – Chief Credit Officer

Kobus is the Head of Credit of RMB Nigeria. He joined the then Group in 1982 as an executive trainee. He has spent time in branch banking, sales & marketing and was a relationship manager. The last twenty years of his career has been in the credit domain, covering mainly corporate banking and eventually taking responsibility for the FNB Africa credit portfolio (mainly commercial and retail). During this time, he worked in both Namibia and Mozambique. In 2012, he moved back to RMB to be a part of the team that set up RMB Nigeria and arrived in Lagos, Nigeria in January 2013.

Kobus obtained his B. Com degree in Economics, Business Economics and Commercial Law from University of Pretoria, South Africa in 1981. He qualified as a Certified Associate of the Institute of Bankers in South Africa in 1983 followed by a B. Com (Honours) degree in Business Economics in 1988 from the University of South Africa. He underwent a Management Course at the University of the Witwatersrand in Johannesburg (First National Bank Corporate specific) in 2001.

Aishetu Fatima Dozie – Head, Investment Banking West Africa

Aishetu joined RMB Nigeria in 2015 and is a finance, banking and entrepreneurship executive with over 20 years of experience in venture capital and international corporate and investment banking. She has a strong record of accomplishment in providing strategic advisory services to CXO executives in Sub-Saharan Africa, North America, Europe and Central America. She has worked on and led marque transactions totaling over USD130 billion with clients such as Altria Group, Philip Morris International, Temasek, Oando, African Finance Corporation, Madison Dearborn Partners, NLNG, Federal Government of Nigeria, and various other corporate and private equity clients. Over the course of her career, Aishetu has worked at major Wall Street firms such as Goldman Sachs, Morgan Stanley, Lehman Brothers and development finance institutions such as the World Bank's International Finance Corporation.

Aishetu received her Master in Business Administration from the Harvard Business School in General Management in 2002 and her Bachelor of Arts in Economics from Cornell University in 1997.

Taiwo Shote – Head, Corporate Banking

Taiwo joined RMB Nigeria from Standard Chartered in September 2015 as a Senior Relationship Manager and in August 2016, he was appointed Head of Corporate Banking Nigeria in addition to his role as a Senior Relationship Manager in Coverage.

Prior to joining RMB Nigeria, Taiwo spent over 14 years at Standard Chartered Bank and Standard Chartered Advisory and Capital Limited where he held various roles including Area manager for Local Corporates in Lagos Mainland, Senior Relationship Manager for Local and Global Corporates, and lastly Principal, Loan Syndications under the Capital Markets team where he formulated and developed the syndications market in Nigeria especially the Financial Institutions sector

Taiwo has been involved in landmark transactions and has deep relationships in the Nigerian corporate space; food and beverage, financial institutions, manufacturing to mention a few sectors. He also been involved at senior management level in formulating and driving the strategy for the Bank.

Taiwo received his Bachelor of Science Degree in Business Administration from University of Lagos in 1998.

Nadia Zakari – Head, Global Markets

Nadia joined RMB Nigeria in June 2013 having previously worked for Standard Chartered Global Markets for over 7 years. Her experience spans across Foreign exchange and Fixed Income trading, Assets and Liability management and Customer Dealing. Nadia has worked in other global centres such as London, the Middle East, South Africa and other regional African economic hubs such Ghana, Kenya and Egypt.

In her current role, Nadia is primarily focused on strategies geared towards Global Markets business which includes managing the Bank's exchange rate risk, execution and management of both interbank and NBFI clients as it relates to their FX and money market transactions.

Nadia received her Master in Finance, Economics and Econometrics from the Cass Business School, London, U.K. in 2004 and her Bachelor of Science (Honours) in Economics and Computing from University of Canterbury, Kent, UK in 2003.

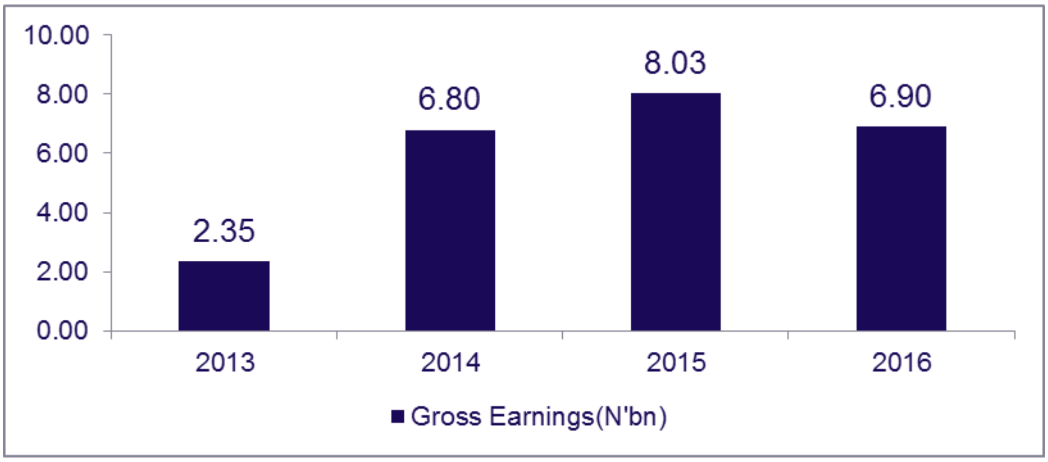
Funsho Odukoya – Chief Operating Officer (COO)

Funsho joined RMB Nigeria in 2012 and is a member of the Executive Committee of RMB Nigeria while performing his role as COO. He heads the business operations support unit of the Bank, which comprises global market operations, trade operations and operations support. He is responsible for providing CIB and centralized operations with a consistently high quality and efficient operational support structure. He has over 16 years of experience in banking, change management, relationship management and operational risk. Prior to joining RMB Nigeria, he was the Head, Financial Markets Operations, and Head Trade Operations at Standard Chartered Bank.

Funsho received his Master in Business Administration Degree from University of Lagos in 2017 and Bachelor of Science Degree in Industrial Chemistry from Federal University of Technology Akure in 1999.

KEY FINANCIAL HIGHLIGHTS

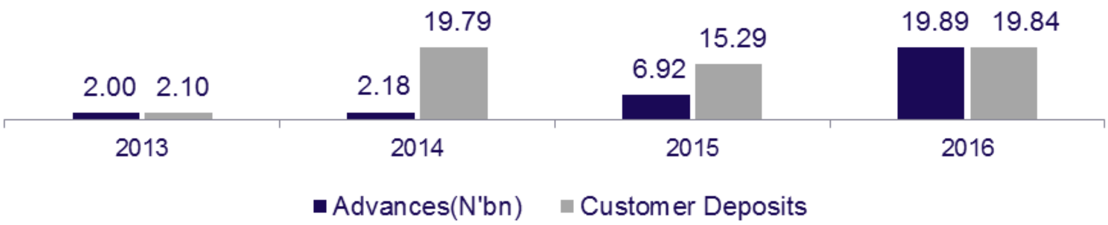
Revenue (2013 – 2016)



Revenues generated from the core activities of the Bank are Interest Income, fees and commission on financial services rendered to clients as well as gains on trading of financial instruments. The table above shows gross earnings generated from 2013-2016, with a Compound Annual Growth Rate ("CAGR") of 43% over the period.

The major contributor to the growth in the Bank's revenue is interest income, which grew at a CAGR of 55% and averaged slightly over 69% of total revenues within the period due to an increase in lending activities as well as the elevated interest rate environment. Also driving growth in revenue was the growth in Net fees and commissions, which grew at a CAGR of 77% from ₦235 million in 2013 to ₦1.298 billion in 2016; showing an increasing diversification in the Bank's sources of revenue.

Loan Advances (2013 – 2016)



As reflected in the table above, RMB Nigeria has grown its loan advances portfolio quite strongly; by a CAGR of 114%. Whilst growing its loan book quite aggressively, the Bank was still able to maintain strong efficiency with Net Interest Margin of 64% and zero Non Performing Loans as the end of FYE 2016, reflecting the effectiveness of the Bank's risk management framework.

The Bank's loan book is well diversified with minimal concentration by obligors as at 31 December 2016. All the loans were within RMB Nigeria's single obligor threshold of 30% and the 50% regulatory benchmark.

Exposures to the manufacturing sector accounted for the largest portion of the loan book at 56%. However, the manufacturing sector is a conglomeration of several industries, hence reflecting low exposure to relatively risky sectors.

The Bank's loan book is mostly comprised of naira denominated, short term trade transactions, with maturities within a year in line with its strategy to grow the Bank's corporate banking offering.

Agusto&Co.

Rand Merchant Bank Nigeria Limited

Rand Merchant Bank Nigeria Limited

Rating Assigned:

A

Outlook: Stable
Issue Date: 13 July 2017
Expiry Date: 30 June 2018
Previous Ratings: A

Industry: Banking

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A financial institution of good financial condition and strong capacity to meet its obligations as and when they fall due.

RATING RATIONALE

The rating assigned to Rand Merchant Bank Nigeria Limited ('RMBN' or 'the Bank') reflects its good asset quality, good funding profile, good liquidity, experienced management team and an effective risk management framework. The rating also takes into consideration support from FirstRand Group (the parent company), which is one of the leading financial institutions in Africa with an asset base of $86.5 billion (*13.65ZAR=1USD*) and R298 billion (approx. $21.9 billion) market capitalisation as at 31 December 2016. The support was demonstrated by a corporate guarantee provided for the 7 year ₦12.95 billion African Development Bank (AfDB) borrowing. FirstRand also supports the Bank with lines of credit used for trade finance and other credit transactions. However, the rating is constrained by below par profitability and the macroeconomic downturn in Nigeria and South Africa, the base of the parent bank.

During the period ended 31 December 2016, RMBN's loan book spiked by 188% to ₦20 billion on the back of opportunities created by illiquidity in the Nigerian foreign exchange market. This led to RMBN deepening relationship with clients by providing working capital finance and term loans during the year under review. However, the loan book remained concentrated by obligor. The top 4 obligors accounted for 53% of the loan book with each of these exposures higher than 10% of shareholders' funds as at FYE 2016. Though, we acknowledged that the concentration is largely due to the stage in the Bank's business, we believe that this concentration requires close monitoring.

RMBN asset quality indicators have been good from inception upheld by conservative underwriting standards. The Bank maintained a nil non-performing loan (NPL) position as at FYE 2016 with high general risk reserves. RMBN plans to continue to focus on top tier corporates with parental support and in some instances with existing relationship with the parent bank – FirstRand which will continue to support its asset quality. Nonetheless, we expect the weak macroeconomic environment to continue to pressure asset quality.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2014 - 2016

	Note	<------------------ As at 31 December 2016	 2015	-------------> Restated 2014
		NGN'000	NGN'000	NGN'000
Interest and similar income	7	6,273,002	5,482,568	3,101,873
Interest expense and similar charges	8	(2,336,003)	(2,064,140)	(1,648,519)
Net interest income before impairment of advances		**3,936,999**	**3,418,428**	**1,453,354**
Impairment of advances	9	(71,047)	(28,018)	(811)
Net interest income after impairment of advances		**3,865,952**	**3,390,410**	**1,452,543**
Fee and commission income		1,394,212	999,031	446,463
Fee and commission expense		(96,641)	-	-
Net fee and commission income	10	**1,297,571**	**999,031**	**446,463**
Net gains on financial instruments classified as held for trading	11a	803,604	1,113,290	455,129
Net (loss) on sale of investment securities	11b	-	(1,123,571)	-
Foreign exchange (loss) /gain	12	(1,551,593)	430,597	2,798,152
Profit on disposal of fixed assets		4,693	-	-
Employee benefits expenses	13	(3,369,125)	(2,706,036)	(1,710,455)
General and administrative expenses	15	(1,144,999)	(1,472,231)	(1,426,658)
Depreciation	23	(29,460)	(32,093)	(31,224)
Profit before minimum tax and income tax		**(123,357)**	**599,397**	**1,983,950**
Income tax (expense) / credit	16	-	(18,083)	(26,509)
Profit for the year		**(123,357)**	**581,314**	**1,957,441**
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Unrealized net gains/(losses) arising during the year before tax		(543,785)	223,012	(1,542,416)
Less: Net reclassification adjustments for realized net losses before tax		223,012	(1,542,416)	(51,055)
Other comprehensive income for the year, net of tax		**(766,797)**	**1,765,428**	**(1,491,361)**
Total comprehensive income for the year		**(890,154)**	**2,346,742**	**466,080**

STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED 31 DECEMBER 2014 - 2016

	Note	2016	2015	Restated 2014
		<-------------- As at 31 December	------------>	
		NGN'000	NGN'000	NGN'000
ASSETS				
Cash and bank balances with the central bank	17a	545,428	9,971,586	6,332,739
Loans and advances to banks	17b	4,865,999	8,418,970	2,962,138
Loans and advances to customers	18	19,926,653	6,916,797	2,181,763
Financial assets held for trading	19	5,826,141	20,391,549	19,040,368
Derivatives financial assets	21	1,303,129	821,188	2,886,267
Investment securities:				
- Available-for-sale	20	22,900,791	34,926,871	18,427,387
- Equity investments		19,500	-	-
Pledged assets – available-for-sale debt investments		1,105,329	-	-
Other assets	22	1,272,036	893,638	472,602
Property & Equipment	23	28,706	36,687	68,780
Total assets		**57,793,712**	**82,377,286**	**52,372,044**
LIABILITIES				
Derivative financial liabilities	21	1,318,743	-	369,508
Deposits from banks	24a	-	30,040,371	18,863,433
Deposits from customers	24b	19,835,892	15,289,778	931,110
Borrowings	28	13,538,877	13,504,064	13,587,333
Current income tax liabilities	25	-	18,000	18,116
Other liabilities	26	1,927,323	1,462,040	1,886,254
Total liabilities		**36,620,835**	**60,314,253**	**35,655,754**
EQUITY				
Share capital	29	18,000,000	18,000,000	15,000,000
Retained earnings		2,437,589	2,751,811	2,427,418
Other components of equity		735,288	1,311,222	(711,127)
Total equity		**21,172,877**	**22,063,033**	**16,716,290**
Total equity and liabilities		**57,793,712**	**82,377,286**	**52,372,044**

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2014 - 2016

	Note	<---------------- As at 31 December ----------------> 2016	2015	2014
		NGN'000	NGN'000	NGN'000
Cash flow from operating activities				
Profit before income tax		(123,357)	599,397	1,983,950
Adjustments:				
Depreciation	23	29,460	32,093	31,224
Loan impairment charges	9	71,047	28,018	811
Net interest income	7	(3,936,999)	(3,418,428)	(1,453,354)
Net gains on financial instruments classified as held for trading	11a	(803,604)	(1,113,290)	(455,129)
Net loss on investment securities		-	1,123,571	-
Profit on disposal of fixed assets	23	(4,693)	-	-
Net gain / (loss) on foreign exchange	12	1,551,593	(430,597)	(2,793)
		(3,216,553)	**(3,179,236)**	**104,710**
Changes in:				
Cash and balances with the Central Bank (restricted cash)	17a	324,028	(122,111)	(514,700)
Loans and advances to customers	18	(13,004,403)	(4,703,950)	(182,623)
Financial assets held for trading		14,565,408	(5,279,632)	(18,445,281)
Other assets	22	(378,398)	(421,036)	(279,530)
Deposits from banks	24a	(30,040,371)	11,033,876	18,741,872
Deposits from customers	24b	4,387,699	14,354,237	(1,072,511)
Other liabilities	26	465,283	(424,214)	940,635
		(23,680,756)	**14,437,170**	**(812,137)**
Interest received		3,932,155	2,845,866	2,183,241
Interest paid		(1,459,965)	(1,349,854)	(824,790)
Income tax paid		(5,994)	(18,199)	(14,793)
Net cash (used in) /generated from operating activities		**(24,431,112)**	**12,735,747**	**636,231**
Cash flows from investing activities				
Acquisition of investment securities		(45,797,705)	(8,757,687)	(10,456,075)
Acquisition of property and equipment	23	(23,786)	-	-
Proceeds from sale of property and equipment		7,000	-	-
Proceeds from sale of investment securities		56,255,298	1,761,218	3,472,688
Net cash generated from / (used in) investing activities		**10,440,807**	**(6,996,469)**	**(6,983,387)**
Cash flows from financing activities				
Proceeds from issue of shares		-	3,000,000	-
Proceeds from sale of investment securities		-	-	12,785,839
Net cash generated from financing activities		**-**	**3,000,000**	**12,785,839**
Cash and cash equivalents at the beginning of the year		17,714,069	8,740,501	2,299,025
Net cash (used in) / generated operating activities		(24,431,112)	12,735,747	636,231
Net cash generated from / (used in) investing activities		10,440,807	(6,996,469)	(6,983,387)
Net cash generated from financing activities		-	3,000,000	12,785,839
Effect of exchange rate fluctuations on cash and cash equivalent		1,335,205	234,290	2,793
Cash and cash equivalents at the end of the year	17c	**5,058,969**	**17,714,069**	**8,740,501**

