

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 58 hereof.



**STANBIC IBTC BANK PLC**  
**RC 125097**

**₦150,000,000,000**  
**STRUCTURED NOTE PROGRAMME**

**SHELF PROSPECTUS**

This Shelf Prospectus and the Notes and Structured Notes (the "**Instruments**") which it offers have been cleared by and registered with the Securities and 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 Stanbic IBTC Bank PLC (the "**Bank**" or the "**Issuer**") 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 2013 (as amended) ("**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 ₦150,000,000,000 Structured Note Programme (the "**Programme**"). This Shelf Prospectus will be available for download on the Commission's website ([www.sec.gov.ng](http://www.sec.gov.ng)) and the Issuer's website ([www.stanbicibtc.com](http://www.stanbicibtc.com)).

Under the Programme described in this Shelf Prospectus, the Bank may from time to time issue notes, structured notes, or debt securities or any other evidence of indebtedness for borrowed money. 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 or pricing supplement ("**Supplement**").

The maximum aggregate nominal amount of all Instruments issued from time to time and outstanding under the Programme shall not exceed ₦150,000,000,000.

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 Supplements.

The registration of this Shelf Prospectus ("**Prospectus**") and any Supplement shall not be taken to indicate that the Commission endorses or recommends the Instruments or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. No Instrument will be allotted or issued on the basis of this Prospectus later than three (3) years after the date of the issue of this Prospectus or any other time frame prescribed by the SEC following the issue of this Prospectus unless the validity period is renewed by the Commission.

**ISSUING HOUSE**



**RC: 1031358**

**THIS SHELF PROSPECTUS IS DATED [•] [•], 2018**  
**THE PROGRAMME IS VALID FOR 3 YEARS FROM THE DATE OF ISSUANCE**

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## IMPORTANT NOTICES

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This Prospectus (“**Prospectus**”) has been prepared by Stanbic IBTC Bank PLC in connection with its ₦150,000,000,000 Structured Note Programme, for the purpose of providing information to prospective investors in respect of the Issuer and the Instruments described herein. The SEC has cleared and registered this Prospectus and the securities referred to herein.

The Board of Directors accepts full responsibility for the accuracy of all information contained in this Prospectus and confirms (having taken all reasonable care to ensure that is the case) that the information contained in this 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 Prospectus or any other information supplied in connection with the Programme and, if given or made, such information must not be relied upon as having been authorised by either the Issuer, or any of the parties to the Programme. Neither this 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 Issuer, Issuing House, the Trustees or any other professional adviser involved in the establishment of this Programme that any recipient of this Prospectus or any other information supplied in connection with the Programme, the Issuer or the securities referred to herein should purchase the Instruments.

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

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Instruments shall in any circumstances imply that the information contained herein concerning the Issuer 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 House does not undertake to review the financial condition or affairs of the Issuer throughout the life of the Programme or the Instruments or to advise any investor in the Instruments of any information coming to its attention. The Issuing House has not separately verified the information contained in this 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 House as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Instruments or their distribution. Each person receiving this Prospectus acknowledges that such person has not relied on the Issuing House or any person affiliated with it in connection with its investigation of the accuracy of this Prospectus or such information or its investment decision.

The receipt of this 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 House to any prospective investor. Prospective investors should make their own independent assessment of the merits or otherwise of subscribing to the Instruments offered herein and should seek their own professional advice in connection with any prospective investment by them.

The distribution of this Prospectus and the offer or sale of Instruments may be restricted by law in certain jurisdictions. Persons who come into possession of this Prospectus or any Instruments must inform themselves about, and observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes and Structured Notes in the United States of America, the United Kingdom and certain other jurisdictions. The Issuer does not represent that this Prospectus may be lawfully distributed, or that any Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, nor does it assume any responsibility for facilitating any such distribution or

## IMPORTANT NOTICES

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offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Instruments or distribution of this document in any jurisdiction (other than Nigeria) where action for that purpose is required. Accordingly, the Instruments may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable law and regulations.

## KEY TERMS AND ABBREVIATIONS

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In this document, unless otherwise stated or clearly indicated by the context, the following words have the meanings stated opposite them.

<b>“Agency Agreement”</b>	Agency Agreement dated [,] 2018 and made between the Issuer, and Stanbic IBTC Trustees Limited as Paying Agent, Transfer Agent and Calculation Agent in respect of the Credit Linked Notes and other Structured Notes as may be further supplemented and/or amended and restated from time to time
<b>“Affiliate”</b>	of any specified Person means (a) any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person or who has as a director a Person who is also a director of such specified Person; or (b) any other Person who is a director or officer of such specified Person, of any Subsidiary of such specified Person or of any Person described in (a) above
<b>“AMCON”</b>	Asset Management Corporation of Nigeria established pursuant to the Asset Management Corporation of Nigeria Act No. 4, 2010
<b>“Asset Amount”</b>	<p>means, in respect of each nominal amount of CLNs equal to the Nominal Amount, Deliverable Obligations, as selected by the Calculation Agent, with:</p> <p>(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</p> <p>(b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,</p> <p>(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)</p>

## KEY TERMS AND ABBREVIATIONS

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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

**“BOFIA”**

Banks and Other Financial Institutions Act Chapter B3, LFN 2004 (as may be amended or republished from time to time)

**“Board” or “Directors” or “Board of Directors”**

The members of the Board of Directors of the Bank who as at the date of this document are those persons whose names are set out on Page 32 of this Shelf Prospectus

**“Business Day”**

Any day except Saturdays, Sundays and public holidays declared by the FGN on which banks are open for business in Lagos, Nigeria

**“CAMA”**

Companies and Allied Matters Act Chapter C20 LFN 2004 (as may be amended or republished from time to time)

**“Calculation Agent”**

Stanbic IBTC Trustees Limited, unless the Issuer elects to appoint, in relation to a particular Series or Tranche of Structured Notes, another entity as calculation agent in accordance with the Agency Agreement, in which event that other entity shall act as a calculation agent in respect of that Tranche or Series of Structured Notes

**“Calculation Amount”**

The amount specified in the applicable Pricing Supplement

**“Call Option”**

If specified as applicable in the applicable Supplement, means the option of the Issuer to redeem the Instruments early in that Tranche of Instruments in whole or, if so specified in the applicable Supplement, in part at the Optional Redemption Amount(s) on the Optional Redemption Date(s) in accordance with Condition 5.6 of the Terms and Conditions of the Notes (Redemption at the Option of the Issuer (Call Option)

**“CBN”**

Central Bank of Nigeria established pursuant to the Central Bank of Nigeria Act 2007(as may be amended or republished from time to time)