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2014 - 2016

		Attributable to owners of equity				
	Share capital	**Retained earnings**	**Fair value reserve**	**Statutory reserve**	**Regulatory risk reserve**	**Total equity**
	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000
Balance as at 1 January 2014 as initially reported	15,000,000	929,495	(51,055)	220,116	16,346	16,114,902
Impact of prior year restatements	-	135,308	-	-	-	135,308
Restated balance as at 1 January 2014	**15,000,000**	**1,064,803**	**(51,055)**	**220,116**	**16,346**	**16,250,210**
Profit for the year	-	1,957,441	-	-	-	1,957,441
Fair value gains on available-for-sale financial assets, net of tax	-	-	(1,491,361)	-	-	(1,491,361)
Total comprehensive income (restated)	**15,000,000**	**3,022,244**	**(1,542,416)**	**220,116**	**16,346**	**16,716,290**
Transfer for the year (Statutory reserves), restated	-	(587,232)	-	587,232	-	-
Transfer within reserves (Regulatory risk reserve)	-	(7,594)	-	-	7,594	-
Transactions with owners	-	(594,826)	-	587,232	7,594	-
Balance as at 31 December 2014	**15,000,000**	**2,427,418**	**(1,542,416)**	**807,348**	**23,940**	**16,716,290**
Balance as at 1 January 2015	15,000,000	2,427,418	(1,542,416)	807,348	23,940	16,716,290
Profit for the year	-	581,314	-	-	-	581,314
Issue during the year	3,000,000	-	-	-	-	3,000,000
Fair value gains on available-for-sale financial assets, net of tax	-	-	1,765,428	-	-	1,765,428
Total comprehensive income	**18,000,000**	**3,008,732**	**223,012**	**807,348**	**23,940**	**22,063,032**
Transfer for the year (Statutory reserves, Note 29)	-	(174,394)	-	174,394	-	-
Transfer within reserves (Regulatory risk reserve, Note 29	-	(82,527)	-	-	82,527	-
Transactions with owners	**-**	**(256,921)**	**-**	**174,394**	**82,527**	**-**
Balance as at 31 December 2015	**18,000,000**	**2,751,810**	**223,012**	**981,742**	**106,467**	**22,063,032**
Balance as at 1 January 2016	18,000,000	2,751,810	223,012	981,742	106,467	22,063,031
Profit for the year	-	(123,357)	-	-	-	(123,357)
Fair value gains on available-for-sale financial assets, net of tax	-	-	(766,797)	-	-	(766,797)
Total comprehensive income	**18,000,000**	**2,628,453**	**(543,785)**	**981,742**	**106,467**	**21,172,877**
Transfer for the year (Statutory reserves, Note 29)	-	-	-	-	-	-
Transfer within reserves (Regulatory risk reserve, Note 29)	-	(190,864)	-	-	190,864	-
Transaction with owners	-	**(190,864)**	**-**	**-**	**190,864**	**-**
Balance at 31 December 2016	**18,000,000**	**2,437,589**	**(543,785)**	**981,742**	**297,331**	**21,172,877**

NOTES TO THE ACCOUNT

1. General information

Rand Merchant Bank Nigeria Limited ("RMB" or the "Bank") is a limited Company and is incorporated and domiciled in Nigeria. It was incorporated on the 8th of May 2012 and the address of its registered office is as follows: 3rd Floor, Wings, East Tower, 17A, Ozumba Mbadiwe Street, Victoria Island, Lagos. The Bank was granted a banking license in November 2012, to carry on the business of Merchant banking.

The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers. Such services include granting of loans and advances, corporate finance and money market activities.

The financial statements for the three years ended 31 December 2014, 2015 and 2016 were approved for issue by the Board of Directors. Neither the Bank's owners nor others have the power to amend the financial statements after issue.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

The Bank's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, and financial assets and liabilities held at fair value through profit or loss, which are measured at fair value.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgment in the process of applying the Bank's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are outlined in Note 6.

In addition, all the assets and liabilities in the statement of financial position are broadly presented in order of liquidity.

2.1.1. Changes in accounting policy and disclosures

a. New and amended standards adopted by the Bank

The principal accounting policies are consistent in all material aspects with those adopted in the previous year. There were no new or revised IFRS which have been adopted in the current year.

b. New standards and interpretations that are not yet effective and have not been adopted early

The standards and interpretations that are issued, but not yet effective, up to date of issuance of the bank's financial statements are disclosed below. The bank will comply with the following new standards and interpretations from the stated effective date.

IFRS 9 – Financial instruments	
IFRS 9 was issued in its entirety for the first time on 24 July 2014. The final version of the standard incorporates amendments to the classification and measurement guidance as well as accounting requirements for impairment of financial assets measured at amortised cost. These elements of the financials standard are discussed in detail below: The classification and measurement of financial instruments under IFRS 9 is based on both the business model and the rationale for holding the instruments as well as the contractual characteristics of the instruments. Impairments in terms of IFRS 9 will be determined based on an expected loss model that considers the significant changes to the asset's credit risk and the expected loss that will arise in the event of default. IFRS 9 allows financial liabilities not held for trading to be measured at either amortised cost or fair value. If fair value is elected, then changes in the fair value as a result of changes in own credit risk should be recognized in other comprehensive income. The hedge accounting requirements of IFRS 9 are closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. Hedge effectiveness will now be proved based on management's risk management objectives rather than the 80% - 125% band that was previously stipulated. IFRS 9 also allows for rebalancing of the hedge and the deferral of costs of hedging. The Bank has initiated a process to determine the impact of the standard on the Bank's statement of financial position and performance. Until the process has been completed, the Bank is unable to quantify the expected impact.	Annual periods beginning on or after 1 January 2018
IFRS 15 – Revenue	
IFRS 15 provides a single, principle based model to be applied to all contracts with customers. The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The new standard also provides guidance for transactions that were not previously comprehensively addressed and improved guidance for multiple-element arrangements. The standard also introduces enhanced disclosures about revenue. The Bank is in the process of assessing the impact that IFRS 15 will have on the financial statements. Until the process has been completed, the Bank is unable to quantify the expected impact.	Annual periods commencing on or after January 2018
IFRS 16 – Leases	Annual

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that the lessees and lessors provide relevant information that faithfully represents those transactions. The Bank is in the process of assessing the impact that IFRS 16 will have on the financial statements. Until the process has been completed, the Bank is unable to determine the significance of the impact.	periods commencing on or after 1 January 2019
Annual improvements (2012 – 2014 cycle) – Improvements to IFRS The IASB issued the Annual Improvements 2012–2014 cycle. The annual improvements project includes amendments to four standards, namely IFRS 5, IFRS 7, IAS 19 and IAS 34. The annual improvement project’s aim is to clarify and improve accounting standards. The amendments have been assessed and are not expected to have a significant impact on the Bank.	Annual periods commencing on or after 1 July 2016

Annual improvements – improvements to IFRS

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Bank.

2.2. Foreign currency translation

a. Functional and presentation currency

Items included in the Bank’s financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Naira (NGN) and figures are stated in thousands of Naira.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions.

Assets and liabilities denominated in foreign currencies and recognized on the statement of financial position at reporting date are translated into the functional currency as follows:

- Monetary assets and liabilities are translated at the year-end exchange rate;
- Non-monetary assets and liabilities carried at historical cost are translated at the historical transaction rate; and
- Non-monetary assets and liabilities carried at fair value are translated at the rate at the date the fair value is determined.

Foreign exchange gains or losses on monetary items measured at amortised cost are included in a separate line item, foreign exchange differences, within non-interest revenue.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of assets and liabilities are recognized in the profit or loss, except for:

- exchange differences on monetary items qualifying as hedging instruments in effective cash flow hedges which are deferred in other comprehensive income;
- translation differences on non-monetary items such as equities classified as available-for-sale, which are reported as part of fair value gains or losses and are included in other comprehensive income; and
- monetary debt securities denominated in foreign currency classified as available-for-sale. Changes in fair value on such items are analysed between translation differences resulting from changes in the amortised cost and other changes in the fair value of the security. Translation differences relating to changes in the amortised cost are recognised in profit or loss, and other changes in the fair value are recognized in other comprehensive income.

Foreign exchange gains or losses on the translation of both monetary and non-monetary items that are recognized at fair value through profit or loss is reported as part of fair value gains or losses in non-interest revenue.

2.2.1.Borrowing costs

The Bank capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset up to the date on which construction or installation of the assets is substantially completed. Other borrowing costs are expensed when incurred.

2.3. Sale and repurchase agreements

Securities sold subject to repurchase agreements ("repos") are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks or deposits from customers, as appropriate.

Securities purchased under agreements to resell ("reverse repos") are recorded as loans and advances to other banks or customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

2.4. Fair value gains and losses

The Bank includes profits or losses, fair value adjustments and interest on trading financial instruments (including derivative instruments that do not qualify for hedge accounting in terms of IAS 39 Financial Instruments: Recognition and Measurement), as well as trading-related financial instruments designated at fair value through profit or loss in order to eliminate an accounting mismatch, as fair value gains or losses in non-interest revenue. Trading related financial instruments designated at fair value through profit or loss exclude instruments relating to the Bank's funding requirements.

Fair value gains and losses also include ordinary and preference dividends on equity instruments measured at fair value through profit or loss.

2.5. Net fee and commission income

a. Fee and commission income

The bank generally recognizes fee and commission income on accrual basis when the service is rendered. Certain fees and transaction costs that form an integral part of the effective interest rate of available-for-sale and amortised cost financial instruments are capitalized and recognized as part of the effective interest rate of the financial instrument over the expected life of the financial instruments and not as non-interest revenue.

Fees and transaction costs that do not form an integral part of the effective interest rate are recognized as income when the outcome of the transaction involving the rendering of services can be reliably estimated as follows:

- Fees for services rendered are recognised as fee and commission income on an accrual basis when the service is rendered, for example, banking fee and commission income, and asset management and related fees;
- Fees that are earned on the execution of a significant act, for example knowledge based fee and commission income and non-banking fee and commission income, when the significant act has been completed; and
- Commission income on acceptances, bills and promissory notes endorsed is credited to profit or loss over the lives of the relevant instruments on a time apportionment basis.

b. Fees and commission expenses

Fees and commission expenses are expenses that are incremental or directly attributable to the generation of fee and commission income and are recognized in non-interest revenue.

Fees and commission expenses include transaction and service fees, which are expensed as the services are received. Fee and commission expenses that form an integral part of the effective interest rate of a financial instrument are recognized as part of the net interest income.

2.6. Interest income and expense

The Bank recognises interest income and expense in profit or loss for financial instruments measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial instrument by allocating the interest income or interest expense over the average expected life of the financial instruments or portfolios of financial instruments.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest income on financial instruments designated at fair value through profit or loss are included in fair value income except to the extent that the interest relates to:

- the Bank's funding operations;
- items to which hedge accounting is applied; and
- interest on inter-company balances.

From an operational perspective, the Bank suspends the accrual of contractual interest on non-performing advances, subject to certain curing assumptions. However, in terms of IAS 39, interest income on impaired advances is recognized at the original effective interest rate. Instruments with characteristics of debt, such as redeemable preference shares, are included in loans and advances or long-term liabilities as appropriate. Where these instruments are measured at amortised cost, dividends received or paid on these instruments are included in the cash flows used to determine the effective interest rate of the instrument.

2.7. Taxation

Indirect tax

Indirect taxes are disclosed separately from direct taxes in the income statement. Indirect taxes include other taxes paid to central and local governments and include value added and securities transfer tax.

2.8. Income and deferred taxation

The current income tax expense is calculated by adjusting the net profit for the year for items that are non-taxable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted at the reporting date, in each particular jurisdiction within which the Bank operates.

Deferred income tax is recognized, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting profit or loss nor taxable income. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Current and deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis.

Temporary differences arise primarily from depreciation of property and equipment, revaluation of certain financial assets and liabilities including derivative contracts, provisions for pensions and other post-retirement benefits and tax losses carried forward.

The Bank reviews the carrying amount of deferred income tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

2.9. Recognition of assets

a. *Assets*

The Bank recognises assets when it obtains control of a resource as a result of past events, and from which future economic benefits are expected to flow to the Bank.

b. Contingent assets

The Bank discloses a contingent asset where, as a result of past events, it is highly likely that economic benefits will flow to the Bank, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the Bank's control.

2.10. Managed funds and trust activities

The Bank excludes assets and liabilities and the income statement impact thereon, together with related undertakings to return such assets to customers, from its financial statements where it acts in a fiduciary capacity such as nominee, trustee or agent.

3. Liabilities, provisions and contingent liabilities

3.1.1.Liabilities and provisions

The Bank recognizes liabilities, including provisions, when:

- it has a present legal or constructive obligation as a result of past events
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required upon settlement is determined by considering the class of the obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Bank has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.1.2.Contingent liabilities

The Bank discloses a contingent liability when:

- It has a possible obligation arising from past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- It has a present obligation that arises from past events but it is not recognised because:
  - –It is not probable that an outflow of resources will be required to settle an obligation; or
  - –The amount of the obligation cannot be measured with sufficient reliability.

3.2. Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise:

- Coins and bank notes;
- Money at call and short notice; and
- Balances with the central bank.

All balances included in cash and cash equivalents have a maturity date of less than three months from the date of acquisition.

3.3. Financial instruments

General

Financial instruments carried on the statement of financial position include all assets and liabilities including derivative instruments, but exclude investments in associates and joint venture companies, commodities, property and equipment, assets and liabilities of insurance operators, deferred income tax, tax payable, intangible assets, post-employment liabilities, non-current assets and disposal groups held for sale, and provisions. The Bank recognizes financial assets and financial liabilities on its statement of financial position when the Bank becomes a party to the contractual provisions of the instruments.

The Bank classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial liabilities are classified in the following categories

- financial liabilities at fair value through profit or loss; and
- financial liabilities at amortised cost.

Management determines the classification of its financial instruments at initial recognition. Financial instruments are initially recognized at fair value plus transaction costs for all financial instruments not carried at fair value through profit or loss.

Available-for-sale financial assets and financial instruments at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method less any impairment losses.

The Bank recognizes purchases and sales of financial instruments that require delivery within the time frame established by regulation or market convention (regular way purchases and sales) at settlement date, which is the date the asset is delivered or received.

a. Financial assets at fair value through profit or loss

This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the Bank as at fair value. A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments in an effective hedging relationship.

The Bank designated certain financial assets upon initial recognition as at fair value through profit or loss to the extent that it produces more relevant information because it either:

- results in the reduction of measurement inconsistency (or accounting mismatch) that would arise as a result of measuring assets and liabilities and the gains and losses on them on a different basis; or
- the financial assets are part of a portfolio of financial instruments which is risk managed on a fair value basis in accordance with a documented risk management or investment strategy, and this is the basis on which information about the assets and / or liabilities is provided internally to the entity's key management personnel; or
- a financial asset or liability containing significant embedded derivatives that clearly require bifurcation.

Financial instruments included in this category are recognized initially at fair value; transaction costs are taken directly to profit or loss. Gains and losses arising from changes in the fair value of the financial instruments at fair value through profit or loss are included in profit or loss as fair value gains or losses in non-interest revenue in the period in which they arise.

b. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

i. those that the Bank intends to sell immediately or in the short term, which are classified as held for trading, and those that the Bank upon initial recognition designates as at fair value through profit or loss;
ii. those that the Bank upon initial recognition designates as available-for-sale; or
iii. those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration which are classified as available-for-sale.

c. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the directors have the positive intention and ability to hold to maturity. If the Bank sells more than an insignificant amount of held-to-maturity assets, the entire category is considered to be tainted and reclassified as available-for-sale.

The bank measures held-to-maturity investments at amortised cost using the effective interest method, less any impairment losses.

d. Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

The Bank recognizes gains and losses arising from changes in the fair value of available-for-sale financial assets in other comprehensive income. It recognizes interest income on these assets as part of interest income, based on the instrument's original effective interest rate using the effective interest method. Dividends on available-for-sale equity instruments are recognized in profit or loss when the entity's right to receive payment is established and are included in gains less losses from investing activities within non-interest revenue.

When the available-for-sale assets are disposed of or impaired, the related accumulated fair value adjustments are reclassified from other comprehensive income and included as net gains or loss in investments securities in profit or loss within non-interest revenue.

Treasury bills, debt securities and equity shares intended to be held on a continuing basis, other than those designated at fair value through profit or loss, are classified as available-for-sale.

e. Recognition

The Bank uses settlement date accounting for regular way contracts when recording financial asset transactions. Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or repledge them.

f. Offsetting financial instruments

The Bank may offset financial assets and liabilities and present the net amount in the statement of financial position where:

- there is a currently enforceable legal right to set off; and
- there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The right of set-off is considered to be currently enforceable if the following conditions are met:

- the right is not contingent on a future event; and
- it is legally enforceable in all of the following circumstances:
  - the normal course of business;
  - the event of default; and
  - in the event of insolvency or bankruptcy of the entity and all of the counterparties.

The Bank does not have any position that are currently being offset in the financial statements.

3.4. Impairment of financial assets

General

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount.

3.4.1. Assets carried at amortised cost

The Bank assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event(s) has an adverse impact on the estimated future cash flows of the financial asset or group of financial assets, and the impact can be reliably estimated.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Bank about the following events;

- Significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in payments of principal or interest;
- it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties or adverse changes in the market, economic, or legal environment in which the entity operates; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be allocated to the individual financial assets in the group, including:
- adverse changes in the payment status of issuers or debtors in the group; or – national or local economic conditions that correlate with defaults on the assets in the group.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and performs a collective assessment for impairment.

Financial assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether the Bank elects to foreclose or not.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Bank's grading process that considers asset type, industry, geographical location, collateral type, past due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for Banks of such financial assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the financial assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Bank and historical loss experience for assets with similar credit risk characteristics. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of financial assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are regularly reviewed by the Bank to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance account. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

3.4.2.Past due advances

Advances are considered past due in the following circumstances:

- Loans with a specific expiry date (e.g. term loans etc.) and consumer loans repayable by regular instalments (e.g. mortgage loans and personal loans) are treated as overdue where one full instalment is in arrears for one day or more and remains unpaid at the reporting date; or
- Loans payable on demand (e.g. overdrafts) are treated as overdue where a demand for repayment has been served on the borrower but repayment has not been made in accordance with the instruction.

In these instances, the full outstanding amount is considered overdue even if part of it is not yet due.

The past due analysis is only performed for advances with specific expiry or instalment repayment dates or demand loans that have been demanded. The analysis is not applicable to overdraft products or products where no specific due date is determined. The level of risk on these types of products is assessed with reference to the counterparty ratings of the exposures and reported as such.

3.4.3.Available-for-sale financial assets

The Bank assesses at each reporting date whether there is objective evidence that an available-for-sale financial asset or a group of available-for-sale financial assets is impaired.

In the case of equity investments classified as available-for-sale, objective evidence of impairment includes information about significant changes with an adverse effect on the environment in which the issuer operates and indicates that the cost of the investment in the equity instrument may not be recovered and a significant or prolonged decline in the fair value of the security below its cost.

If any such objective evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value less any previously recognized impairment loss on that financial asset, is reclassified from other comprehensive income and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments are not subsequently reversed.

In the case of a debt instrument classified as available-for-sale, the same objective evidence of impairment as for financial assets measured at amortised cost is considered in determining if impairment exists. The difference between the acquisition cost and the current fair value less any previous impairment losses recognized in profit or loss is removed from other comprehensive income and recognized in profit or loss if, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

3.5. Determination of fair value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial instruments traded in active markets, the determination of fair values of financial instruments is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

3.6. Derecognition of financial assets and liabilities

The Bank derecognizes a financial asset when the contractual rights to the asset expires, or where there is a transfer of the contractual rights to receive cash flows of the asset and substantially all of the risks and rewards related to ownership of the financial asset are transferred, or the Bank retains the contractual rights of the assets but assumes a corresponding liability to transfer these contractual rights to another party and consequently transfers substantially all the risks and rewards with the asset.

When the Bank retains substantially all the risks and rewards of ownership of the financial asset, the Bank continues to recognize the financial asset in its entirety and recognizes a financial liability for the consideration received. These financial assets and the related financial liabilities may not be offset.

Where the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Bank shall determine whether it has retained control of the financial asset. In this case:

i. If the Bank has not retained control, it shall derecognise the financial asset and recognise separately as assets or liabilities any right and obligation created or retained in the transfer; or

ii. If the Bank has retained control, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset.

The Bank derecognizes a financial liability, or part of a financial liability, when it is extinguished i.e. when the obligations specified in the contract is discharged, cancelled or expired. A substantial modification of the terms and conditions of an existing financial liability or part of an existing financial liability is accounted for as an extinguishment of the original financial liability and recognition of a new one. A substantial modification to the terms occurs where the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Where the Bank purchased its own debt, the debt is derecognized from the statement of financial position and any difference between the carrying amount of the liability and the consideration paid is included in fair value income within non-interest revenue.

3.6.1.Reclassification of financial assets

The Bank may choose to reclassify a non-derivative financial asset held for trading out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

In addition, the Bank may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Bank has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

On reclassification of a financial asset out of the "at fair value through profit or loss" category, all embedded derivatives are re-assessed and, if necessary, separately accounted for.

The Bank has not reclassified any financial assets during the period.

3.7. Classes of financial instruments

The Bank classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments. The classification made can be seen in the table as follows:

<table>
<tr><th colspan="2">Category (as defined by IAS 39)</th><th colspan="2">Class as determined by the Bank</th><th>Subclasses</th></tr>
<tr><td rowspan="12">Financial assets and liabilities</td><td rowspan="2">Financial assets at fair value through profit and loss</td><td>Financial assets held for trading</td><td>Debt securities, Derivatives</td><td>Unlisted</td></tr>
<tr><td>Financial assets designated at fair value through profit or loss</td><td rowspan="3">Debt securities, loans and advances to banks
Loans to corporate entities</td><td>Unlisted</td></tr>
<tr><td rowspan="4">Loans and receivables</td><td>Loans and advances to customers</td><td>Large corporate customers (term loans)</td></tr>
<tr><td>Other assets</td><td></td></tr>
<tr><td>Cash and balances with the central bank</td><td rowspan="3">Central bank and other banks</td><td></td></tr>
<tr><td>Loans and advances to banks</td><td></td></tr>
<tr><td>Available for sale financial assets</td><td>Investment securities - debt securities and pledged assets</td><td>Unlisted</td></tr>
<tr><td></td><td>Investment securities - equity investments</td><td rowspan="3"></td><td>Unlisted</td></tr>
<tr><td rowspan="3">Financial liabilities at amortised cost</td><td>Deposits from banks</td><td></td></tr>
<tr><td>Other liabilities</td><td></td></tr>
<tr><td>Deposit from customers</td><td>Large corporate customers</td><td></td></tr>
<tr><td>Financial liabilities at fair value</td><td>Deposit from banks</td><td></td><td></td></tr>
<tr><td colspan="5">Off balance sheet financial instruments : loan commitments, guarantees, acceptances and other financial liabilities</td></tr>
</table>

3.8. Financial liabilities

The Bank classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual agreement. If a financial instrument includes a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities on potentially unfavorable terms, such as redeemable preference shares, the financial instrument is classified as a financial liability. An instrument is classified as equity if it evidences a residual interest in the assets of the Bank after the deduction of liabilities.

Financial liabilities are measured at amortised cost, except for certain liabilities that are designated as fair value through profit or loss. Interest expense is recognized in profit or loss over the period of the borrowing using the effective interest method.

3.9. Property and equipment

Land and buildings comprise mainly branches and offices. All equipment used by the Bank is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditures are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Property and equipment is depreciated on a straight-line basis at rates calculated to reduce the book value of these assets to estimated residual values over their expected useful lives.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

- Buildings 25 - 40 years
- Leasehold improvements 25 years or period of lease if less than 25 years
- Equipment and motor vehicles 3 - 8 years
- Computer equipment 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by reference to the carrying amount of the asset and the net proceeds received, and are recorded in profit or loss on disposal.

4. Employee benefits

a. Post-employment benefits

A defined contribution plan is a pension plan under which the Bank pays fixed contributions to a separate entity. The Bank has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Bank pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis, the Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

b. Termination benefits

The Bank recognizes termination benefits as a liability in the statement of financial position and as an expense in profit or loss when it has a present obligation relating to termination. The Bank has a present obligation when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

c. Leave provision

The Bank recognizes in full employees' rights to annual leave entitlement in respect of past service.

d. Bonuses

Management and staff bonuses are recognized as an expense in staff costs as incurred when it is probable that the economic benefits will be paid and the amount can be reliably measured. The expense is included in staff costs.

4.1. Dividend payable

Dividends on ordinary shares are recognized against equity and a corresponding liability is recognized when they have been appropriately approved by the Bank's shareholders and are no longer at the discretion of the entity. Dividends declared after the reporting date are not recognized but disclosed as a post-reporting date event.

4.2. Share based payment transactions

The Group, FirstRand Limited, operates equity settled and cash settled share-based compensation plans for employees. The Bank's employees only participate in the cash settled share-based scheme as issued by FirstRand Limited.

i. Cash settled share-based payment compensation plans
The bank measures the services received and liability incurred in respect of cash settled share-based payment plans at the current fair value of the liability. The Bank re-measures the fair value of the liability at each reporting date until settled. The liability is recognized over the vesting period and any changes in the fair value of the liability are recognized in profit or loss.

4.3. Share capital

Share issue costs

Instruments issued by the Bank are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly related to the issue of new sharers or options are shown as a deduction from equity, net of any related tax benefit.

5. Financial risk management

Risk management is carried out by a central treasury department (Bank Treasury) under policies approved by the Board of Directors. Bank Treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, internal audit is responsible for the independent review of risk management and the control environment.

The risks arising from financial instruments to which the Bank is exposed are financial risks, which includes credit risk, liquidity risk and market risk.

Through the 2016 financial year, RMB Nigeria ran a very simple risk profile with a very low level of price risk and leverage. Financial instruments on book were simple interest rate instruments and loans, with the only digression from this being a low level of spot currency trading. With the very low level of currency risk allowable to banks in Nigeria at present, currency operations were run on an immaterial risk profile.

5.1.1.Credit risk

Credit risk is the risk of suffering financial loss, should any of the Bank's customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises from loans and advances and loan commitments arising from lending activities, but can also arise from credit enhancement provided, financial guarantees, letters of credit, endorsements and acceptances.

The Bank is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ("trading exposures"), including non-equity portfolio assets (Treasury Bills and Bonds), derivatives and settlement balances with market counterparties and reverse repurchase loans as well as cash placements with the Central Bank of Nigeria and other banks.

Credit risk is the single largest risk for the Bank's business; the Directors therefore carefully manage the exposure to credit risk. The credit risk management and control are centralized in a credit risk management team, which reports to the Board of Directors and head of each business unit regularly.

5.1.2.Credit risk management

Loans and advances (including loan commitments and guarantees)

The estimation of credit exposure is complex and requires the use of models, as the value of a product varies with changes in market variables, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties.

The Bank has developed models to support the quantification of the credit risk. These rating and scoring models are in use for all key credit portfolios and form the basis for measuring default risks. In measuring credit risk of loan and advances at a counterparty level, the Bank considers three components: (i) the "probability of default" (PD) by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Bank derives the 'exposure at default' (EAD); and (iii) the likely recovery ratio on the defaulted obligations (the 'loss given default'), LGD. The models are reviewed regularly to monitor their robustness relative to actual performance and amended as necessary to optimize their effectiveness.

These credit risk measurements, which reflect expected loss (the 'expected loss model'), are required by the Basel Committee on Banking Regulations and the Supervisory Practices (the Basel Committee) and are embedded in the Bank's daily operational management. The operational measurements can be contrasted with impairment allowances required under IAS 39, which are based on losses that have been incurred at the reporting date (the 'incurred loss model') rather than expected losses.

(i) Probability of default

The Bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. They have been developed internally and combine statistical analysis with credit officer judgment. They are validated, where appropriate, by comparison with externally available data.

The mapping of RMB's grades to rating agency scales is set out below:

S/N	FirstRand group ratings	Midpoint PD	Internal Scale Mapping*
1	FR 1 - 14	0.06%	AAA, AA, A
2	FR 15 - 25	0.29%	BBB
3	FR 26 - 32	0.77%	BB+, BB
4	FR 33 - 39	1.44%	BB-
5	FR 40 – 53	2.52%	B+
6	FR 54 – 83	6.18%	B
7	FR 84 – 90	13.68%	B-
8	FR 91 – 99	59.11%	Below B-
9	FR 100	100.00%	D (Defaulted)

**indicative mapping to the international rating scales of S & P Global ratings (S & P). The Bank currently uses mapping to S & P ratings scales.*

(ii)Exposure at default (EAD)

EAD is based on the amounts the Bank expects to be owed at the time of default. For example, for a loan this is the face value. For a commitment, the Bank includes any amount already drawn plus further amount that may have been drawn by the time of default, should it occur.

(iii) Loss given default / loss severity

Loss given default or loss severity represents the Bank's expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure. It typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. The measurement of exposure at default and loss given default is based on the risk parameters standard under Basel II.

5.1.3. Concentration of risk of financial assets with credit risk exposure before collateral held

	Government	Real estate	Financial Institutions	Transport and communication	Manufacturing & General commerce	Total
	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000
Balances with the Central Bank and other money market placements	-	-	545,428	-	-	545,428
Loans and advances to banks	-	-	4,865,999	-	-	4,865,999
Loans and advances to corporate entities:						
– Large corporate customers	-	1,148,618	-	4,138,582	14,489,066	19,776,266
– Mid corporate customers	-	-	-	-	253,953	253,953
Financial assets held for trading	5,826,141	-	-	-	-	5,826,141
Derivative financial assets	-	-	1,303,129	-	-	1303,129
Investment securities						-
– Debt securities	24,006,120	-	-	-	-	24,006,120
Other assets	-	-	-	-	139,974	134,974
As at 31 December 2016	**29,832,261**	**1,148,618**	**6,714,556**	**4,138,582**	**14,877,993**	**56,712,010**

Credit risk exposures relating to off-balance sheet items are as follows:

	Manufacturing & General Commerce	Communication	Total
	NGN'000	NGN'000	NGN'000
Financial guarantees	136,831	-	136,831
Letters of credit	3,886,207	-	3,886,207
Loan commitments	15,817,773	3,052,778	18,870,551
As at 31 December 2016	**19,840,811**	**3,052,778**	**22,893,589**

5.1.3 Concentration of risk of financial assets with credit risk exposure before collateral held (continued)

	Government	Real Estate	Financial Institutions	Transport & communication	Manufacturing	Total
	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000
Balances with the Central Bank and other money market placements	-	-	9,971,586	-	-	9,971,586
Loans and advances to banks	-	-	8,418,970	-	-	8,418,970
Loans and advances to corporate entities:						
– Large corporate customers	-	-	-	1,776,145	5,011,065	6,787,210
– Mid corporate customers	-	-	-	-	129,587	129,587
Financial assets held for trading	20,391,549	-	-	-	-	20,391,549
Derivative financial assets	-	-	821,188	-	-	821,188
Investment securities						
– Debt securities	34,926,871	-	-	-	-	34,926,861
Other assets	-	-	416,516	-	-	416,516
As at 31 December 2015	**55,318,420**	**-**	**19,628,260**	**1,776,145**	**5,140,652**	**81,863,477**

Credit risk exposures relating to off-balance sheet items are as follows:

	Manufacturing	Communication	Total
	NGN'000	NGN'000	NGN'000
Financial guarantees	149,400	-	149,400
Letters of credit	1,573,967	1,241,645	2,815,612
Loan commitments	1,680,305	1,000,000	2,680,305
As at 31 December 2015	**3,403,672**	**2,241,645**	**5,645,317**

5.1.3 Concentration of risk of financial assets with credit risk exposure before collateral held (continued)

	Government	Real Estate	Financial Institutions	Transport & communication	Manufacturing	Total
	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000
Balances with the Central Bank and other money market placements	-	-	6,332,739	-	-	6,332,739
Loans and advances to banks	-	-	2,962,138	-	-	2,962,138
Loans and advances to corporate entities:						
– Large corporate customers	-	-	-	1,997,958	183,804	2,181,762
– Mid corporate customers	-	-	-	-	-	19,040,368
Financial assets held for trading	19,040,368	-	-	-	-	2,886,267
Derivative financial assets	2,886,267	-	-	-	-	
Investment securities	-	-	-	-	-	-
– Debt securities	18,427,387	-	-	-	-	18,427,387
Other assets	-	-	35,959	-	-	35,959
As at 31 December 2014	**40,354,022**	**-**	**9,330,836**	**1,997,958**	**183,804**	**52,866,620**

Credit risk exposures relating to off-balance sheet items are as follows:

	Manufacturing	Transport & communication	Total
	NGN'000	NGN'000	NGN'000
Financial guarantees	251,050	-	251,050
Letters of credit	85,481	-	85,481
Loan commitments	-	1,000,000	1,000,000
As at 31 December 2014	**336,531**	**1,000,000**	**1,336,531**

Credit quality of loans and advances

Loans and advances are summarized as follows:

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	Loans and advances to customers	Loans and advances to customers	Loans and advances to customers
	NGN'000	NGN'000	NGN'000
Neither past due nor impaired (gross)	20,0303,219	6,949,315	2,186,64
Allowance for impairment (collective)	(103,566)	(32,518)	(4,501)
Net	**19,926,653**	**6,916,797**	**2,181,763**

The credit quality of the portfolio of loans and advances that were neither past due nor impaired can be assessed by reference to the internal rating system adopted by the Bank. For period ended, the Bank did not have credit exposures which are considered individually impaired or past due but not impaired.

Investment securities

The tables below present an analysis of debt securities by rating agency designation at 31 December 2016, based on Standard & Poor's ratings or their equivalent. Also during the course of 2016, S & P adjusted the sovereign rating to B+ from BB-.

	Ratings	Financial assets held for trading	Investments securities	Total
		NGN'000	NGN'000	NGN'000
At 31 December 2016	B	5,826,141	24,006,120	29,832,261
At 31 December 2015	BB-	20,391,549	34,926,871	55,318,420
At 31 December 2014	BB-	19,040,368	18,427,387	37,467,755

Credit concentration by geographical section: The Bank's credit exposure for on-balance sheet and off-balance sheet items at their carrying amounts are all domiciled in Nigeria.