**“Certificates”**

A certificate issued (where Instruments are issued in physical form) by the Issuer evidencing the entitlement of the Holder of the Instruments specified therein

## KEY TERMS AND ABBREVIATIONS

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<b>“CITA”</b>	Companies Income Tax Act, Chapter C21, LFN 2004 (as amended by the Companies Income Tax (Amendment) Act No. 11 of 2007) (as may be amended or republished from time to time)
<b>“Closing Date”</b>	The date stipulated as such in the applicable Supplements
<b>“Conditions”</b>	The Terms and Conditions of the Notes or the Terms and Conditions of the Structured Notes, as the case may be, and any reference to a numbered <b>“Condition”</b> is to the correspondingly numbered provision in the Master Trust Deed or Agency Agreement
<b>“Coupon”</b>	The specified rate of interest on a Note or Structured Note
<b>“CSCS”</b>	Central Securities Clearing System PLC, a subsidiary of The NSE that operates the electronic clearing and depository system (known as the Central Securities Clearing System) for settlement of securities transactions in the Nigerian capital market
<b>“Credit Linked Notes”</b>	The instruments described as such in the applicable Structured Note Supplement
<b>“Deed of Covenant”</b>	The Deed of Covenant executed from time to time by the Issuer as a deed poll in favour of the Structured Noteholders which constitutes a Tranche of the Structured Notes and sets out the Issuer’s undertakings to the Structured Noteholders
<b>“Deliverable Obligations”</b>	Any Obligation of a Reference Entity determined by reference to the Method for Determining Deliverable Obligations more particularly described in pages [133] – [139] of this Prospectus and in the applicable Supplement
<b>“E-allotment Notification”</b>	A notification from the CSCS to each Noteholder or Structured Noteholder, as the case may be, confirming that the account of the Noteholder or Structured Noteholder has been credited with the number of Notes or Structured Notes allotted to such Noteholder or Structured Noteholder
<b>“Early Redemption Amount”</b>	The amount at which the Instruments will be redeemed by the Issuer pursuant to the provisions of Conditions 5.5 (Redemption for Taxation Reasons), 5.6 (Redemption at the option of the Issuer (Call Option)) and 5.7 (Redemption at the option of Noteholders (Put Option)) and/or Condition 10 (Events of Default) of the Terms and Conditions, or as set out in the applicable Supplement
<b>“Event Determination Date”</b>	The date of satisfaction of Conditions to Settlement, where Physical Settlement is specified in the applicable Structured Note Supplement as the applicable settlement method
<b>“Exchangeable Notes”</b>	Structured Notes which may be redeemed by the Issuer in the manner specified in the applicable Structured Note Supplement by the delivery to the Structured Noteholders of cash or of so many of the Exchange Securities as are determined in accordance with the applicable Structured Note Supplement

## KEY TERMS AND ABBREVIATIONS

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<b>“Exchange Period”</b>	In respect of Exchangeable Notes to which the Structured Noteholders' 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
<b>“Exchange Price”</b>	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 Note will be determined
<b>“Exchange Right”</b>	If specified in the applicable Structured Note Supplement, the right of the holders of Exchangeable Notes to elect to receive delivery of Exchangeable Securities in lieu of cash from the Issuer upon redemption of the Exchangeable Notes
<b>“Exchange Securities”</b>	The securities specified in the applicable Structured Note Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price
<b>“Fair Market Value”</b>	The value that would be obtained in an arm's length commercial transaction between an informed and willing seller or equivalent participant in such transaction (under no undue pressure or compulsion to sell or otherwise participate in the transaction) and an informed and willing buyer or equivalent participant in such transaction (under no undue pressure or compulsion to buy or otherwise participate in the transaction). A report of the Auditors or by a financial institution of international repute on the Fair Market Value of a transaction may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee shall be conclusive and binding on all parties
<b>“FGN” or “Federal Government” or “Government”</b>	The Federal Government of Nigeria
<b>“Final Redemption Amount”</b>	The amount of principal payable in respect of each Note or Structured Note, as the case may be, upon final redemption thereof, as specified in the applicable Supplement
<b>“Fixed Coupon Amount”</b>	The amount specified as such in the applicable Structured Note Supplement
<b>“Fixed Interest Rate”</b>	The rate or rates of interest applicable to Fixed Rate Notes, as specified in the applicable Supplement
<b>“Fixed Rate Notes”</b>	Instruments which will bear interest at the Fixed Interest Rate, as specified in the applicable Supplement and more fully described in Condition 4(a) ( <i>Interest on Fixed Rate Notes</i> )
<b>“Fitch”</b>	Fitch Ratings
<b>“FMDQ” or “FMDQ OTC PLC”</b>	A SEC licensed over-the-counter (“OTC”) market securities exchange
<b>“FRCoN”</b>	Financial Reporting Council of Nigeria

## KEY TERMS AND ABBREVIATIONS

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<b>“GCR”</b>	Global Credit Rating Co.
<b>“Holders”</b>	Holders of Instruments issued under the Programme (Noteholders and Structured Noteholders)
<b>“IFRS”</b>	The International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time)
<b>“Index Linked Notes”</b>	Index Linked Coupon Notes and/or Index Linked Redemption Notes, as applicable
<b>“Index Linked Coupon Notes”</b>	Notes in respect of which the amount payable in respect of Coupon is calculated by reference to an index and/or a formula as specified in the applicable Pricing Supplement
<b>“Index Linked Redemption Notes”</b>	Notes in respect of which the amount payable in respect of principal is calculated by reference to an index and/or a formula as specified in the applicable Pricing Supplement
<b>“Instalment Amount”</b>	The amount expressed as a percentage of the Nominal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note
<b>“Instalment Dates”</b>	The date specified in the applicable Pricing Supplement for the payment of an Instalment Amount
<b>“Instalment Notes”</b>	Notes redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as specified in the applicable Pricing Supplement
<b>“Interest Amount”</b>	In relation to a Series of Notes and an Interest Period, the amount of Coupon payable in respect of that Series of Notes for that Interest Period
<b>“Interest Commencement Date”</b>	The first date from which Coupon on the Notes will accrue, as specified in the applicable Pricing Supplement
<b>“Interest Determination Date”</b>	The date specified as such in the applicable Pricing Supplement
<b>“Interest Payment Date”</b>	If applicable in relation to a Series of Notes, the date(s) specified in the applicable Pricing Supplement or if no such date(s) is/are specified in the applicable Pricing Supplement, the last day of each Interest Period as may be adjusted in accordance with the relevant Business Day Convention (as specified in the applicable Pricing Supplement)
<b>“Interest Period”</b>	Each period commencing on, and including, the Interest Commencement Date or any Interest Payment Date up to, but excluding, the next Interest Payment Date or the Interest Termination Date