5.1.4 The Bank's overall exposure to credit risk as well as the underlying quality (as rated in terms of FirstRand's credit rating methodology of the credit exposures) is set out below:

	Rating	31 Dec 2016	Risk Weighted Assets
		NGN'000	NGN'000
Balances with the CBN and other money market placements	B	545,428	-
Loans and advances to banks	B and better	4,865,999	4,156,263
Loans and advances	B and better	19,926,653	19,926,653
Debt securities (Federal Government of Nigeria Treasury Bills with various maturities)	B	29,832,261	-
Derivative financial assets	B	1,303,129	100,131
Equity investment	B	19,500	19,500
Other assets	BB-	134,974	134,974
Total on-balance sheet credit exposures		**56,627,945**	**24,337,522**
Bonds and guarantees	BBB-	136,831	68,415
Letters of credit	B and better	3,886,207	777,241
Loan commitments	B and better	18,870,551	3,774,110
Total off-balance sheet credit exposures		**22,893,589**	**4,619,767**
Total credit exposures		**79,521,534**	**28,957,289**
Capital required in respect of credit commitments			**2,895,729**

	Rating	31 Dec 2015	Risk Weighted Assets
		NGN'000	NGN'000
Balances with the CBN and other money market placements	B+	9,971,286	-
Loans and advances to banks	BB- and better	8,418,970	7,709,232
Loans and advances	BB- and better	6,916,797	10,375,196
Debt securities (Federal Government of Nigeria Treasury Bills with various maturities)	B+	55,318,420	-
Derivative financial assets	B+	821,188	-
Other assets	BBB-	416,516	416,516
Total on-balance sheet credit exposures		**81,863,177**	**18,500,944**
Bonds and guarantees	BBB-	149,400	74,700
Letters of credit	BB- and better	2,815,612	314,793
Loan commitments	BBB-	2,680,305	1,340,153
Total off-balance sheet credit exposures		**5,645,317**	**1,729,646**
Total credit exposures		**87,508,494**	**20,230,590**
Capital required in respect of credit commitments			**2,023,059**

	Rating	31 Dec 2014	Risk Weighted Assets
		NGN'000	NGN'000
Balances with the CBN and other money market placements	BB-	6,332,439	-
Loans and advances to banks	BB- and better	2,962,138	592,428
Loans and advances	BBB-	2,181,763	2,181,763
Debt securities (Federal Government of Nigeria Treasury Bills with various maturities)	BB-	37,467,755	-
Derivative financial assets		2,886,267	-
Other assets	BBB-	35,959	35,959
Total on-balance sheet credit exposures		**51,866,321**	**2,810,150**
Financial guarantees	BBB-	251,050	125,525
Letters of credit	BB	85,481	17,096
Loan commitments	BBB-	1,000,000	500,000
Total off-balance sheet credit exposures		**1,336,531**	**642,621**
Total credit exposures		**53,202,852**	**3,452,771**
Capital required in respect of credit commitments			**345,277**

1.1.1. Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuations techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes equity securities and debt instruments on exchanges.
- Level 2 - Input other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Input for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

The table below analyses financial instruments measured at fair value at the end of each reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

31 December 2016

Financial assets	**Level 1**	**Level 2**	**Level 3**
	NGN'000	NGN'000	NGN'000
Financial assets held for trading	5,826,141	-	-
Derivative financial assets	-	1,303,129	-
Investment securities:			
– Available-for-sale	22,900,791	-	-
– Equity	-	19,500	-
Pledged assets	1,105,329	-	-
Total	**29,832,261**	**1,322,629**	**-**

Financial liabilities	**Level 1**	**Level 2**	**Level 3**
	NGN'000	NGN'000	NGN'000
Derivative financial liabilities	-	1,318,743	-
	-	**1,318,743**	**-**

31 December 2015	**Level 1**	**Level 2**	**Level 3**
	NGN'000	NGN'000	NGN'000
Financial assets			
Financial assets held for trading	18,509,035	1,882,514	-
Derivative financial assets	-	821,188	-
Investment securities:			
– Available for sale	27,082,733	5,019,220	-
Total	**45,591,768**	**7,722,922**	**-**

Financial liabilities	Level 1	Level 2	Level 3
	NGN'000	NGN'000	NGN'000
Deposits from banks	-	30,040,371	-
Total	**-**	**30,040,371**	**-**

31 December 2014	Level 1	Level 2	Level 3
	NGN'000	NGN'000	NGN'000
Financial assets			
Financial assets held for trading	19,040,368	-	-
Derivative financial assets	-	2,886,267	-
Investment securities:			
– Available-for-sale	18,427,387	-	-
Total	**37,467,755**	**2,886,267**	**-**

Financial liabilities	Level 1	Level 2	Level 3
	NGN'000	NGN'000	NGN'000
Derivative financial liabilities	-	369,508	-
Total	**-**	**369,508**	**-**

Fair value of financial assets not measured at fair value

The carrying amount of the under listed financial assets and liabilities approximates the fair value:

Financial assets	Fair value
Loans and advances to banks	Level 3
Loans and advances to customers	Level 3
Other assets	Level 3

Financial assets	Fair value
Deposits from customers	Level 3
Borrowings	Level 3
Other liabilities excluding share based payment and accruals	Level 3

1.2. Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for client lending, trading activities and investments.

In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sales of assets, or potentially an inability to fulfil lending commitments. The risk that the Bank will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events.

1.2.1.Liquidity risk management process

The Bank's liquidity management process is carried out by the treasury function. This includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring the liquidity ratios of the statement of financial position;
- Managing the concentration and profile of debt maturities;
- Monitoring unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees;
- Investing capital and excess funds in such a way as to preserve capital whilst attaining a benchmark return on risk-free securities and contributing to the management of cash flows in a prudent manner; and
- Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management.

Sources of liquidity are regularly assessed by the Treasury for suitability to fund the assets of the Bank. At present, the Bank is constrained in its ability to access the professional and capital markets until such time as it has a local Nigerian credit rating. Necessarily, this takes 2 to 3 years of operation to obtain.

Typically, these are the core sources of funding for a merchant bank. Notwithstanding this, the Bank has managed to attract some corporate deposits with which to fund assets. A rating is imminently expected as this is the third set of audited financial statements. These markets should be accessible to the bank in the coming financial year.

Summary of contractual liquidity profile of the Bank as at 31 December 2016

Period	Total assets	Total liabilities	Loan commitments	Off-balance sheet
	NGN'm	NGN'm	NGN'm	NGN'm
1 day	15,276	7,557	-	-
1 month	3,671	6,228	-	1,465
3 months	5,533	9,465	-	846
6 months	16,229	3,056	-	1,598
12 months	21,730	2,576	16,471	53
24 months	2,859	5,092	2,400	61
5 years	1,033	10,196	-	-
>5 years	-	2,470	-	-
Non-contractual	1,175	421	-	-
Total	**67,506**	**47,061**	**18,871**	**4,023**

There are materially matched flows in the 1 month, 6 months, and 12 months buckets whereby deposits are matched with currency swaps and securities, each to the extent of c. NGN10 billion (allowing for immaterial mismatch).

Summary of contractual liquidity profile of the Bank as at 31 December 2015

Period	Total assets	Total liabilities	Loan commitments	Off-balance sheet
	NGN'm	NGN'm	NGN'm	NGN'm
1 day	18,193	15,410	-	-
1 month	18,788	20,017	-	41
3 months	25,820	2,191	-	869
6 months	16,445	20,160	-	1,757
12 months	30,642	21,239	1,000	90
24 months	693	3,560	-	-
5 years	1,385	13,015	-	-
>5 years	-	3,080	-	188
Non-contractual	670	-	-	-
Total	**112,636**	**98,672**	**1,000**	**2,945**

Summary of contractual liquidity profile of the Bank as at 31 December 2014

Period	Total assets	Total liabilities	Loan commitments	Off-balance sheet
	NGN'm	NGN'm	NGN'm	NGN'm
1 day	9,330	2,325	-	-
1 month	15,218	12,962	-	-
3 months	16,229	7,578	-	11
6 months	1,675	312	-	188
12 months	1,460	1,045	1,000	137
24 months	1,751	1,794	-	-
5 years	8,282	12,346	-	-
>5 years	3,242	5,530	-	-
Non-contractual	69	-	-	-
Total	**57,256**	**43,892**	**1,000**	**336**

Most assets in the 3 months and longer tenors represented treasury bills, which are easily liquidated or used for collateralized funding (through open buy-backs) well ahead of maturity. It is thus evident from the table above that the Bank ran a healthy liquid profile (mainly due to the relatively high level of capital and retained earning position of the Bank, which is used for the holding of liquid assets). At no time through the year did the bank experience liquidity pressure.

1.3. Market risk

The Bank takes on exposure to market risks, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks in RMB Nigeria arise from open positions in interest rates and currency, which are exposed to general and specific market price / rate movements. The Bank separated exposures to market risk into trading and banking book portfolios according to the Trading

Book Policy as required by both the Central Bank of Nigeria and the South African Reserve Bank.

The market risks arising from trading activities are run out of the Global Markets Division, and market risks arising from banking activities are centralized in the RMB Nigeria Group Treasury function. Regular reports on both are submitted to the Executive Committee; the Audit, Risk and Compliance Committee; and the Board of Directors.

Trading portfolios include those positions arising from capital market transactions where the Bank acts as principal with clients or with the professional market.

Market risk on banking book portfolios primarily arises from interest rate tenor mismatches in funding client loans and liquid assets from loans and deposits sourced deposits and from endowment risk on investment of capital in Nigerian treasury bills. It also arises from the receipt and payment of different base rates on assets and liabilities respectively. The market risk on the endowment book is accounted for in the Bank's available-for-sale portfolio. Currency risk in the banking book arises from very small unmatched currency positions in the Bank's nostro accounts.

1.3.1.Market risk measurement techniques

The objective of market risk measurement is to measure potential losses that can arise. This is done in order to assist with the management and control of income volatility to within acceptable limits while earning the return on the risk taken. The Bank's risk function is responsible for the development of detailed risk management policies and for the day-to-day oversight of the implementation of those policies by the business units.

RMB Nigeria measures market risk on a stress loss basis whereby the bank assesses stress moves per risk factor and applies these to positions with no offset. The stress loss methodology provides an indication of the potential size of losses that could arise in distressed conditions. The measurement of risk against distressed market conditions (rather than under regular "business as usual" conditions) is consistent with the FirstRand Group philosophy of risk measurement, and indicates that the Bank can operate in a "no undue surprises" environment. The stress losses being run are reviewed by senior management on a daily basis, by the Executive Committee on a monthly basis, and by the Audit, Risk and Compazine Committee; and Board of Directors on a quarterly basis.

It should be noted that the Bank has not adopted a VaR based approach as the market data is not sufficiently clean and instruments are not sufficiently liquid to run such an analysis.

Stress loss position - Trading Book

2016 financial year

	Foreign exchange risk	Interest rate risk	Total stress loss
	NGN’m	NGN’m	NGN’m
Average	121	274	396
Low	35	46	131
High	309	682	769

2015 financial year

	Foreign exchange risk	Interest rate risk	Total stress loss
	NGN’m	NGN’m	NGN’m
Average	18	263	281
Low	0	2	10
High	197	1065	1152

2014 financial year

	Foreign exchange risk	Interest rate risk	Total stress loss
	NGN’m	NGN’m	NGN’m
Average	12	123	135
Low	0	0	0
High	56	530	586

There were no breaches of stress loss limits through the year, although a number of condonations were given for exceeding standard limits. These were given for known transactions and causes and the risk run was acceptable to the Bank and the Group. There were no breaches of any regulatory limit or other governance limit through the year.

1.4. Interest rate risk

Banking book interest rate risk is the risk that the currently indeterminable future cash flows of financial instruments on book, or those yet to be put on book but which will necessarily balance the balance-sheet, will fluctuate because of changes in market interest rates. The Bank takes on exposure to the extent of the impact of fluctuations in the prevailing levels of market interest rates. Interest margins may increase as a result of such changes but they may also reduce. There are two primary forms of banking book interest rate risk faced by the Bank: funding risk and endowment risk.

Funding risk is the risk that the margin between rate-sensitive assets and rate sensitive liabilities narrows or goes negative, and endowment risk is the risk of value fluctuations in the repricing of assets as they roll against non-rate-sensitive liabilities or equity. The Board sets limits on the level of banking book interest rate risk to which the Bank can be exposed.

The tables below summarize the Bank’s non-trading book fair value exposure to interest rate risks.

31 December 2016

Period	Total assets repricing	Total liabilities repricing
	NGN'm	NGN'm
1 month	15,658	5,569
3 months	5,561	7,632
6 months	11,250	-
12 months	18,388	1,619
>1 year	2,500	11,331
Non-rate sensitive	(2,625)	24,489
Total	**50,732**	**50,640**

Interest rate stress loss for the Bank

NGN'm	Limits	Up	Down
	NGN'm	NGN'm	NGN'm
2% move	810	113	(133)
5% move	2,070	283	(283)

Any losses incurred in respect of the above is recognized in the Available-For-Sale reserves.

31 December 2015

Period	Total assets repricing	Total liabilities repricing
	NGN'm	NGN'm
1 month	21,461	24,445
3 months	20,029	945
6 months	-	10,005
12 months	17,397	9,975
>1 year	2,650	13,684
Non-rate sensitive	(288)	23,408
Total	**61,249**	**82,462**

Interest rate stress loss for the Bank

NGN'm	Limits	Up	Down
	NGN'm	NGN'm	NGN'm
2% move	700	441	(441)
5% move	1,800	1,104	(1,104)

Any losses incurred in respect of the above is recognized in the Available-For-Sale reserves.

31 December 2014

Period	Total assets repricing	Total liabilities repricing
	NGN'm	NGN'm
1 month	8,740	12,810
3 months	12,050	6,071
6 months	1,000	-
12 months	500	-
>1 year	6,700	12,950
Non-rate sensitive	1,456	3,754
Total	**30,446**	**35,585**

Interest rate stress loss for the Bank

NGN'm	Limits	Up	Down
	NGN'm	NGN'm	NGN'm
2% move	700	269	(269)
5% move	1 800	673	(673)

Any losses incurred in respect of the above is recognized in the Available-For-Sale reserves.

1.5. Foreign exchange risk

The Bank is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows in its day to day market trading operations. Currency operations are not entered into for purposes of currency speculation, and any residual positions are as a result of not being able to lay the residual risk from client trades risk off in the market, or are too small to trade out of in the normal course of operations.

The regulatory constraint that the open foreign currency trading position cannot exceed 0.5% of capital necessarily indicates a very small capability to take on trading currency risk in a trading capacity. Being a regulatory risk limit, this is also a Board limit for trading. In addition to this, the Bank is allowed to run an open currency position on banking assets and liabilities to the extent of 20% of capital. The Bank ran an overall long currency position of NGN605 million as at year end. This represents 2.75% of capital and is comfortably within regulatory limits.

1.6. Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the Central Bank;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee. The Bank maintains a ratio of total regulatory capital to its risk-weighted assets (the 'Basel ratio') above a minimum level agreed with the Central Bank (10%) which takes into account the risk profile of the Bank.

The regulatory capital requirements are strictly observed when managing economic capital. The Bank's regulatory capital is managed by its Bank Treasury and it comprises of:

- Tier 1 capital: share capital, general banking reserve, retained earnings and reserves created by appropriation of retained earnings.
- Tier 2 Capital: qualifying subordinated loan capital, collective impairment allowances and unrealized gains arising on the fair evaluation of equity instruments held as available-for-sale.

The table below summarizes the composition of regulatory capital and the ratios of the Bank for the year ended 31 December 2016. During the year, the Bank complied with all of the externally imposed capital requirements to which they are subject:

	31 December 2016	31 December 2015	31 December 2014
	NGN'000	NGN'000	NGN'000
Tier 1 capital			
Ordinary share capital	18,000,000	18,000,000	15,000,000
Retained earnings	2,437,589	2,751,810	2,427,418
Statutory reserves			
Less:	981,742	981,742	807,348
Fair value reserve for available-for-sale securities	(543,785)	223,012	(1,542,416)
Total qualifying Tier 1 Capital	**20,875,546**	**21,956,564**	**19,777,182**
Tier 2 capital			
Prudential collective allowances for impairment	297,331	106,467	23,940
Total	**297,331**	**106,467**	**23,940**
Total regulatory capital	**21,172,877**	**22,063,031**	**19,801,122**
Risk weighted assets			
On-balance sheet	33,609,439	26,342,365	3,315,572
Off-balance sheet	4,619,767	577,625	642,621
Regulatory adjustments	-	(8,551)	-
Total risk weighted assets	**38,220,206**	**26,911,439**	**3,958,193**
Basel ratio	55%	82%	>100%

2. Critical accounting estimates and judgments in applying accounting policies

In preparing the financial statements, the Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Unless stated otherwise, the judgments applied by management in applying the accounting policies are consistent with the prior year.

a. Credit impairment losses on loans and advances

The Bank continuously assesses its credit portfolios for impairment. In determining whether an impairment should be recognized in the income statement, the Bank makes judgement as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a portfolio of loans.

The impairment provision on the performing portfolio is split into two parts:

i. The first part consists of the portion of the performing portfolio where an incurred impairment event is inherent in a portfolio of performing advances but has not been specifically identified. An incurred but not reported (IBNR) provision is calculated on this sub-segment of the portfolio, based on historical analysis of loss ratios, roll rates from performing status into non performing status and similar risk indicators over and estimated loss emergence period.
Estimates of roll rates, loss ratios and similar risk indicators are based on analysis of internal and, where appropriate, external data. Estimates of the loss emergence period are made in the context of the nature and frequency of credit assessments performed,

availability and frequency of updated data regarding customer creditworthiness and similar factors. Loss emergence period differ from portfolio to portfolio, but typically range from 1 – 12 months.

ii. The second part consists of the portfolio specific impairment (PSI) to reflect the decrease in estimated future cash flows for the sub-segment of the performing portfolio where there is objective evidence of impairment. The decrease in future cash flows is primarily estimated based on analysis of historical loss and recovery rates for comparable sub-segments of the portfolio.