## KEY TERMS AND ABBREVIATIONS

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<b>“Interest Rate”</b>	The rate of interest payable from time to time in respect of Coupon-bearing Notes of a Series or Tranche and that is either specified or is indicated in the applicable Pricing Supplement
<b>“Interest Termination Date”</b>	The date specified as such in the applicable Pricing Supplement
<b>“ISA”</b>	Investments and Securities Act No. 29 of 2007 (as amended or republished from time to time)
<b>“ISDA”</b>	International Swaps and Derivatives Association, Inc
<b>“ISDA Definitions”</b>	The definitions specified in the applicable Pricing Supplement, as amended and supplemented from time to time, provided that if no definitions are so specified, the 2006 ISDA Definitions published by ISDA, as amended and supplemented from time to time
<b>“Issue”</b>	The issuance of Instruments (Notes and or Structured Notes as the case may be) pursuant to the Programme
<b>“Issue Date”</b>	The date on which each Series of Notes may be issued to prospective investors for subscription during the validity period of the Programme
<b>“Issue Price”</b>	The price, generally expressed as a percentage of the nominal amount of the Notes, at which the Notes will be issued as set out in the applicable Pricing Supplement
<b>“Issuer” or “Bank” or “Stanbic IBTC Bank” or “SIBTC”</b>	Stanbic IBTC Bank PLC. with registration number 125097, a public limited liability company incorporated in accordance with the laws of the Federal Republic of Nigeria
<b>“Issuing House”</b>	Stanbic IBTC Capital Limited and 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 Notes and Structured Notes
<b>“Lead Issuing House”</b>	The Issuing House appointed as lead advisor for any issuance of Notes or Structured Notes under the Programme and as specified in the applicable Pricing Supplement
<b>“LFN”</b>	Laws of the Federation of Nigeria
<b>“Mandatory Exchange”</b>	If specified in the applicable Structured Note Supplement, the obligation of the Issuer to redeem Exchangeable Notes on the Maturity Date by delivery of Exchange Securities to the relevant holders of Exchangeable Notes
<b>“Margin”</b>	The margin specified in the applicable Pricing Supplement, which will be aggregated with the Reference Rate on Floating Rate Notes, to determine the interest rate that will be applied
<b>“Master Trust Deed”</b>	The Master Trust Deed dated [.] 2018 between the Issuer and the Trustees containing provisions relating to the issue of Notes under the Programme
<b>“Material Adverse Effect”</b>	Any change or event that may adversely affect the ability of the Issuer to perform its obligations under the Notes,

## KEY TERMS AND ABBREVIATIONS

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	particularly in relation to the Coupon and Principal Amount payment
<b>“Material Part”</b>	In respect of any one or more transactions or series of transactions (whether related or not) completed in any 12 month period, provided that no such period shall commence earlier than the issue date of the first issue of Notes under the Programme, revenues or assets, the book value of which is 20% or more, of the book value of the total revenues or total assets, as the case may be, of the Issuer, as determined at any such time by reference to the most recent audited consolidated annual financial statements of the Issue
<b>“Maturity Date”</b>	The date on which the Principal Amount or the final Instalment Amount of Notes of a Series or Tranche becomes due and payable as defined in Condition 5 of Schedule 3
<b>“Maximum Redemption Amount”</b>	The amount specified as such in the applicable Pricing Supplement
<b>“Minimum Redemption Amount”</b>	The amount specified as such in the applicable Pricing Supplement
<b>“Mixed Rate Notes”</b>	Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Index Linked Notes, each as specified in the applicable Pricing Supplement and as more fully described in Condition 4.3 (Interest on Mixed Rate Notes)
<b>“MPR”</b>	The CBN Monetary Policy Rate
<b>“Naira” or “NGN” or “₦”</b>	The Nigerian Naira, the official currency of the Federal Republic of Nigeria
<b>“NDIC”</b>	Nigeria Deposit Insurance Corporation established pursuant to the Nigeria Deposit Insurance Corporation Act 2006
<b>“The NSE” or the “Exchange”</b>	The Nigerian Stock Exchange
<b>“Nominal Amount”</b>	In relation to any Note, the total amount, excluding interest owing by the Issuer under the Note, as specified in the applicable Pricing Supplement
<b>“Noteholder”</b>	In relation to any Notes of a Series or Tranche, a Person (whether currently or in the future) registered in the applicable Register of such Tranche or Series of Notes, as the holder of those Notes from time to time and shall include the legal, personal representative or successor of such Noteholder and those entered as joint Noteholders
<b>“Notes”</b>	Any notes or debt securities or any other evidence of indebtedness for borrowed money issued by the Issuer from time to time pursuant to the Programme, the Master Trust Deed or a Series Trust Deed and may include but not be limited to registered Notes, promissory notes, syndicated notes, debentures and Index Linked Notes

## KEY TERMS AND ABBREVIATIONS

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“Optional Redemption Amount”	In respect of any Note, its Nominal Amount or such other amount as may be specified in, or determined in accordance with, the applicable Pricing Supplement
“Optional Redemption Date(s)”	The date(s) specified as such in the applicable Pricing Supplement in relation to a Tranche of Notes pursuant to which the Issuer is specified as having an option to redeem in accordance with Condition 7.3 (Early Redemption at the option of the Issuer (Call Option)). If no such date(s) is/are specified in the applicable Pricing Supplement, the Optional Redemption Date(s) shall be the Interest Payment Date(s) (in the case of interest-bearing Notes) or, such other date(s) (in the case of non-interest-bearing Notes) stipulated as the date(s) for redemption of such Tranche of Notes or the relevant portion of such Tranche of Notes, as the case may be, in the notice delivered by the Issuer pursuant to Condition 5.6 (Redemption at the option of the Issuer (Call Option))
“Outstanding”	<p>In relation to the Notes, all the Notes issued other than:</p> <ul style="list-style-type: none"><li>(a) those which have been redeemed or purchased in full</li><li>(b) those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption in accordance with the relevant terms and conditions has occurred and the redemption moneys (including all coupon payable thereon) have been duly paid to the Trustees or as directed by the Trustees and where appropriate notice to that effect has been given to the relative Holders in accordance with the provisions of the Master Trust Deed and remain available for payment</li><li>(c) those which have been cancelled as provided in Clause 9 of the Master Trust Deed (<i>Cancellation of Notes and Records</i>)</li><li>(d) those which have become void under Condition 9 of the Master Trust Deed (<i>Prescription</i>)</li><li>(e) Notes represented by those mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to the provisions of the applicable Trust Deed</li><li>(f) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose), those Notes represented by Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to the provisions of the applicable Trust Deed</li></ul> <p>Provided that for each of the following purposes, namely:</p> <ul style="list-style-type: none"><li>(i) the right to attend and vote at any meeting of the Noteholders;</li><li>(ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions [14] (<i>Meetings of Noteholders</i>) and [17] (<i>Modification of the Trust</i>)</li></ul>

## KEY TERMS AND ABBREVIATIONS

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	<p><i>Deed</i>): Notes (if any) of the Terms and Conditions which are for the time being held by the Issuer (subject to any applicable Law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held); and</p> <p>(iii) any discretion, power or authority (whether contained in this Shelf Prospectus or vested by operation of law) which the Trustees are required, expressly or impliedly, to exercise in or by reference to the interests of the Holders under any Series or Tranche; and</p> <p>(iv) the determination by the Trustees whether any event, circumstance, matter or thing is, in their opinion, materially prejudicial to the interests of the Noteholders of any Series or Tranche.</p>
	shall be deemed not to be Outstanding;
<b>“Partly Paid Notes”</b>	Notes redeemable in part by the Noteholders as may specified in the applicable Pricing Supplement
<b>“Paying Agent”</b>	Stanbic IBTC Trustees Limited, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Structured Notes, another entity as paying agent, in which event that other entity shall act as a Paying Agent in respect of that particular Tranche or Series of Structured Notes
<b>“Payment Day”</b>	Any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Instruments
<b>“Person”</b>	Any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality
<b>“PITA”</b>	Personal Income Tax Act, Chapter P8, LFN 2004 as amended by the Personal Income Tax (Amendment) Act No. 20 of 2011(as may be amended or republished from time to time)
<b>“Principal Amount”</b>	In relation to a Tranche or Series, the face value or nominal amount of the Instruments specified in the Conditions and applicable Supplement
<b>“Programme”</b>	The ₦150,000,000,000 (One Hundred and Fifty Billion Naira) Structured Note Programme described in this Shelf Prospectus, pursuant to which the Issuer may issue Instruments in Series or Tranches, in Naira or an equivalent in such other currency or currencies from time to time with varying maturities and variable rates of interest provided however that the aggregate value does not exceed ₦ 150,000,000,000 (or its equivalent in other currencies)
<b>“Programme Amount”</b>	The maximum aggregate Nominal Amount of all Instruments Outstanding that may be issued under the Programme being an amount not exceeding ₦ 150,000,000,000.(One Hundred and Fifty Billion Naira) (or its equivalent in other currencies)

## KEY TERMS AND ABBREVIATIONS

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<b>“Prudential Guidelines” or “Guidelines”</b>	The CBN Prudential Guidelines for Deposit Money Banks in Nigeria, 2010 (as amended, supplemented, revised or republished from time to time)
<b>“Put Notice”</b>	A notice which must be delivered to the Paying Agent by any Structured Noteholder wanting to exercise the Put Option
<b>“Put Option”</b>	If specified as applicable in the applicable Supplement, the option of a Holder to require the Issuer to redeem the Instruments (other than Notes qualifying as Tier II Capital) in that Series of Notes held by the Noteholder, in whole or in part at the Optional Redemption Amount on the Optional Redemption Date in terms of Condition 5(f) ( <i>Redemption at the option of the Noteholders (Put Option)</i> )
<b>“Receipt”</b>	A receipt evidencing title to payment of an Instalment Amount payable on an Instalment Note attached upon issue to the Certificate evidencing such Instalment Note
<b>“Record Date”</b>	The date falling no later than fifteen (15) Business Days prior to an Interest Payment Date or Maturity Date, on which the Registrar determines Noteholders listed on record as eligible for Coupon payment and/or principal repayment
<b>“Redemption Amount”</b>	The Final Redemption Amount, the Optional Redemption Amount, the Early Redemption Amount or such other amount in the nature of a redemption amount, as appropriate, as may be specified in, or determined in accordance with the provisions of the applicable Pricing Supplement
<b>“Reference Entity”</b>	means the entity or entities specified as such in the applicable Structured Note Supplement
<b>“Reference Price”</b>	The benchmark price so specified in the applicable Structured Note Supplement for each Tranche of Structured Notes to be issued
<b>“Reference Banks”</b>	The banks specified in the applicable Pricing Supplement in the market that are most closely connected with the Reference Rate
<b>“Reference Rate”</b>	The benchmark interest rate so specified in the applicable Structured Note Supplement for each Tranche of Structured Notes to be issued
<b>“Register”</b>	With respect to each Series of Instruments, the books kept by the Registrar or Transfer Agent as applicable into which shall be entered the names and addresses of each Holder and the particulars, transfers and redemption of the Instruments held by each Holder to evidence the registration of and dealings in such Instruments
<b>“Registered Note”</b>	A Note issued in registered form and transferable in accordance with Condition [7] ( <i>Transfer of Notes</i> ) and which may include Un-certificated Notes
<b>“Registrar”</b>	First Registrars & Investor Services Limited and if applicable, any successor Registrar which shall be any entity set forth with respect to each Series of Notes in the applicable Trust Deed or Deed of Covenant of such Series,

## KEY TERMS AND ABBREVIATIONS

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	-serving as custodian of the Register for such Series of Notes
<b>“Relevant Date”</b>	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 seven (7) days after that on which notice is duly given to the Holders that such payment will be made
<b>“Relevant Screen Page”</b>	The page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the applicable Structured Note Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate
<b>“Relevant Time”</b>	The time specified in the applicable Pricing Supplement as being the relevant time at which a rate of interest is to be determined
<b>“Scheduled Maturity Date”</b>	With respect to the Structured Notes, means the date specified as such in the applicable Pricing Supplement
<b>“SEC” or the “Commission”</b>	The Securities and Exchange Commission, established pursuant to the ISA
<b>“SEC Rules and Regulations” or “SEC Rules”</b>	The Rules and Regulations of the SEC 2013, issued by the SEC pursuant to the ISA ( as amended from time to time)
<b>“Senior Claim”</b>	The claims of all creditors of the Issuer, including all claims in respect of deposits with or loans to the Issuer and all claims to interest thereon or in respect thereof, statutory preferences and other legally-required payments, obligations under hedging and other financial instruments, excluding all claims in respect of Subordinated Indebtedness.
<b>“Senior Indebtedness”</b>	The aggregate of all Senior Claims with respect to the Issuer
<b>“Senior Notes”</b>	Unsubordinated and unsecured Notes of a Series or Tranche, the terms of issue of which provide that such Notes are senior, rank <i>pari passu</i> with the Senior Indebtedness of the Issuer and include such additional features as may be specified in the applicable Supplement