Non-performing loans

Wholesale loans are analyzed on a case by case basis taking into account breaches of key loan conditions, excesses and similar risk indicators. Management's estimates of future cash flows on individually impaired loans are based on internal historical loss experience, supplemented by analysis of comparable external data for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Refer to Note 18 for a detailed analysis of the impairment of advances and the carrying amounts of the specific and collective impairment.

b. Share based payments

Share based payment transactions of the Group (FirstRand Limited) are classified as either cash settled or equity settled. The amounts recognised in respect of these share-based payment transactions are determined by applying valuation techniques that use various assumptions and estimates that require judgment in their application. These assumptions and estimates include expected volatility, expected dividend yield, the discount rate and the expected forfeiture or lapse rate.

The expected volatility assumption is determined based on a ruling historical volatility over the expected life of the options and comparable financial information. The expected dividend yield is determined based on historical dividend yields and management's estimates. The discount rate is based on zero coupon government bonds and have terms to maturity consistent with the assumed life of the share option. The expected forfeiture rate has been based on historical experience and management estimates.

c. Income taxes

The Bank is subject to direct tax in Nigeria. There may be transactions and calculations for which the ultimate tax determination has an element of uncertainty during the ordinary course of business. The Bank recognises liabilities based on objective estimates of the amount of tax that may be due. Where the final tax determination is different from the amounts that were initially recorded, such difference will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Refer to Note 25 for more information regarding the direct and deferred income tax charges, assets and liabilities.

d. Derivatives

For more complex instruments, the Bank uses proprietary valuation models which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain OTC structured derivatives and securities for which there is no active markets.

Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, determination of expected volatilities and correlations, and selections of appropriate discount rates.

e. Revenue recognition

Management needs to apply judgment to determine whether the Bank acts as a principal or agent in certain revenue generating transactions. If the Bank acts as an agent, the gross economic benefits include amounts collected on behalf of the principal and do not result in increases in the equity of the Bank. The amount collected on behalf of the principal is not recognised as the revenue of the Bank. Instead, the Bank recognises the fee or commission that it earns while acting as an agent as non-interest income. An entity is acting as a principal when it has exposure to the significant risks and rewards associated with selling the goods or providing the services. The Bank considers the followings as indicators when assessing whether the Bank is acting as a principal in a transaction:

- the Bank has the primary responsibility of providing the goods or services;
- the Bank carries the inventory risk
- the Bank has the ability to establish the price, either directly or indirectly, and
- the Bank bears the customer's credit risk.

		31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
		NGN'000	NGN'000	NGN'000
	Interest Income			
	Loans and advances			
	- To customers	1,794,745	1,277,719	287,235
	- To banks	433,570	547,515	-
	Cash and cash equivalents	-	-	134,521
	Investment securities			
	- Treasury bills	4,034,528	3,494,887	1,958,830
	- Government bonds	10,159	162,447	721,288
	Total interest income	**6,273,002**	**5,482,568**	**3,101,874**
	Geographical location			
	Interest income earned in Nigeria	6,273,002	5,482,568	3,101,874
	Interest expense			
	Deposits from banks	38,071	24,350	21,533
	Deposits from customers	551,386	282,318	825,492
	Borrowings	1,746,546	1,757,472	801,493
	Total Interest expense	**2,336,003**	**2,064,140**	**1,648,518**
	Loan impairment charges			
	Collective impairments	71,047	28,018	811
	Fees and commission income			
	Credit related fees and commissions	201,805	63,158	429,434
	Corporate finance fees	1,192,407	935,873	17,029
	Total	**1,394,212**	**999,031**	**446,463**
11a.	**Net gains on financial instruments classified as held for trading**			
	Fair value (loss) / income on derivatives	(28,153)	894,844	137,506
	Fair value income on trading instruments	831,757	218,446	317,623
	Net trading income	**803,604**	**1,113,290**	**455,129**
11b.	**Net loss on investment securities**			
	Loss on sale of available-for-sale investment securities	-	**(1,123,571)**	-
12.	**Foreign exchange income**			
	Foreign exchange (loss) / gain on FCY transactions	(2,429,843)	(124,278)	2,470,332
	Foreign exchange translation gain	878,250	554,875	327,820
	Total	**(1,551,593)**	**430,597**	**2,798,152**
13.	**Employee benefits expenses**			
	Wages and salaries	2,956,027	2,283,804	1,241,115
	Pension costs:			
	- Defined contribution plans	155,866	137,736	91,470
	Cash-settled-share-based-payments	219,446	219,883	310,645
	Other staff costs	37,786	64,613	67,225
	Total	**3,369,125**	**2,706,036**	**1,710,455**

In 2015, Executive Directors' emoluments of NGN491.041 million was disclosed as part of Directors' fees in Note 31 of the audited financial statements and was included under General and Administrative expense (Note 15 of the audited financial statements) rather than employee benefits expense. In 2016, the Executive Directors' emoluments of NGN491.041 million have been reclassified to employee benefits to allow for consistency of the Independent Directors' fees in Notes 15 and 31.

(i) The number of persons employed during the year was as follows:

	2016	2015	2014
Executive directors	2	2	2
Management staff	13	13	7
Non-management staff	28	31	29

(ii) The average number of employees, other than directors, earning more than NGN1m per annum is as follows:

	2016	2015	2014
NGN1 - NGN1,000,000	2	1	2
NGN1,000,001 - NGN10,000,000	8	13	8
NGN10,000,000 - above	33	30	26

14. Cash share based payments

The FirstRand Conditional Incentive Plan (CIP) was implemented in 2011 to provide selected FirstRand Group employees, including executive directors of the participating companies, the opportunity of receiving incentive remuneration payments based on the increase in the market value of ordinary FirstRand shares. These employees of the Bank are only entitled to the proceeds provided that the performance objectives as set by the FirstRand Limited Group Remuneration Committee have been achieved by the third anniversary of the grant, at which period it vests in full.

15. General and administrative expenses

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Professional fees	59,357	103,046	36,398
Electricity charges	10,257	4,427	18,678
Insurance costs	28.537	22,727	7,655
Bank charges	106,809	106,406	30,188
Repairs & maintenance	52,883	102,511	57,149
Business travel expenses	92,158	125,974	120,596
Directors' emoluments	58,221	58,223	505,000
Lease rental expenses	180,435	135,177	152,622
Stationery and postage	4,191	20,538	9,597
Contract services	81,413	207,063	278,022
Administrative and marketing expenses	39,722	26,104	72,004
Legal and other service charges	3,118	22,337	15,000
Penalties	4,150	7,646	6,282
Office requirements	32,978	29,372	19,250
Training and development	7,025	9,500	3,632
Annual subscriptions	59,257	23,515	11,059
Donations	2,020	9,495	-
NDIC premium	147,265	78,001	24,824
Trading systems subscriptions and maintenance	91,313	61,069	-
Share issue cost	-	225,005	-
Others	47,800	59,612	35,552
	1,108,909	**1,437,748**	**1,403,508**

In 2015, Executive Directors' emoluments disclosure of NGN549.264 million, included independent Directors' emoluments under the general and administrative expense (Note 15 of audited financial statement). In 2016, Executive Directors' emoluments of NGN491.04 million of the NGN549.2 million, have been reclassified to employee benefit expense, to allow for consistency of the Independent Director's fee disclosure as noted above.

Audit and non-audit fees

The following fees were paid to the auditors during the respective year ends.

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Audit of the financial statements	18,421	16,747	15,634
Review engagements for group reporting	11,700	14,700	6,000
Other services relating to taxation	5,969	3,036	1,516
	36,090	**34,483**	**23,150**
Total General and other expenses	**1,144,999**	**1,472,231**	**1,426,658**

Income tax expense

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Current taxes expense	-	18,083	26,509

The tax on the Bank's profit before tax differs from the theoretical amount as follows

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
(Loss) / Profit before income tax	(123,357)	599,397	1,983,950
- Income not subject to tax	(4,852,984)	(3,840,243)	(2,680,118)
- Expense not deductible for tax purposes	226,052	183,971	757,189
Assessable loss	**(4,750,289)**	**(3,056,875)**	**61,021**

Company income tax calculated at the rate of 30%

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
NITDA levy	-	18,000	18,116
Prior year under provision	-	83	8,393
Income tax expense	**-**	**18,083**	**26,509**

With effect from 2 January 2012, the Federal Government of Nigeria issued a definitive declaration that the interest income earned from investment in its short term securities such as treasury bills and promissory notes are exempt from companies' income tax. This order was communicated via the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011.

Therefore, income of NGN4.04 billion (2015, NGN3.84 billion) was not subjected to tax as the income received were interest generated from investments in Treasury bills with the Central Bank of Nigeria (CBN) and Federal Government Bonds.

17a. Cash and balances with the Central Bank

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Cash in hand	300	300	300
Balances with the Central Bank other than mandatory reserve deposits	192,670	9,294,800	5,778,064
Included in cash and cash equivalents	**192,970**	**9,295,100**	**5,778,364**
Mandatory reserve deposits with the Central Bank	**352,458**	676,**486**	554,375
Balances with Central Bank	**545,428**	**9,971,586**	**6,332,739**

Mandatory reserve deposits are not available for use in the Bank's day-to-day operations.

17b. Loans and advances to banks

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Balances held with other banks	4,865,999	8,418,970	2,962,137
Included in cash and cash equivalents	**4,865,999**	**8,418,970**	**2,962,137**

17c. Cash and cash equivalents in statement of cash flows includes:

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Cash and balances with the Central Bank	192,970	9,295,100	5,778,364
Loans and advances to Banks	4,865,999	8,418,970	2,962,137
Cash and cash equivalents of continuing operations	**5,058,969**	**17,714,070**	**8,740,501**

18. Loans and advances to customers

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Corporate entities			
- Large corporate customers	19,776,266	6,817,909	2,186,264
- Mid corporate customers	253,953	131,406	-
Gross loans and advances to customers	**20,030,219**	**6,949,315**	**2,186,264**
Less: Allowances for impairment	(103,566)	(32,518)	(4,501)
Net loans and advances to customers	**19,926,653**	**6,916,797**	**2,181,763**
Current	15,546,045	5,797,656	263,335
Non-current	4,380,608	1,119,141	1,918,428
	19,926,653	**6,916,797**	**2,181,763**

Reconciliation of allowance account for losses on loans and advances to customers by class is as follows:

Loans and advances to corporate customers			
Collective allowance for impairment			
Balance at 1 January	32,519	4,501	3,690
Impairment allowances	71,047	28,018	811
Balance at 31 December	**103,566**	**32,519**	**4,501**

19. Financial assets held for trading

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Trading treasury bills	5,141,015	20,391,549	17,996,137
Government bonds	685,126	-	1,044,231

	5,826,141	**20,391,549**	**19,040,368**
Current	5,141,015	20,391,549	17,996,137
Non-current	-	-	1,044,231
	5,826,141	**20,391,549**	**19,040,368**

20. Investment securities

	31 Dec. 2016	**31 Dec. 2015**	**31 Dec. 2014**
	NGN'000	NGN'000	NGN'000
Available-for-sale investment securities			
Treasury bills (unlisted)	22,900,791	34,926,871	11,359,756
Bonds		-	7,067,631
Total available-for-sale investment securities	**22,900,791**	**34,926,871**	**18,427,387**
Current	22,900,791	34,926,871	11,359,756
Non-current	-	-	7,067,631
	22,900,791	**34,926,871**	**18,427,387**

There were no pledged assets as at 31 December 2015.

21. Derivative financial instruments

		Fair value	
31 December 2016	Notional contract amount	Assets	Liability
	NGN'000	NGN'000	NGN'000
Foreign exchange derivatives:			
Foreign exchange forwards	2,366,544	1,303,129	(1,318,743)
Derivative assets / (liabilities)	**2,366,544**	**1,303,129**	**(1,318,743)**

Foreign exchange derivatives:	Notional contract amount	Over the counter (OTC)	Over the counter(OTC)
Foreign exchange forwards	**2,366,544**	**1,303,129**	**(1,318,743)**

31 December 2015	Notional contract amount	Assets	Liability
	NGN'000	NGN'000	NGN'000
Foreign exchange derivatives:			
Currency swaps	29,570,042	821,188	-
Derivative assets / (liabilities)	**29,570,042**	**821,188**	**-**

	Notional contract amount	Exchange Traded	Over the counter (OTC)
	NGN'000	NGN'000	NGN'000
Foreign exchange derivatives:			
Foreign exchange forwards	-	-	-
Currency swaps	29,570,042	-	821,188
	29,570,042	**-**	**821,188**

31 December 2014	**Notional contract amount**	**Assets**	**Liability**
	NGN'000	NGN'000	NGN'000
Foreign exchange derivatives:			
Foreign exchange forwards	19,812,204	2,886,267	-
Currency swaps	4,903,035	-	(369,508)
Derivative assets / (liabilities)	**24,715,239**	**2,886,267**	**(369,508)**

	Notional contract amount	Exchange Traded	Over the counter (OTC)
	NGN'000	NGN'000	NGN'000
Foreign exchange derivatives:			
Foreign exchange forwards	19,812,204	-	2,886,267
Currency swaps	4,903,035	-	(369,508)
	24,715,239	**2,886,267**	**(369,508)**

The Bank enters into forward foreign exchange contracts and currency swaps designed as held for trading. A forward foreign exchange contract is an agreement by two counterparties to exchange currencies at a predetermined rate on some future date. No funds change hands when a typical forward foreign exchange contract originates; a funds flow occurs only at the contract's stated future delivery time. A currency swap is the simultaneous spot sale or (purchase) of currency against a forward purchase or (sale) of approximately an equal amount. In a swap contract, there is an exchange, or notional exchange, of equivalent amounts of two currencies and a commitment to exchange interest periodically until the principal amount are re-exchanged on a future date.

The Bank's foreign exchange derivatives do not qualify for hedge accounting; therefore all gains and losses from changes in their fair values are recognized immediately in the income statement and are reported in 'Net gains/(losses) on financial instruments classified as held for trading'.

	31 Dec. 2016	**31 Dec. 2015**	**31 Dec. 2014**
	NGN'000	NGN'000	NGN'000
22. Other assets			
Prepayments	1,137,061	477,122	436,643
Due from FirstRand	-	396,716	13,459
Accounts receivable	134,975	19,800	22,500
Total other assets	**1,272,036**	**893,638**	**472,602**
Current	635,032	838,581	350,675
Non-current	637,004	55,057	121,927
	1,272,036	**893,638**	**472,602**

23. Property and equipment	**Motor vehicles**	**Computer equipment**	**Total**
	NGN'000	NGN'000	NGN'000
Cost			
As at 1 January 2014	115,461	7,169	122,630
Additions	-	-	-
As at 31 December 2014	**115,461**	**7,169**	**122,630**
As at 1 January 2015	115,461	7,169	122,630
Additions	-	-	-
As at 31 December 2015	**115,461**	**7,169**	**122,630**
As at 1 January 2016	115,461	7,169	122,630
Additions	-	23,786	23,786
Disposals	(11,700)	-	(11700)
As at 31 December 2016	**103,761**	**30,955**	**134,716**

	Motor vehicles	Computer equipment	Total
	NGN'000	NGN'000	NGN'000
Accumulated depreciation			
As at 1 January 2014	21,970	656	22,626
Charge for the year 2014	28,864	2,360	31,224
As at 31 December 2014	**50,834**	**3,016**	**53,850**
Charge for the year 2015	29,667	2,426	32,093
As at 31 December 2015	**80,501**	**5,442**	**85,943**
Charge for the year 2016	27,319	2,141	29,460
Disposals	(9,393)	-	(9,393)
As at 31 December 2016	**98,427**	**7,583**	**106,010**
Carrying amount			
As at 31 December 2016	5,334	23,372	28,706
As at 31 December 2015	34,960	1,727	36,687
As at 31 December 2014	64,627	4,153	68,780

24a. Deposits from Banks

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Money market deposits	-	30,040,371	18,863
Current	-	30,040,371	18,863

The money market deposits are un-secured inter-bank takings which have been conducted under standard lending and repurchase activities.

24b. Deposits from customers

Deposits due to customers are primarily composed of amount payable on demand, and term deposits carried at amortized cost.

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Corporate customers			
- Current accounts	6,074,86:	14,426,830	880,408
- Term deposits	13,761,03:	862,948	50,702
Total	**19,835,89:**	**15,289,778**	**931,110**
Current	19,835,89:	15,289,778	931,110

Included in customer's deposits accounts were deposits of NGN3.26 billion (2015; NGN7.62 billion) held as collateral for irrecoverable commitments under import letters of credit. The term deposits are at fixed interest rates. The fair value of those deposits approximates the carrying amount.