## KEY TERMS AND ABBREVIATIONS

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<b>“Series”</b>	A Tranche of Instruments together with any further Tranche or Tranches of Instruments 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, Interest Commencement Dates and/or Issue Prices; the expressions, Instruments of the relevant Series, Holders of the relevant Series and related expressions shall be construed accordingly
<b>“Series Trust Deed”</b>	A deed entered into by the Issuer and the Trustees in relation to a specific Series and empowering the Trustees to hold, administer and manage the interest of the Noteholders in relation to that Series
<b>“Shelf Prospectus” or “Prospectus”</b>	This shelf prospectus issued in accordance with the SEC Rules which will apply to all Instruments issued under the Programme and which details the aggregate size and broad terms and conditions of the Programme
<b>“Special Resolution”</b>	<p>A resolution passed at a duly convened and properly constituted meeting of Holders, by three quarters (3/4) of the persons present and voting thereat upon a show of hands, or if a poll is duly demanded, by a majority consisting of not less than three-quarter (3/4) in value of the Instruments held by Holders being present and voting either in person or proxy at the meeting votes cast on such poll; or</p> <p>A resolution in writing signed by or on behalf of all the Holders, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Holders</p>
<b>“Specified Currency”</b>	The currency specified in the applicable Pricing Supplement
<b>“Specified Denomination”</b>	The issue denomination specified in the applicable Pricing Supplement
<b>“Specified Office”</b>	The registered address of the Issuer as specified in the applicable Supplement or such other address as the Issuer may specify by notice to the Holders which change of address shall in each case be notified to the Holders in accordance with Condition [14] ( <i>Notices</i> )
<b>“Stanbic IBTC Holdings” or “Group”</b>	Stanbic IBTC Holdings PLC
<b>“Standard Bank Group”</b>	Standard Bank Group Limited
<b>“Structured Notes”</b>	Instruments with exposure to some underlying asset, performance index, commodity returns, derivatives or other Reference Entity
<b>“Structured Note Supplement”</b>	the supplement, with respect to the Structured Notes, to be issued pursuant to this Shelf Prospectus, which shall set out the final terms and conditions of a specific Series or Tranche of Structured Notes under the Programme

## KEY TERMS AND ABBREVIATIONS

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<b>“Structured Noteholder”</b>	In relation to any Structured Notes of a Series or Tranche, a Person (whether currently or in the future) 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 Structured Noteholder and those entered as joint Structured Noteholder
<b>“Subordinated Indebtedness”</b>	The aggregate of the indebtedness of the Issuer, under the Subordinated Notes and all other indebtedness of the Issuer, which is subordinated in the event of the winding up of the Issuer, to the claims of senior creditors
<b>“Subordinated Notes”</b>	The unsecured Notes of a Series or Tranche, the terms of issue of which provide that such Notes are subordinated so as to rank <i>pari passu</i> with the Subordinated Indebtedness of the Issuer and behind the Senior Notes and other senior indebtedness of the Issuer and include such additional features as may be specified in the applicable Supplement
<b>“Supplement”</b>	Supplementary shelf prospectus or pricing supplement or applicable Structured Note Supplement, as the case may be, to be issued pursuant to this Shelf Prospectus, which shall provide final terms and conditions of a specific Series or Tranche of Notes or Structured Notes under the Programme or supplementing information contained in this Prospectus
<b>“Terms and Conditions of the Notes”</b>	The general terms and conditions of the Notes in accordance with which the Notes will be issued, as set out in Schedule 3 (General Terms and Conditions of the Notes) of the Master Trust Deed
<b>“Terms and Conditions of the Structured Notes”</b>	The terms and conditions in accordance with which the Structured Notes will be issued, as set out in Schedule 4 (Terms and Conditions) of the Agency Agreement
<b>“Tranche”</b>	In relation to any particular Series, all Instruments which are identical in all respects (including as to listing)
<b>“Transfer Agent”</b>	Stanbic IBTC Trustees Limited unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Structured Notes, another entity as transfer agent, in which event that other entity shall act as a transfer agent in respect of that particular Tranche or Series of Structured Notes
<b>“Transfer Form”</b>	The written form for the transfer of a registered note, in the form approved by the Transfer Agent, and signed by the transferor and transferee
<b>“Trustees”</b>	ARM Trustees Limited, United Capital Trustees Limited and any other trustee appointed by the Issuer in respect of a Series or Tranche of Notes

## KEY TERMS AND ABBREVIATIONS

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**“Unwind Costs”**

means the amount specified in the applicable Supplement, or if “Standard Unwind Costs” are specified in the applicable Supplement, an amount determined by a calculation agent (where specified in the applicable Supplement) equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer or gains, including funding benefits, actually realised by the Issuer, in which case expressed as a negative number, in connection with the redemption of the Instruments and the related unwind, termination, settlement, amendment or reestablishment of any hedge or related trading position, such amount to be apportioned pro rata amongst each nominal amount of Instruments equal to the Nominal Amount

**“US dollar” or “US\$”**

The lawful currency of the United States of America

**“Zero Coupon Notes”**

Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment

## THE PROGRAMME

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This Shelf Prospectus is issued pursuant to the SEC Rules and Regulations and contains particulars in compliance with the requirements of the SEC for the purpose of giving information to the public with regard to the ₦150,000,000,000 Structured Note Programme established by the Issuer. The specific terms of each Series or Tranche in respect of which this Shelf Prospectus is being delivered will be set forth in the applicable Supplement and shall include the specific designation, aggregate principal amount, the currency or currency unit for which the Instruments may be purchased, maturity, interest provisions, authorised denominations, issue price, any terms of redemption and any other specific terms. If a specific issue under the Programme requires a listing, an application will be made to The NSE and/or the FMDQ OTC for the admission of such Instruments to the relevant exchange.

Each of the Directors represents that he/she has taken reasonable care to ensure that the information concerning the Issuer contained in this Prospectus is true and accurate in all material respects as at the date of this Prospectus and confirm, having made all reasonable enquiries, that to the best of his knowledge and belief, there are no material facts, the omission of which, would make any material statement herein misleading or untrue.

### ISSUING HOUSE



### ON BEHALF OF



Are authorized to Issue this Shelf Prospectus in respect of

### THE ₦150,000,000,000 STRUCTURED NOTE PROGRAMME

This Shelf Prospectus contains:

1. on page 31, a declaration to the effect that the Issuer and its subsidiaries did not breach any terms and conditions in respect of borrowed monies which resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the twelve (12) calendar months immediately preceding the date of filing an application with the SEC for the registration of this Shelf Prospectus;
2. on pages 85 to 91, the Reporting Accountant's Report on the Issuer's historical financial information, prepared by PwC for incorporation in this Shelf Prospectus;
3. on pages 80 to 81, extracts of the Rating Report prepared by Global Credit Ratings Co. Limited and Fitch Ratings; and
4. on page 93, the details and summary of the claims and litigation against the Issuer prepared by Banwo & Ighodalo

## DESCRIPTION OF THE PROGRAMME

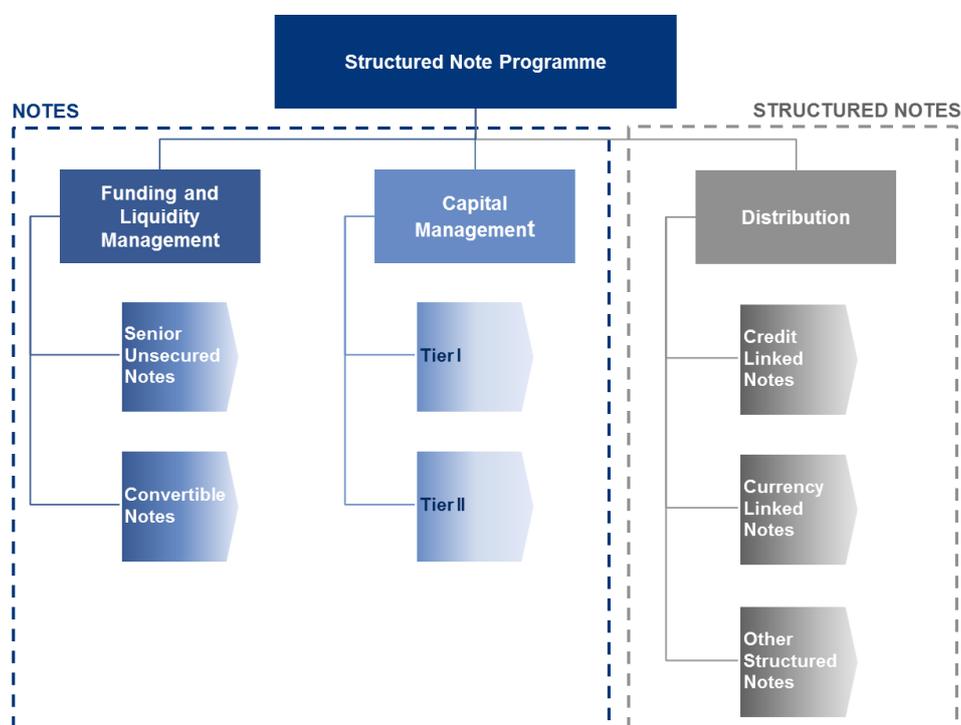
Under the Programme, the Issuer may from time to time issue Instruments denominated in Naira and in any other currency or currencies as may be specified in the applicable Supplement. The Notes will be issued pursuant to a Master Trust Deed dated [.] 2018 and each Series of Notes shall be constituted separately under a trust deed. The Credit Linked Notes and other Structured Notes will be issued pursuant to an Agency Agreement dated [.] 2018 and each Tranche will be constituted separately under a Deed of Covenant.

### Objectives of the Issuer

The establishment of this Programme has been facilitated by the Issuer for purposes of:

- (i) **Funding and Liquidity Management;** to raise senior secured or unsecured senior Notes or convertible Notes for asset/liability management purposes;
- (ii) **Capital Management;** to raise capital via the issuance of subordinated Notes (Tier I and II) and other hybrid capital instruments;
- (iii) **Distribution;** to create and transfer risk assets to investors and partner lenders using a structured format for secondary sell down via Credit Linked Notes; and
- (iv) Originating or creating asset opportunities for syndication to its partners and third party investing clients (via the issuance of other Structured Notes)

A debt issuance programme that combines these functions is commonly referred to as a Structured Note Programme.



### Issuance Structure

In respect of the Notes issued pursuant to the Master Trust Deed, a trust has been constituted pursuant to which the Trustees agree to act as trustees for the Noteholders and agree to hold the benefit of the Issuer's undertakings for the benefit of all Noteholders in that regard.

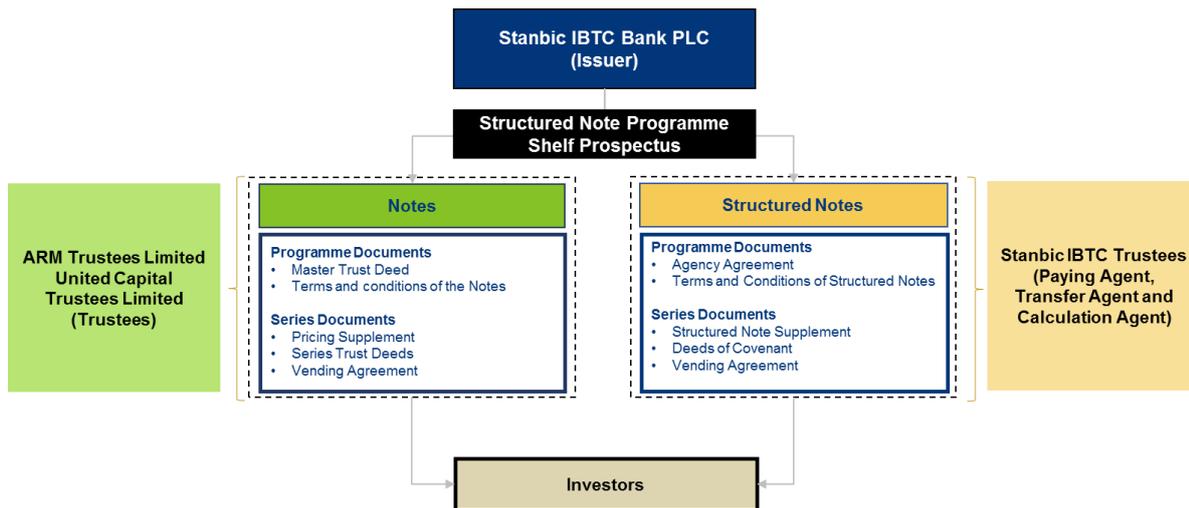
Pursuant to the Agency Agreement, the Issuer has appointed the Paying Agent, Transfer Agent and Calculation Agent in relation to the Structured Notes. The Issuer will also enter into the applicable Deed of Covenant pursuant to which the Issuer will make certain undertakings in favour of the Structured

Noteholders. The aggregate value of Notes issued pursuant to the Master Trust Deed and the Agency Agreement shall not exceed the Programme Amount.