25. Current income tax liabilities

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Balance, beginning of the year	18,000	18,116	6,400
Under-provision for tax liabilities in the prior year	-	83	8,393
Charge for the year			
Payments during the year	(5,994)	(18,199)	(14,793)
Reversal of excess accrual	(12,006)	-	-
NITDA levy	-	18,000	18,116
Current income tax payable	**-**	**18,000**	**18,116**

Deferred tax assets are recognized when it is probable that future taxable profit will be available against which these temporary differences can be utilized. In the current period ended, management is of the opinion that the bank is currently undergoing its expansion cycle and considering current economic activities in the financial market, that it's not probable to utilize the deferred tax in the nearest future and hence deferred tax has not been recognized. Unrecognized deferred tax as at 31 December 2016 is NGN3.136 billion (2015, NGN1.825 billion).

26. Other liabilities

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Cash settled share based payment liability (see Note 27)	305,562	186,041	266,814
Amounts payable to FirstRand Bank Limited	1,195,499	842,337	1,070,593
Accruals	67,486	25,356	53,882
Unclaimed balances	-	40,000	40,000
Employee liability	314,421	292,325	137,977
VAT liabilities	31,773	30,866	-
WHT liabilities	12,582	27,115	233,845
Other current liabilities	-	18,000	83,143
Total other liabilities	**1,927,323**	**1,462,040**	**1,886,254**
Current	1,667,596	1,303,906	1,659,463
Non-current	259,727	158,134	226,791
	1,927,323	**1,462,040**	**1,886,254**

All other liabilities are unsecured and interest fee.

27. Cash settled share based payment liability

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
As at 1 January	186,041	266,814	226,306
Transfers between legal entities within the group	(76,456)	(77,260)	-
Share based expenses (Liabilities, Note 13)	219,446	219,883	310,645
Share based settlement (cash)	(142,506)	(178,511)	(270,137)
Exchange difference	119,037	(44,885)	-
At the end of the period	**305,562**	**186,041**	**266,814**
Current	119,166	27,906	40,022
Non-current	186,396	158,135	226,792
	305,562	**186,041**	**266,814**

28. Borrowed funds

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
Due to Africa Development Bank (ADB) see Note (i) below	13,538,877	13,504,064	13,587,332
	13,538,877	**13,504,064**	**13,587,332**
Current	3,278,489	1,717,814	822,591
Non-current	10,260,388	11,786,250	12,764,741
	13,538,877	**13,504,064**	**13,587,332**

(i) The amount of NGN13,538,876,540 (December 2015: NGN13,504,064,127) represents the outstanding balance of NGN12.95 billion (principal loan amount obtained in July 2014) by the African Development Bank (ADB), repayable over 7 years with three (3) year grace period and four (4) years semiannual principal repayments. Interest repayments is semiannual at 200 basis points above all-in cost of funds.

29. Capital and reserves

Share capital

The total authorized number of ordinary shares at year end was 18 billion with a par value of NGN1 per share.

(i) **Regulatory risk reserve**

The regulatory risk reserve represents the difference between the impairment provisions of the loans and advances as determined in accordance with IAS 39, incurred loss model and the provisions of prudential guidelines of Central Bank of Nigeria. Where the prudential impairment provisions are greater than the IAS 39 provisions, retain the excess in non-distributable regulatory reserves, if otherwise, make additional provisions and charge to income statements.

In the current year ended, 31 December 2016, NGN297 million (2015, NGN139 million), was transferred to the regulatory risk reserve, calculated as 2% of the gross carrying value of loans and advances to customers less allowance for impairment (Note 15).

Statement of prudential adjustments

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Prudential provisions as at 31 December	400,897	138,986	-
IAS 39 adjustments	(103,566)	(32,519)	(4,501)
Prudential adjustments	-	-	28,441
Regulatory risk reserve at 31 December	297,331	106,467	23,940
Transfers for the period:			
As at 1 January	(106,467)	(23,940)	-
Charge to regulatory risk reserve	**190,864**	**82,527**	**23,940**

(ii) **Retained earnings**

Retained earnings consist of undistributed profits from previous years attributable to shareholders.

(iii) **Statutory reserves**

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institutions Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. In the year ended 31 December 2016, since the bank reported a loss, there was no transfer appropriated to statutory reserve, (31 December 2015, NGN981.74 million).

30. Contingent liabilities and commitments

Legal proceedings

There were no legal proceedings against the Bank as at 31 December 2016.

Loan commitments, guarantee and other financial facilities

In the normal course of business, the Bank is party to financial instruments with off-balance sheet risk. The instruments are used to meet the credit and other financial requirements of customers. The contractual amounts of the off-balance sheet financial instruments are:

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
Financial guarantees	136,831	149,400	251,050
Letters of credit	3,886,207	2,815,612	85,481
Loan commitments	18,870,551	2,680,305	1,000,000
	22,893,589	5,645,317	1,336,531

31. Related party disclosures

The Bank is controlled by First Rand EMA Holdings Limited, a company incorporated in the Republic of South Africa, which owns 99.9% of the ordinary shares. The ultimate parent company is FirstRand Limited. The Bank identified related parties as:

- The parent company
- Subsidiaries of the parent company
- associates and joint ventures of the parent company and fellow subsidiaries
- investor that has significant influence over the bank
- key management personnel, being the RMB Nigeria Board of Directors, and the Bank's executive committee, including any entities which provide key management personnel services
- close family members of key management personnel

A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits and foreign currency transactions. The related-party transactions with the ultimate parent, directors and key management personnel are as noted below:

		31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
		NGN'000	NGN'000	NGN'000
	Amount receivable from FirstRand Bank Limited	-	151,245	-
	Currency swaps with FirstRand Bank Limited	-	1,225	-
	Non-deliverable forwards with FirstRand Limited	1,213,967	-	-
	Deposits from FirstRand Bank Limited	-	30,040,371	-
	Deposits from RMB Nigeria Stockbrokers Limited (RMBN SB)	717,154	913,011	-
	Amounts payable to FirstRand Bank Limited	1,195,499	842,337	1,070,593
	Contract services to FirstRand Bank Limited	81,413	207,063	278,022
	Interest expense on deposits from FirstRand Bank Limited	12,628	143,062	-
	Interest expense on deposits from RMBN SB	56,743	2,479	-
(i)	Key management compensation for the period			
	Wages and salaries	1,027,342	1,027,434	934,379
	Post-employment benefits	28,501	26,21	11,643
	share based payments	137,426	170,460	149,063
		1,193,269	**12,005,155**	**1,095,085**
(ii)	Directors' remuneration			
	The Directors' remuneration for the year ended is provided as follows:			
	Fees as directors	58,221	58,223	45,187
	Executive directors' compensation	627,916	491,041	459,813
		686,137	**549,264**	**505,000**

In 2015, fees as directors' disclosure of NGN549.264 million included Independent directors' fee and other Executive directors' compensation. In 2016, Executive directors compensation of NGN491.041 million of the NGN549.264 million, have been reclassified to employee benefit expenses, to allow for consistency of the independent Directors' fee disclosures as noted above.

The directors' remuneration shown above includes:			
Chairman	-	-	-
Highest paid director	387,673	313,409	285,647
The emoluments of all other directors fell within the following ranges:			
NGN15,000,000 – above	4	4	2

32. Contraventions

The Bank was in contravention of the following banking regulation during the year.

	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
	NGN'000	NGN'000	NGN'000
- Late compliance with supervisory recommendations	2,000	-	2,000
- Non-conformity with CBN FX manual	2,000	-	2,000

- Late Submission of daily FINA report	150	-	2,000
- Non-Submission of FTR reports	-	2,116	-
- Breaches on FMDQ dealing system	-	3,000	-
- Late submission of parastatals returns and other appointments	-	2,300	-
- Late filing of year end Audited reports	-	230	220
- Late compliance with appointment of Chief Compliance Officer	-	-	2,000
	4,150	**7,646**	**8,220**

33. Subsequent events

There were no events subsequent to the financial position date, 31 December 2016, which require adjustments to, or disclosure in these financial statements.

1. CLEARING SYSTEM AND SETTLEMENT

Each Series of Bonds and Structured Notes issued under the Programme shall be registered with a separate securities identification code with the CSCS. All transactions in such Bonds and Structured Notes shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSCS. Transactions will normally be effected for settlement not earlier than 3 working days after the date the securities are traded. Subject as aforesaid, each Series of such Bonds and Structured Notes will be issued, cleared and transferred in accordance with the Terms and Conditions and will be settled through authorised participants who will follow the electronic settlement procedures prescribed by the CSCS. The CSCS authorised participants include banks, securities brokers and dealers and other professional financial intermediaries.

RMBN SPV has no responsibility for the proper performance by the CSCS or the CSCS authorised participants of their obligations under their respective rules and operating procedures.

2. CASH SETTLEMENT

Parties to any transaction will be responsible for effecting the payment transfers either via Real Time Gross Settlement ("**RTGS**"), National Electronic Funds Transfer ("**NEFT**") or any other transfer mode agreed by the parties to the transaction and recognised by the CBN.

3. TRANSFER OF BONDS AND STRUCTURED NOTES

Title to beneficial interest in the Bonds and Structured Notes will pass on transfer thereof by electronic book-entry in the securities accounts maintained by the CSCS and may be transferred only in accordance with rules and operating procedures of the CSCS.

TAX CONSIDERATIONS

The summary below does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective investor in the Bonds or the Structured Notes issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attaching to a subscription or purchase of Bonds or Structured Notes issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Bonds or Structured Notes issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Bonds or Structured Notes may vary. Any actual or prospective purchaser of the Bonds or Structured Notes who intends to ascertain his/her tax position should seek independent professional advice from his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Bonds or Structured Notes bearing in mind his/her peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Bonds or Structured Notes in any manner for placing reliance upon the contents of this section.

Except as otherwise indicated, this summary only addresses Nigerian tax legislation, as in effect and in force at the date hereof, as interpreted and applied by the courts or tax authorities in Nigeria, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

IN RELATION TO THE BONDS

Under Nigerian law, income accruing in, derived from, brought into, or received in Nigeria in respect of dividends, interest, royalties, discounts, charges or annuities is subject to tax. Interest shall be deemed to be derived from Nigeria if (a) there is a liability to payment of the interest by a Nigerian company or a company in Nigeria regardless of where or in what form the payment is made, or (b) the interest accrues to a foreign company or person from a Nigerian company or a company in Nigeria regardless of whichever way the interest may have accrued. Consequently, interest payments on the Bonds derived from Nigeria and accruing to both Nigerian investors and non-Nigerian investors would ordinarily be subject to withholding tax in Nigeria at the applicable at the applicable rate of 10% (ten per cent.) or 7.5% (seven and a half per cent.) if the foreign company or person to whom the interest accrues is resident in a country with which Nigeria has a double taxation treaty (which has been ratified by the Nigerian National Assembly) and the Issuer would be required to withhold tax on such payments and remit same to the appropriate tax authorities.

However, under current legislation in Nigeria, an investment in the Bonds to be issued under the Programme is generally exempt from all forms of taxes. These include exemptions from Companies Income Tax ("CIT"), Value Added Tax ("VAT") and Personal Income Tax ("PIT"), by virtue of the CIT (Exemption of Bonds and Short Term Government Securities) Order 2011 ("CIT Order"), the VAT (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 ("VAT Order") and the Personal Income Tax (Amendment) Act 2011 ("PITA Amendment Act") respectively. The CIT Order and VAT Order became effective on 2nd January, 2012 and the exemptions thereunder are valid for a period of ten (10) years from that date. The exemption under the PITA Amendment Act is indefinite.

Where the maturity of any Bonds issued under the Programme exceeds 1st January, 2022, withholding tax implications in respect of the interest payments on the Bonds for the period after 2nd January, 2022 will be stated in the applicable Pricing Supplement.

In addition, the Federal Government approved a ten-year waiver from Capital Gains Tax in March 2010. However, the necessary legislative and administrative processes for the effectiveness of this waiver have not yet been completed. This implies that investors may benefit from the waiver from Capital Gains Tax only when the requisite Order is gazetted and the necessary amendments made to the enabling law. The Capital Gains Tax Act, Chapter C1 LFN 2004 ("CGT Act") provides that any gain paid, used or enjoyed in or in any manner or form transmitted or brought to Nigeria shall be treated as being derived from Nigeria for the purposes of the CGT Act. In the case of an individual who is in Nigeria for a temporary purpose only and does not have any view or intent to establish his residence in Nigeria, such gain will be subject to tax if the period or sum of the periods for which he is present in Nigeria in that year of assessment exceeds 182 days.

The Value Added Tax (Exemption of Commissions on Stock Exchange Transactions) Order 2014 (the "VAT Exemption Order") equally exempts the imposition of Value Added Tax ("VAT") on:

a. Commissions earned on traded value of shares;

b. Commissions payable to the SEC;

c. Commissions payable to the NSE; and

d. Commissions payable to the CSCS.

The Value Added Tax (Exemption of Commissions on Stock Exchange transactions) Order 2014 is valid for a period of five (5) years from July 25, 2014. Accordingly, any commission payable to the SEC, the NSE and the CSCS in connection with the Programme will be exempt from the imposition of value added tax till July 26, 2019.

IN RELATION TO THE STRUCTURED NOTES

Tax considerations in relation to the Structured Notes will be outlined in each Series Structured Note Supplement issued under the Programme

IN RELATION TO THE ISSUER

INCORPORATION AND SHARE CAPITAL HISTORY

The Issuer was incorporated in Nigeria on the 24th of May, 2017 (registered number 1415305) as a public limited company under the name of RMB Nigeria Issuance SPV Plc. The Issuer carries on business at Plot 266B, Kofo Abayomi Street, Victoria Island, Lagos.

The authorized and issued share capital of the Issuer is ₦1,000,000 divided into 1,000,000 ordinary shares of ₦1.00 each and are held through its nominees; 999,999 shares are held by Vetiva Trustees Limited (the “Share Trustee”) under the terms of a Share Trust Deed, for the benefit of certain charitable purposes. One (1) share is held by Oluwadamilola Ajayi as nominee of the Share Trustee. There have been no changes to the Issuer’s authorised and paid up capital since incorporation.

OWNERSHIP STRUCTURE

S/N	Shareholders	Holding	Percentage
1.	Vetiva Trustees Limited	999,999	99.9999%
2.	Oluwadamilola Ajayi	1	0.0001%

DIRECTORS’ INTERESTS

The Directors of the Issuer have no direct or indirect interests and the Share Trustee has no direct or indirect interests in the shares of the Issuer (other than any fees for acting as Share Trustee).

SUBSIDIARIES, ASSOCIATED COMPANIES AND INVESTMENTS

As at the date of this Shelf Prospectus, the Issuer has no subsidiaries or affiliates

EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Below are the relevant extracts from RMBN SPV’s Memorandum and Articles of Association:

MEMORANDUM OF ASSOCIATION

1. OBJECTS OF THE COMPANY

The objects for which the Company is established are:

(a) To raise capital from the Nigerian capital markets and/or local and foreign institutional investors and corporate investors by itself or through entities established by the Company, either by way of a standalone issue or by the establishment of programmes of such amounts as may from time to time be determined by the Board of Directors of the Company and to issue bonds, notes, or other debt instruments such as equity-linked, credit-linked, currency-linked, inflation-linked, index-linked, commodity-linked, bond replicas, asset-backed and/or other hybrid securities, whether redeemable, senior, secured, unsecured, subordinated, preferred and/or other types of structured notes, securities and instruments, within such maturity periods and upon such other terms and conditions as may be determined from time to time by the Board of Directors of the Company and approved by relevant regulatory authorities.

(b) To acquire, invest and/or sell bonds, notes, corporate loans, debentures, debenture stock, annuities or other securities and instruments (for itself or on behalf of any person(s), corporate or incorporate), issued and/or sold by Rand Merchant Bank Nigeria Limited or any member of the FirstRand Group, and to acquire, invest and/or sell bonds, notes, corporate loans, securities issued and/or sold by any corporate entity or any other government agency and parastatal, whether within or outside Nigeria, for itself or on behalf of any person(s), (corporate or incorporate), and to make investments of any description in such manner as may be determined by the Board of Directors of the Company.

ARTICLES OF ASSOCIATION

BORROWING POWERS

2. Solely in connection with transactions contemplated in clauses 3(a) and (b) only, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and un-called capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as a security for any debt, liability or obligation of the Company or of any third party.

EXTRACTS FROM THE MASTER TRUST DEED

APPOINTMENT OF BOND TRUSTEE

The Issuer hereby appoints the Bond Trustee to act on behalf of the Bondholders, to hold the benefit of the covenants and other obligations on the part of the Issuer herein contained on behalf of the Bondholders and itself (in accordance with the terms of this Deed) and the Bond Trustee hereby agrees to act as trustee for the benefit of the Bondholders on the terms and conditions contained in this Trust Deed.

DECLARATION OF TRUST

The Bond Trustee

The Bond Trustee hereby declares itself Bond Trustee for the Bondholders with effect from the date of this Deed to hold for the benefit of the covenants and other obligations on the part of the Issuer herein contained on trust for the Bondholders and itself according to its and their respective interests, subject to the terms of this Deed.

Duration of Trust

The trust created by this Deed, and all trusts created pursuant to clause 3.1, shall remain in full force and effect until the date on which, following the redemption of all Bonds issued pursuant to the Programme, the Issuer receives an unconditional release in writing from the Bond Trustee from all of its obligations under this Deed. For the avoidance of doubt, the Parties to this Deed agree that the common-law rules against perpetuities will apply to this Deed.