The applicable terms of any Instruments will be set out in the relevant Terms and Conditions incorporated by reference into this Prospectus, as modified and supplemented by any applicable Supplement relating to the Instruments. A summary of the Programme and the Terms and Conditions appear in the section of this Shelf Prospectus headed "*Summary of the Programme*". The terms and conditions for Notes appear in the section of this Shelf Prospectus titled "*Terms and Conditions of the Notes*". The terms and conditions of the Structured Notes appear in the section of this Prospectus headed "*Terms and Conditions of the Structured Notes*." Additional terms and conditions in relation to Structured Notes may be issued from time to time in an applicable Supplement.

The Programme Amount is ₦150,000,000,000.00 (or its equivalent in such other currency or currencies as may be specified in the applicable Supplement).

This Shelf Prospectus will apply to Instruments issued under the Programme in an aggregate nominal amount Outstanding which does not exceed the Programme Amount.



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

- i. This Shelf Prospectus disclosing material information in relation to the Issuer;
- ii. The applicable Supplement containing specific terms relating to a particular issue of Notes and/or Structured Notes;
- iii. A Master Trust Deed between the Issuer and the Trustees setting out inter alia, the powers, rights, obligations/duties of the Trustees in relation to the Notes (other than Structured Notes) issued under the Programme;
- iv. Series Trust Deeds will be entered into constituting each series of Notes issued by the Issuer, and will contain specific terms relating to that particular issue of Notes;
- v. Vending Agreement between the Issuer and the Issuing House in connection with the roles of management and marketing of the offer amongst others. This will be prepared on a series by series basis;
- vi. Agency Agreement between the Issuer and the Paying Agent, Transfer Agent and Calculation Agent in respect of the Structured Notes issued under the Programme; and
- vii. Deed(s) of Covenant, which constitutes each Series or Tranche of the Structured Notes and sets out the Issuer's undertakings to Structured Noteholders. This will be prepared on a series by series basis.

## SUMMARY OF THE PROGRAMME

*This summary should be read as an introduction to this Shelf Prospectus. It does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Shelf Prospectus as a whole, any Supplement and other documents, if any, incorporated by reference into this Shelf Prospectus.*

TERMS	DESCRIPTION
<b>Issuer:</b>	Stanbic IBTC Bank PLC.
<b>Programme Description</b>	<p>Structured Note Programme under which notes or debt securities or any other evidence of indebtedness for borrowed money issued by the Issuer from time to time pursuant to the Programme, the Master Trust Deed or a Series Trust Deed, the Agency Agreement and a Deed of Covenant and may include but not be limited to registered Notes, promissory notes, syndicated notes, debentures, Credit Linked Notes, Index Linked Notes and other Structured Notes, in Naira or an equivalent in such other currency or currencies as may be issued thereunder.</p> <p>Instruments to be offered hereunder are accorded a shelf registration with the Commission for a three-year period commencing on the date of issue of this Shelf Prospectus. No Notes or Structured Notes shall be offered on the basis of this Prospectus after the expiration of the three-year period unless the validity period is renewed by the Commission.</p> <p>The provisions of the Master Trust Deed and any applicable Series Trust Deed shall apply to the Notes. The Structured Notes issued under the Programme shall be issued pursuant to the Agency Agreement and the applicable Deed of Covenant and shall be regulated by the terms and conditions stated therein.</p> <p>The Programme is valid for three years from the date of this Prospectus unless the validity period is renewed by the Commission</p>
<b>Programme Limit</b>	₦150,000,000,000 (One Hundred and Fifty Billion Naira) aggregate principal amount of Notes outstanding at any one time.
<b>Lead Issuing House</b>	The Issuing House appointed as lead issuing house for any issuance of Notes under the Programme and as specified in the applicable Pricing Supplement.
<b>Issuing House(s)</b>	Stanbic IBTC Capital Limited; and any other issuing house(s) appointed from time to time either in relation to the Programme or for a specific Series of Notes issued under the Programme.
<b>Trustees</b>	ARM Trustees Limited and United Capital Trustees Limited.
<b>Paying Agent, Transfer Agent and Calculation Agent</b>	Stanbic IBTC Trustees Limited, unless the Issuer elects to appoint another entity as a Paying Agent, Transfer Agent and Calculation Agent, appointed as agent of the Issuer pursuant to the Agency Agreement to act as its Paying Agent, Transfer Agent and Calculation Agent in relation to the Structured Notes
<b>Method of Issue</b>	<p>The Notes may be offered and sold by way of public offering, private placement or any other means permitted by the Commission and as specified in the applicable Pricing Supplement</p> <p>The Structured Notes will be offered only by way of private placement to qualified institutional investors as defined in the SEC Rules.</p>
<b>Issuance in Series</b>	Notes and Structured Notes will be issued in Series, and each Series may comprise one or more Tranches issued on different dates. The Instruments in each Series will have their respective maturity dates specified in the applicable Supplement. However, Instruments 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.