THE TRUST DEED BINDING ON ALL PARTIES

The provisions of this Deed shall be binding on the Issuer, the Bond Trustee and the Bondholders and all persons claiming through them respectively as if such Bondholders and persons are Parties to this Deed.

STATEMENT OF INDEBTEDNESS

The Issuer has not incurred any debt, other than that which it shall incur in relation to the transactions contemplated herein. Details of all indebtedness of the Issuer at the time of issuance of any Instruments under the Programme will be disclosed in the applicable Supplement relating to the Instruments to be issued.

OFF BALANCE SHEET ITEMS

As at the date of this prospectus, the Issuer has no Off Balance Sheet Items other than in the ordinary course of business

CLAIMS AND MATERIAL 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

COSTS AND EXPENSES

The costs and expenses of and incidental to the issuance of Bonds and Structured Notes under the Programme, including fees payable to the regulatory authorities, brokerage commission, professional parties, printing and distribution expenses, would be determined at each issuance and will not exceed the maximum amount stipulated by the regulatory authorities. In addition, these costs and expenses shall be borne by the Issuer and will be specified in the applicable Supplement

MATERIAL CONTRACTS

The following agreements have been entered into by the Issuer and are considered material to the Programme:

a. The Master Trust Deed in respect of the Programme;
b. The Master Notes Purchase Agreement;
c. The Agency Agreement;
d. The Bonds Deed of Covenant;
e. The Structured Notes Deed of Covenant; and
f. The Administration and Origination Agreement.

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

Other material contracts in respect of any issuance of Bonds and Structured Notes under the Programme will be disclosed in the applicable Pricing Supplement in respect of that Series of Bonds and Structured Notes.

RELATIONSHIPS BETWEEN THE ISSUER AND THE ADVISERS

Save as disclosed below, there is no relationship between the Issuer, the Issuing Houses and the other Professional Parties as at the date of the Shelf Prospectus other than in the ordinary course of business:

i. The Issuer has appointed RMB Nigeria Limited (an Issuing House) as an Agent to perform agency functions (Paying Agent and Calculation Agent) in respect of the Structured Notes and the terms and conditions of the Structured Notes.

CONSENTS

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

Directors of the Issuer		
1.	Theresa Orji	Director
2.	Ameze Osague-Iduh	Director
3.	ALP Nominees Limited	Company Secretary

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of the Issuing Houses during normal business hours on any weekday (except public holidays), during the validity period of the Programme:

a. The Certificate of Incorporation of the Issuer, duly certified by the CAC;

b. The Memorandum and Articles of Association of the Issuer, duly certified by the CAC;

c. A copy of the Board Resolution signed by a Director and the Company Secretary; and

d. The opinion of Joint Transaction Counsel on claims and litigations of the Issuer

IN RELATION TO THE SPONSOR / ARRANGER

INCORPORATION AND SHARE CAPITAL HISTORY

RMB Nigeria was incorporated on 8 May 2012. The Bank was licensed to operate as a merchant bank on 22 November 2012.

The changes to the Sponsor’s authorised and paid up capital since it was incorporated are as follows:

Year	Authorised (‘000)		Issued (‘000)		Consideration
	Increase	Cumulative	Increase	Cumulative	
2 May 2012	-	15,000,000	-	15,000,000	₦1.00 each
27 May 2015	15,000,000	30,000,000	-	15,000,000	-
2 July 2015	-	-	3,000,000	18,000,000	₦1.00 each

OWNERSHIP STRUCTURE

RMB Nigeria is a wholly owned subsidiary of FirstRand EMA Holding (Proprietary) Limited, a company incorporated in the Republic of South Africa, which owns 99.9% of its ordinary shares. The ultimate parent company is FirstRand Limited.

RMB Nigeria’s shareholder base as at December 31, 2016 comprises of:

Shareholder’s Name	No. Of Outstanding Shares	% of shareholding
FirstRand EMA Holdings (Pty) Limited	17,999,999,999	99.999
FirstRand Investment Holdings (Pty) Limited	1	0.001
TOTAL	**18,000,000,000**	**100.0**

DIRECTORS’ INTERESTS

The Directors of the RMB Nigeria have no direct or indirect interests in the shares of the Issuer or Sponsor

SUBSIDIARIES, ASSOCIATED COMPANIES AND INVESTMENTS

The ultimate parent company of RMB Nigeria is FirstRand Limited. RMB Nigeria identified related parties as:

1. The parent company
2. Subsidiaries of the parent company

EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Below are the relevant extracts from RMB Nigeria’s Memorandum and Articles of Association:

OBJECTS OF THE COMPANY

3. The objects for which the Company is established are;
   3.1. to carry on in Nigeria, the business of a merchant bank as may be prescribed by the Central Bank of Nigeria from time and time, inclusive but not limited to providing custodial services, debt financing services, treasury management services including the provision of money market, fixed income and foreign exchange investment on behalf of clients, financial and advisory services relating to corporate and investment matters, for a fee, asset management services, including fund and

portfolio management services, act as a dealer of securities for the company's own account, and for the account of the company's clients, or otherwise make or manage investments on behalf of clients, issue, discount and rediscount negotiable instruments and engaging in proprietary trading;

3.2. to carry out all capital market related activities including acting as an issuing house, underwriters and broker/dealer as may be permitted and regulated by the Securities and Exchange Commission from time to time;

3.3. to lend money, to grant credit and/or provide overdrafts to any person or company or to finance any project or transaction, with or without security, with or without charging interest, and on such terms as it may deem expedient and to engage in deposit taking business in an amount not below the minimum as prescribed by the Central Bank of Nigeria from time to time, to pay interest on deposits made, to maintain and operate banking accounts for customers on such terms as may be deemed expedient;

3.4. to borrow or raise money and to secure repayment thereof, and with a view thereto to mortgage and charge all or any of the company's property or assets, present and future, including or not including its uncalled capital, and to issue debenture stock at par or at a premium or discount, and either permanent or redeemable, and to hypothecate any assets of the company in favour of creditors, debenture holders, trustees or otherwise;

3.5. to sell or dispose of or grant options over the undertaking of the company or any of the assets of the company, or any thereof, movable or immovable, in any such manner and for such consideration as the company may think fit and in particular for fully paid up shares, debentures, debenture stock or securities of any other company, whether promoted by this company for the purpose or not;

3.6. to do all such other things as are incidental, or that the company may think conducive, to the attainment of the above objects or any of them, the objectives specified in each sub-clause of this clause of this clause shall, unless otherwise expressed, be in no way limited or restricted by reference to or inference from the terms of any other sub-clause or the order in which such objects are stated or the name of the company or the nature of any business carried on by the company, but shall be construed in as wide a sense as if each of the said sub-clauses defined the objects of a separate and independent company; and

3.7. No power in the Memorandum of Association shall be exercised in conflict with the provisions of the Banks and Other Financial Institutions Act of 1991 as may be amended from time to time and any other regulations as may be issued by the Central Bank of Nigeria from time to time.

BORROWING POWERS

1. Borrowing Powers of Directors

8.1. The Board may in its discretion borrow or raise from time to time such amounts as it deems fit for the company's purposes: provided that it will be obliged to procure (and as regards any subsidiaries of the company, only insofar as by the exercise of voting and other rights or powers of control exercisable by it, the Board can so procure) that the aggregate principal amount at any one time outstanding in respect of monies so borrowed or raised by:

8.1.1. The company; and/or

8.1.2. all subsidiaries for the time being,

shall not without prior written approval of the company's holding company, exceed the amount for the time being authorised to be borrowed or secured in the aggregate by the Directors of the company's holding company. For the purposes of this Article, the expression "holding company" means the body corporate listed or quoted on the JSE Securities Exchange, South Africa, pf which the Company's holding company is a subsidiary.

8.2. For the purposes of the aforesaid provisions "borrowing" will not include:

8.2.1. funds borrowed or raised by or deposited with or any undertaking, guarantee or suretyship given in the course of its business by the company or any subsidiary of the company while registered as a baking institution or bank under any law of Nigeria or of any country outside of Nigeria;

8.2.2. funds borrowed or raised by the company from any of its subsidiaries or its holding company or by any of the company's subsidiaries from it or its holding company or any other subsidiary of its holding company;

8.2.3. such proportion of borrowings of a partly owned subsidiary as represent the minority interest.

8.3. The approval referred to in Article 8.1 will not be required for the borrowing of any monies intended to be applied within ninety days to the repayment (with or without any premium) of any monies that have already been borrowed and are outstanding.

8.4. Except to the extent permitted by law the company shall not make any loan to any of the Directors or to any Director of any company which is a holding company or enter into any guarantee to provide any security in connection with any such loan.

8.5. The Directors may raise or secure the payment or repayment of such moneys in such manner and upon such terms and conditions as they think fit, and in particular by charges, mortgages, bonds or any the issue of debentures of the company charged upon all or any part of the property of the company (present and future).

8.6. Debentures and other securities may be made assignable free from any equities between the company and the person to whom the same may be issued

8.7. Any debentures, bonds or other securities may be issued at par or at a discount or at a premium, and with any special privileges as to redemption, surrender and drawings, provided that no special privileges as to allotment of Shares, attending and voting at General Meetings, appointment of Directors or otherwise shall be given save with the sanction of the company in General Meeting

STATEMENT OF INDEBTEDNESS

Details of all indebtedness of the Sponsor at the time of issuance of any Bonds under the Programme will be disclosed in the applicable Supplement relating to the Series of Bonds to be issued.

OFF BALANCE SHEET ITEMS

Details of all off balance sheet items of the Sponsor at the time of issuance of any Bonds under the Programme will be disclosed in the applicable Supplement relating to the Series of Bonds to be issued.

CLAIMS AND MATERIAL LITIGATION

The Sponsor is, in its ordinary course of business involved in two (2) cases. The aggregate sum claimed against the Sponsor in the said cases is approximately N36,500,000.00 (Thirty Six Billion Fie Hundred Million Naira only).

The Solicitors are of the opinion that the contingent liability, if any, that could materialize against the Sponsor on account of the cases will not have a material adverse effect on the Sponsor.

The Directors of the Sponsor are of the opinion that none of the aforementioned cases is likely to have any material adverse effect on the Sponsor and are not aware of any other pending and/or threatened claim or litigation.

COSTS AND EXPENSES

The costs, charges and expenses incidental to establishing the Programme are estimated at ₦250,000 and are payable by the Sponsor.

MATERIAL CONTRACTS

The following agreements have been entered into by the Sponsor and are considered material to the Programme:

a. The Master Notes Purchase Agreement;
b. The Bonds Deed of Covenant;
c. The Administration and Origination Agreement;
d. The Agency Agreement; and
e. The Share Trust Deed.

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

Other material contracts in respect of any issuance of Bonds and Structured Notes under the Programme will be disclosed in the applicable Supplement in respect of that Series of Bonds and Structured Notes.

RELATIONSHIPS BETWEEN THE ISSUER, THE SPONSOR AND THE ADVISERS

Save as disclosed below, there is no relationship between the Sponsor, the Issuing Houses and the other Professional Parties as at the date of the Shelf Prospectus other than in the ordinary course of business:

i. The Sponsor has appointed RMB Nigeria as an Issuing House under the Programme.

MERGERS AND TAKEOVER

As at the date of this Shelf Prospectus, the Directors were not aware of a merger or takeover offer by third parties in respect of the Sponsor's securities during the current financial year since its incorporation in May 2017.

CONSENTS

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

Directors of the Sponsor		
S/N	**Name**	**Role**
1.	Louis Jordaan	Chairman
2.	Michael Larbie	MD/CEO
3.	Peter Blenkinsop	Executive Director
4.	Babatunde Savage	Non - Executive Director
5.	Enase Okonedo	Non - Executive Director
6.	Remilekun Odunlami	Non - Executive Director
7.	Gert Christoffel Petrus Kruger	Non - Executive Director
8.	Ebrahim Motala	Non - Executive Director
9.	Philip Spangenberg	Non - Executive Director
10.	Carel Vosloo	Non - Executive Director

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of the Issuing Houses during normal business hours on any weekday (except public holidays), during the validity period of the Programme:

a. The Certificate of Incorporation of the Sponsor, duly certified by the CAC;
b. The Memorandum and Articles of Association of the Sponsor, duly certified by the CAC;
c. A copy of the board resolution dated 08 August 2017 of the Board of Directors of the Sponsor, authorising the establishment of the Programme; signed by a Director and the Company Secretary of the Sponsor;
d. The Sponsor's Audited Accounts for each of the four years ended December 31, 2016;
e. The Report by Akintola Williams Deloitte on the audited financial information of the Sponsor for each of the four years ended 31 December 2016;
f. The Sponsor's Ratings Report for 2017 by Agusto & Co. on page 156;
g. The schedule of the Claims and Litigation referred to above and the opinion of Joint Transaction Counsel prepared in connection therewith.

IN RELATION TO THE ISSUER AND THE SPONSOR / ARRANGER

CONSENTS

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

Other Parties to the Programme		
1.	Stanbic IBTC Capital Limited	Issuing House
2.	Rand Merchant Bank Nigeria Limited	Issuing House
3.	Standard Chartered Capital & Advisory Nigeria Limited	Issuing House
4.	Aluko & Oyebode	Joint Transaction Counsel
5.	Banwo & Ighodalo	Joint Transaction Counsel
6.	Udo Udoma & Belo-Osagie	Trustee's Counsel
7.	RMB Nigeria Stockbrokers Limited	Stockbrokers
8.	Akintola Williams Deloitte	Reporting Accountant
9.	Agusto & Co. Limited	Ratings Agency
10.	United Capital Trustees	Trustee
11.	First Registrars & Investor Services Limited	Registrars
12.	Access Bank PLC	Receiving Bank

DECLARATIONS

Except as otherwise disclosed in this Shelf Prospectus:

i. No share of the Sponsor or the Issuer is under option or agreed conditionally or unconditionally to be put under option;
ii. No commissions, brokerages or other special terms have been granted by the Sponsor or the Issuer to any person in connection with the Programme or sale of any securities of the Sponsor or the Issuer;
iii. Save as disclosed herein, the directors of the Sponsor and the Issuer have not been informed of any holding representing 5% or more of the issued share capital of the Sponsor or the Issuer;
iv. There are no founders', management or deferred shares or any options outstanding in the Sponsor or the Issuer;
v. There are no material service agreements between the Sponsor or the Issuer or any of their respective Directors and employees other than in the ordinary course of business;
vi. There are no long-term service agreements between the Sponsor or the Issuer or any of their respective Directors and employees other than in the ordinary course of business;
vii. No Directors of the Sponsor or the Issuer has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Sponsor or the Issuer in the five years prior to the date of this Shelf Prospectus;
viii. No prosecution has commenced against the Sponsor or the Issuer or any of their respective subsidiaries in respect of any breach of any securities or banking laws or CAMA; and
ix. No action has been taken against the Sponsor or the Issuer by the NSE or FMDQ in respect of any breach of the listing requirements of NSE or FMDQ respectively.

Further declarations/information in respect of shareholders, directors and key management staff. It is further declared that to the best of knowledge of the Directors of the Sponsor and the Issuer as at 22 June, 2018:

i. None of the above is under any bankruptcy or insolvency proceedings in any court of law;
ii. None of them has been convicted in any criminal proceeding; and
iii. None of them is subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the office of the Issuing Houses during normal business hours on any weekday (except public holidays), during the validity period of the Programme:

a. This Shelf Prospectus;

b. The Master Trust Deed;

c. The Agency Agreement;

d. The Administration and Origination Agreement;

e. The material contracts referred to on page 212 and 217 of this Shelf Prospectus;

f. The written consents referred to on page 213, 217 and 219 of this Shelf Prospectus;

g. Letter of no objection from the CBN dated 13 July 2017; and

h. The SEC letter of approval dated 30 May 2018 in respect of the shelf registration of the Programme.

FORM OF PRICING SUPPLEMENT

Set out below is the form of the Pricing Supplement which will be completed by the Issuer for each Instrument issued under the Programme:

RMB Nigeria Issuance SPV PLC

OFFER FOR SUBSCRIPTION

OF

₦[●]

UNDER A ₦40,000,000,000 BOND AND STRUCTURED NOTE PROGRAMME

APPLICATION LIST OPENS: [●]

APPLICATION LIST CLOSES: [●]

This Pricing Supplement is prepared for the purpose of Rule 279 of the Rules and Regulations of the Securities and Exchange Commission (the "Commission" or "SEC") in connection with the ₦40,000,000,000 Bond and Structured Note Programme established by RMB Nigeria Issuance SPV Plc (the "RMBN SPV" or the "Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with the Shelf Prospectus, dated 22 June 2018 as amended and/or supplemented from time to time.

This document constitutes the Pricing Supplement relating to the issue of [●] (the "Issue") described herein. The Instruments described herein are issued on, and are subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained 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 Instruments only if accompanied by the Shelf Prospectus as amended and/or supplemented from time to time. Any capitalised terms not defined in this Pricing Supplement shall have the meanings ascribed to them in the Shelf Prospectus.

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 [●] Bonds / Structured Notes" as applicable).

The Directors of the Issuer accept responsibility for the information contained in this Pricing Supplement and declare that having taken reasonable care to ensure that the information contained in this Pricing Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus as amended and/or supplemented from time to time has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus as amended and/or supplemented from time to time.

LEAD ISSUING HOUSE

[●]

JOINT ISSUING HOUSES

[•]

THIS PRICING SUPPLEMENT IS DATED [•]

DESCRIPTION OF THE [BONDS] / [STRUCTURED NOTES]

1.	Issuer	RMB Nigeria Issuance SPV Plc
2.	Status	[ ]
3.	(a) Series Number	[ ]
	(b) Tranche Number	[ ]
4.	Aggregate Nominal Amount	[ ]
5.	Redemption/Payment Basis	[Redemption at par] [Credit Linked] [Instalment] [Partly Paid] [Zero Coupon] [Indexed [Bonds] / [Structured Notes]] [*Specify other*]
6.	Interest Payment Basis	[Fixed]/[Floating] Rate [*Specify other*]
7.	Form of [Bonds] / [Structured Notes]	[Registered] [Bearer][Order]
8.	Automatic/Optional Conversion from one Interest Payment Basis to another	[insert details including date for conversion]
9.	Issue Date	[ ]
10.	Trade Date	[ ]
11.	Business Centre	[ ]
12.	Additional Business Centre	[ ]
13.	Specified Denomination	[ ]
14.	Calculation Amount	[ ]
15.	Issue Price	[ ]
16.	Interest Commencement Date	[ ]
17.	Interest Termination Date	[ ]

18.	Maturity Date	[ ]
19.	Specified Currency	[ ]
20.	Applicable Business Day Convention	[ ]
21.	Calculation Agent	[ ]
22.	Paying Agent	[ ]
23.	Transfer Agent	[ ] [Not applicable / [●]]
24.	Trustee(s)	
25.	Specified office of the Calculation Agent, Paying Agent and Transfer Agent	[ ]
26.	Final Redemption Amount	[ ]
27.	Unwind Costs	[Standard Unwind Costs] [Other] [Not applicable]

PARTLY PAID [BONDS] / [STRUCTURED NOTES]

28.	Amount of each payment comprising the Issue Price	[ ]
29.	Date upon which each payment is to be made by Noteholder	[ ]
30.	Consequences (if any) of failure to make any such payment by Noteholder	[ ]
31.	Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments	[ ]

INSTALMENT [BONDS] / [STRUCTURED NOTES]

32.	Instalment Dates	[ ]
33.	Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the [Bonds] / [Structured Notes])	[ ]

FIXED RATE [BONDS] / [STRUCTURED NOTES]

34.	(a) Fixed Interest Rate(s)	[ ]% per annum payable [semi-annually] in arrear

	(b)	Interest Payment Date(s)	[[ ] and [ ]] in each year up to and including the Maturity Date
	(c)	Fixed Coupon Amount[(s)]	[ ]
	(d)	Initial Broken Amount	[ ]
	(e)	Final Broken Amount	[ ]
	(f)	Any other terms relating to the particular method of calculating interest	[ ]

FLOATING RATE [BONDS] / [STRUCTURED NOTES]

35.	(a)	Interest Payment Date(s)	Each [[ ], [ ], [ ] and [ ]] until the Maturity Date, with the first Interest Payment Date being [ ].
	(b)	Interest Period(s)	Each period from and including one Interest Payment Date to, but excluding the next Interest Payment Date provided that the first Interest Period shall commence on the Interest Commencement Date ([ ]) and the last Interest Period shall conclude on, but exclude the last Interest Payment Date ([ ].)
	(c)	Definitions of Business Day (if different from that set out in Condition [●]	[ ]
	(d)	Interest Rate(s)	[91 Day FGN T-Bill plus the Margin/other (insert details)]
	(e)	Minimum Interest Rate	[ ]
	(f)	Maximum Interest Rate	[ ]
	(g)	Other terms relating to the method of calculating interest (eg Day Count Fraction, rounding up provision, if different from Condition *(Interest on Floating Rate [Bonds] / [Structured Notes] and Indexed [Bonds] / [Structured Notes]))*	[ ]
36.		Manner in which the Interest Rate is to be determined	[ISDA Determination/Screen Rate Determination/other (insert details)]
37.		Margin	[ ]

38. If ISDA Determination:

(a)	Floating Rate	[ ]
(b)	Floating Rate Option	[ ]
(c)	Designated Maturity	[ ]
(d)	Reset Date(s)	[ ]

39. If Screen Rate Determination:

(a)	Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	[91 Day FGN T-Bill /other (insert details)]
(b)	Interest Determination Date(s)	Each [[ ], [ ], [ ] and [ ]] of each year, commencing on [ ] until the Maturity Date
(c)	Relevant Screen Page	[(insert details)]
(d)	Relevant Time	[(insert details)]

40. If Interest Rate to be calculated otherwise than by reference to 37 or 38 above

(a)	Margin	[ ]
(b)	Minimum Interest Rate	[ ]
(c)	Maximum Interest Rate	[ ]
(d)	Day Count Fraction	[ ]
(e)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate [Bonds] / [Structured Notes]	[ ]

41. If different from Calculation Agent, agent responsible for calculating amount of principal and interest [ ]

MIXED RATE [BONDS] / [STRUCTURED NOTES]

42. Period(s) during which the interest rate for the Mixed Rate [Bonds] / [Structured Notes] will be (as applicable) for:

(a)	Fixed Rate [Bonds] / [Structured Notes]	[ ]
(b)	Floating Rate [Bonds] / [Structured Notes]	[ ]
(c)	Indexed [Bonds] / [Structured Notes]	[ ]
(d)	Other	[ ]

ZERO COUPON [BONDS] / [STRUCTURED NOTES] [ ]

43.	(a)	Implied Yield	[ ]
	(b)	Reference Price	[ ]
	(c)	Any other formula or basis for determining amount(s) payable	[ ]

INDEXED [BONDS] / [STRUCTURED NOTES]

44.	(a)	Type of Indexed [Bonds] / [Structured Notes]	[ ]
	(b)	Index/ Formula by reference to which Interest Amount/ Final Redemption Amount is to be determined	[ ]
	(c)	Manner in which the Interest Amount/ Final Redemption Amount is to be determined	[ ]
	(d)	Initial Index Level	[ ]
	(e)	Interest Payment Date(s)	[ ]
	(f)	If different from the Calculation Agent, agent responsible for calculating amount of principal and interest	[ ]
	(g)	Provisions where calculation by reference to index and/or formula is	[ ]

		impossible or impracticable	
	(h)	Minimum Interest Rate	[ ]
	(i)	Maximum Interest Rate	[ ]
	(j)	Other terms relating to the calculation of the Interest Rate	[ ]

EXCHANGEABLE [BONDS] / [STRUCTURED NOTES]

45.	Mandatory Exchange applicable?	[ ]
46.	Noteholders' Exchange Right applicable?	[ ]
47.	Exchange Securities	[ ]
48.	Manner of determining Exchange Price	[ ]
49.	Exchange Period	[ ]
50.	Other	[ ]

CREDIT LINKED NOTE PROVISIONS

51.	Credit Linked Note		[Applicable/Not applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	(a)	Scheduled Maturity Date	[ ]
	(b)	Reference Entity(ies)	[ ]
	(c)	Reference Obligation(s)	[ ] [The obligation[s] identified as follows: Primary Obligor: [ ] Guarantor: [ ] Maturity: [ ] Coupon: [ ]

		CUSIP/ISIN: [ ]
		Original Issue Amount: [ ]]
(d)	Credit Linked Reference Price	[ ]%
(e)	Conditions to Settlement	Credit Event Notice: [applicable/not applicable]
		Notice of Physical Settlement [applicable/not applicable]
		Notice of Publicly Available Information: [applicable/not applicable], and if applicable:
		Public Sources of Publicly Available Information [applicable/not applicable]
		Specified Number of Public Sources: [ ]
(f)	Credit Events	The following Credit Event[s] shall apply:
		[Bankruptcy]
		[Failure to Pay]
		[Grace Period Extension: [applicable/not applicable]]
		[Grace Period: [ ]]
		Payment Requirement:[ ]]
		[Obligation Default]
		[Obligation Acceleration]
		[Repudiation/Moratorium]
		[Restructuring]
		[Default Requirement: [ ]]
		Multiple Holder Obligation: [Applicable/Not Applicable]
		Restructuring Maturity Limitation and Fully Transferable Obligation: [Applicable/Not Applicable]
		Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: [Applicable/Not Applicable]

		[Insert other details]
(g)	Credit Event Backstop Date	[Applicable] [Not applicable]
(h)	Obligation(s)	

Obligation Category (Select only one)	Obligation Characteristics (Select all that apply)
[ ] Payment	[ ] Not Subordinated
[ ] Borrowed Money	[ ] Specified Currency [ ]
[ ] Reference Obligations Only	[ ] Not Sovereign Lender
[ ] Bond	[ ] Not Domestic Currency [Domestic Currency means [ ]]
[ ] Loan	[ ] Not Domestic Law
[ ] Bond or Loan	[ ] Listed
	[ ] Not Domestic Issuance

	Additional Obligations	[ ]
	Excluded Obligations	[ ]
(i)	Settlement Method	[Auction Settlement] [Cash Settlement] [Physical Settlement]
(j)	Fallback Settlement Method	[Cash Settlement] [Physical Settlement] [Not applicable]

Terms Relating to Cash Settlement:

(a)	Final Price (if different from the definition in the Programme Memorandum)	[ ]

(b)	Valuation Date		[Single Valuation Date: [ ] Business Days] [Multiple Valuation Dates: [ ] Business Days; and each [ ] Business Days thereafter Number of Valuation Dates: [ ]]
(c)	Valuation Time		[ ]
(d)	Quotation Method		[Bid][Offer][Mid-market]
(e)	Quotation Amount		[ ] [Representative Amount]
(f)	Minimum Quotation Amount		[ ]
(g)	Indicative Quotation		[applicable/not applicable]
(h)	Quotation Dealer(s)		[ ]
(i)	Settlement Currency		[ ]
(j)	Cash Settlement Date		[ ] Business Days
(k)	Cash Settlement Amount		[ ]
(l)	Quotations		[Include Accrued Interest] [Exclude Accrued Interest]
(m)	Valuation Method		[Market] [Highest] [Average Market] [Highest] [Average Highest] [Blended Market] [Blended Highest] [Average Blended Market] [Average Blended Highest]

Terms Relating to Physical Settlement:

Physical Settlement Date: [ ] Business Days.

Other terms: [ ]

(n)	Physical Settlement Period		[ ]
(o)	Asset Amount		[Include Accrued Interest] [Exclude Accrued Interest]
(p)	Deliverable Obligation(s)		

Deliverable Obligation Category	Deliverable Obligation Characteristics

(Select only one)	(Select all that apply)
[ ] Payment	[ ] Not Subordinated
[ ] Borrowed Money	[ ] Specified Currency [ ]
[ ] Reference Obligations Only	[ ] Not Sovereign Lender
[ ] Bond	[ ] Not Domestic Currency [Domestic Currency means [ ]]
[ ] Loan	[ ] Not Domestic Law
[ ] Bond or Loan	[ ] Listed
	[ ] Not Contingent
	[ ] Not Domestic Issuance
	[ ] Assignable Loan
	[ ] Consent Required Loan
	[ ] Direct Loan Participation
	Qualifying Participation Seller: [ ]
	[ ] Transferable
	[ ] Maximum Maturity [ ]
	[ ] Accelerated or Matured
	[ ] Not Bearer

Deliverable Obligation Reference Percentage [ ]

Additional Deliverable Obligations [ ]

Excluded Deliverable Obligations [ ]

Other Provisions [ ]

OTHER [BONDS] / [STRUCTURED NOTES]

52.	If the [Bonds] / [Structured Notes] are not Partly Paid [Bonds] / [Structured Notes], Instalment [Bonds] / [Structured Notes], Fixed Rate [Bonds] / [Structured Notes], Floating Rate [Bonds] / [Structured Notes], Mixed Rate [Bonds] / [Structured Notes], Zero Coupon [Bonds] / [Structured Notes], Indexed [Bonds] / [Structured Notes] or Exchangeable [Bonds] / [Structured Notes], Credit Linked Notes or if the [Bonds] / [Structured Notes] are a combination of any of the foregoing, set out the relevant description and any additional terms and conditions relating to such [Bonds] / [Structured Notes].	[ ]

PROVISIONS REGARDING REDEMPTION/MATURITY

53.	Redemption at the Option of the Issuer (Call Option)	[Applicable/Not Applicable]
	If applicable:	
	(a) Optional Redemption Date(s) (Call)	[ ]
	(b) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s)	[ ]
	(c) Minimum period of notice (if different from Condition *7.3 (Early Redemption at the option of the Issuer (Call Option))*	[ ]
	(d) If redeemable in part:	[ ]
	(a) Minimum Redempt ion Amount(s)	[ ]
	(b) Higher Redemptio n Amount(s)	[ ]
	(e) Other terms applicable on Redemption	[ ]
54.	Redemption at the option of the Noteholders (Put Option)	[Applicable/Not Applicable]

If applicable:

	(a)	Optional Redemption Date(s) (Put)	[ ]
	(b)	Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s)	[ ]
	(c)	Minimum period of notice (if different to Condition 7.4 *(Early Redemption at the option of Noteholders (Put Option))*	[ ]
	(d)	If redeemable in part:	
		(a) Minimum Redempt ion Amount(s)	[ ]
		(b) Higher Redemption Amount(s)	[ ]
	(e)	Other terms applicable on Redemption	[ ]
	(f)	Attach pro forma Put Notice(s)	
55.	Early Redemption Amount(s) payable on redemption for taxation reasons and/or change of law or on Event of Default and/or the method of calculating same (if required or if different from that set out in Condition Condition 7.7 *(Early Redemption Amounts))*		[ ]

GENERAL

56.	Other terms or special conditions		[ ]
57.	Board approval for issuance of [Bonds] / [Structured Notes] obtained		[ ]
58.	Additional selling restrictions		[ ]
59.	(a)	International Securities Numbering (ISIN)	[ ]
	(b)	Stock Code	[ ]

60.	(a) Financial Exchange	[Not applicable] [The NSE] [FMDQ OTC]
	(b) Relevant sub-market of the Financial Exchange	[Not applicable] [Interest Rates Market]
61.	If syndicated, names of managers	[ ]
62.	Receipts attached? If yes, number of Receipts attached	[Yes/No]
63.	Coupons attached? If yes, number of Coupons attached	[Yes/No]
64.	Credit Rating assigned to the Issuer/[Bonds] / [Structured Notes]/Programme (if any)	[Issuer Local: Short term [•] Long term [•] Issuer International: [•]]
65.	Date of Issue of Credit Rating and Date of Next Review	[Rating obtained on [•]. Next review in approximately [•]]
66.	Stripping of Receipts and/or Coupons prohibited as provided in Condition 13.4 (Prohibition on Stripping)?	[ ]
67.	Governing law	[ ]
68.	Other Banking Jurisdiction	[ ]
69.	Last Day to Register, which shall mean that the "books closed period" (during which the Register will be closed) will be from each Last Day to Register to the applicable Payment Day until the date of redemption	[Not applicable] [17h00 on [[ ], [ ], [ ] and [ ]] of each year commencing on [ ] The "books closed period" (during which the Register will be closed) will be from each [[ ], [ ], [ ] and [ ]], until the applicable Interest Payment Date]
70.	Stabilisation Manager (if any)	[ ]
71.	Method of Distribution	[Dutch Auction] [Bookbuild] [Private Placement]
72.	[Total [Bonds] / [Structured Notes] in Issue (excluding current issue)]	[ ]
73.	[Rights of Cancellation]	[The [Bonds] / [Structured Notes] will be delivered to investors on the Issue Date/Settlement Date through the settlement system of Strate provided that: (i) no event occurs prior to the settlement process being finalised on the Issue Date/Settlement Date which the Issuer (in its sole discretion) consider to be a force

majeure event; or

(ii) no event occurs which the Issuer (in its sole discretion) considers may prejudice the issue, the Issuer or the [Bonds] / [Structured Notes],

(each a **Withdrawal Event**).

If the Issuer decides to terminate this transaction due to the occurrence of a Withdrawal Event, this transaction shall terminate and no party hereto shall have any claim against any other party as a result of such termination. In such event, the [Bonds] / [Structured Notes], if listed, will immediately be de-listed.]

74.	[Material Change]	[Save as disclosed in the Programme Memorandum as read together with this Applicable Pricing Supplement, there has been no material change in the Issuer's financial position since the date of the Issuer's last audited financial statements. After due and careful enquiry and consideration, carried out without the involvement of the auditors of the Issuer, the Issuer is satisfied that there has been no material change in its financial or trading position since the end of the financial year [•].]
75.	[Responsibility Statements]	[The Issuer certifies that to the best of its knowledge and belief, there are no facts that have been omitted which would make any statement in the Shelf Prospectus, as read together with this Applicable Pricing Supplement, false or misleading and that all reasonable enquiries to ascertain such facts have been made, as well as that the Shelf Prospectus as read together with this Applicable Pricing Supplement contains all

information required by law and the ISA and SEC Rules and Regulations. The Issuer accepts full responsibility for the accuracy of the information contained in the Shelf Prospectus as read together with this Applicable Pricing Supplement, except as otherwise stated therein or herein.

The Issuer confirms that the SEC takes no responsibility for the contents of the information contained in the Shelf Prospectus as read together with this Applicable Pricing Supplement, makes no representation as to the accuracy or completeness of any of the foregoing

		documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the information contained in the Shelf Prospectus as read together with this Applicable Pricing Supplement.]
76.	Other provisions	[ ]