## SUMMARY OF THE PROGRAMME

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<b>Currency</b>	<p>The Instruments shall be denominated in Naira (₦) or in such other currency or currencies as may be agreed between the Issuer and the Issuing House 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.</p>
<b>Use of Proceeds</b>	<p>The Issuer seeks to raise medium to long term debt under the Programme as and when required in order to manage its liquidity position from time to time, shore up its regulatory capital base or ensure effective, distribution and syndication of its risk assets.</p> <p>The exact application of the proceeds of each Series in relation to the foregoing will be specified in the applicable Supplement.</p>
<b>Maturity Date</b>	<p>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.</p>
<b>Tenor</b>	<p>The tenor of a particular Series of Instruments shall be determined by the Issuer and the relevant issuing house(s) and specified accordingly in the applicable Supplement for the Instruments being issued.</p>
<b>Tax Status of the Instruments</b>	<p>Income and interest earned from the Instruments are exempt from tax imposed under the PITA by virtue of item 31 of the Third Schedule to the PITA.</p> <p>The income and interest earned from the Instruments are exempt from tax imposed under the CITA by virtue of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order 2011, effective 2nd of January 2012. This exemption is for a period of 10 years from the date of the Order.</p> <p>The proceeds from the disposal of the Instruments are exempt from tax imposed under the VAT Act by virtue of the Value Added Tax (Exemption of the Proceeds of the Disposal of Government and Corporate Securities) Order 2011, commencing from 2nd of January 2012. This exemption is for a period of 10 years from the date of the Order.</p> <p>Therefore, all amounts payable under the Notes and Structured Notes will be paid without deduction or withholding for or on account of any income tax. Thus, the Issuer will not be required by law to withhold tax on Coupon payments to the Noteholders or Structured Noteholders, as the case may be. In relation to Notes and Structured Notes with a maturity date later than January 2, 2022, the Issuer may be required by law, to withhold tax on Coupon payments to the Noteholders and Structured Noteholders.</p> <p>The Notes and Structured Notes are also exempt from value added tax payable on commissions on stock exchange transactions by virtue of the Value Added Tax (Exemption of Commissions on Stock Exchange Transactions) Order, 2014, accordingly commissions payable to the SEC, NSE and CSCS will not be subject to value added tax until July 24, 2019. This exemption only applies to trading of securities on The NSE and does not extend to the FMDQ. As a result, Holders may have to pay VAT on fees payable in connection with Instruments traded on the FMDQ</p>
<b>Issue Price</b>	<p>The Issue Price of a specific Series shall be specified in the applicable Supplement of the relevant Series.</p>
<b>Closing Date</b>	<p>The Closing Date of a specific Series shall be stated in the applicable Supplement relating to the Series of Instruments being issued.</p>

## SUMMARY OF THE PROGRAMME

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<b>Coupon</b>	Instruments issued under the Programme may be interest-bearing or non-interest bearing. The Coupon payable on the Instruments shall be determined by the Issuer and issuing house(s) and stated accordingly in the applicable Supplement for the Instruments being issued.
<b>Frequency</b>	The frequency of payment of interest and any other monies due on the Instruments shall be specified in the applicable Supplement for the Instruments being issued.
<b>Repayment</b>	Repayment terms in respect of the Instruments issued under the Programme shall be specified in the applicable Supplement for the Series of Instruments being issued.
<b>Day Count Convention</b>	Different day count conventions may be stipulated in the applicable Supplement.
<b>Principal Redemption</b>	Instruments will be redeemed on the dates specified in the applicable Supplement.
<b>Early Redemption</b>	The applicable Supplement issued in respect of each Series will state whether such Instruments may be redeemed prior to their stated maturity by the Issuer and the terms applicable to such redemption.
<b>Redemption Amount</b>	The applicable Supplement will specify the redemption amount or if applicable, the basis for calculating the redemption amount payable.
<b>Form of Instruments/ Transferability</b>	The Instruments will be issued in registered form and be freely transferable in accordance with the relevant provisions of the Master Trust Deed and/or the Agency Agreement as the case may be. Instruments will be issued in un-certificated or book entry form registered with a separate identification code with the CSCS as specified in the applicable Supplement. Where Instruments are represented by a Certificate(s), such Certificate will be numbered serially with an identifying number recorded in the relevant Certificate and in the Register.
<b>Interest Rate</b>	If the applicable Supplement so specifies, the Instruments of any Series will bear interest from the Interest Commencement Date at the Interest Rate specified in, or determined in accordance with the applicable Supplement and such interest will be payable in respect of each Interest Period on the Interest Payment Date(s) specified in the applicable Supplement. The interest payable on the Instruments of any Series for a period other than a full Interest Period shall be determined in accordance with the applicable Supplement.
<b>Interest Period(s) or Interest Payment Dates for Floating Rate Instruments</b>	Such period(s) or date(s) as may be specified in the applicable Supplement.
<b>Status</b>	<p>Unless stated otherwise in an applicable Supplement, the Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which shall at all times rank pari passu without preference or priority among themselves and, save for certain debts required to be preferred by law, rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time owing, save for such obligations as may be preferred by provisions of law that are both mandatory from time to time outstanding and of general application.</p> <p>Unless as stated otherwise in an applicable Structured Note Supplement, the Structured Notes shall not constitute direct or indirect obligations of the Issuer</p>
<b>Subscription of Instruments</b>	The Instruments may be subscribed to in accordance with the form of application set out in the applicable Pricing Supplement relating to the Instruments being issued.

## SUMMARY OF THE PROGRAMME

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<b>Grossing up</b>	All amounts payable under the Instruments will be paid in full without set-off or counterclaim or other restrictions and free of any deductions or withholding for or on account of any taxes or any charges or otherwise.
<b>Listing</b>	An application may be made to list the Instruments on a registered exchange such as The Nigerian Stock Exchange or the FMDQ OTC PLC.
<b>Issuer Rating</b>	The Issuer has a “AAA” long-term national rating from Fitch and a “AA” long-term national rating from GCR.
<b>Governing Law</b>	The Instruments issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with, Nigerian law.

## INFORMATION RELATING TO THE SHELF PROSPECTUS

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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 House 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 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 House as listed on page [●] 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 that the Issuing House possesses such information or can acquire it without unreasonable effort or expense.

Nothing in this Shelf Prospectus should be construed to mean that the Issuing House is bound to provide any information coming to their attention to any Holder or potential investor in the Instruments. Also, the Issuing House is not bound to advise any investor or potential investors on the financial condition or affairs of the Issuer 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 the 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

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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 include statements regarding the Issuer’s intentions, beliefs or current expectations concerning, amongst other things, the Issuer’s results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which it operates. 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 actual results of operations, financial condition and liquidity and the development of the industry in which it operates 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 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, especially those pertaining to the banking industry;
- Changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- Economic and political conditions in international markets, including governmental changes;
- The demand for the Issuer’s products and services;
- Competitive factors in the industries in which the Issuer and its customers operate;
- 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**”, “**Overview of the Nigerian Banking Industry**”, “**Overview of Stanbic IBTC Bank PLC**”, “**Reporting Accountant’s Report**” and “**Statutory and General Information**” contain more detailed discussions of the factors that could affect the Issuer’s future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Shelf Prospectus may not occur.

The Issuer does not undertake any obligation to update or revise any forward-looking statements made in this Shelf Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributed to the Issuer or to persons acting on the Issuer’s behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. A prospective investor of the Instruments should not place undue reliance on these forward-looking statements.

## **OTHER INFORMATION**

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### **THIRD PARTY INFORMATION**

The Issuer has 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 has accurately reproduced such information and, so far as the Issuer is aware and is 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 also note that some of the Issuer's estimates are based on such third-party information. Neither the Issuer nor the Issuing House 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 PRICING SUPPLEMENTS / SUPPLEMENTARY SHELF PROSPECTUSES**

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Following the registration of this Shelf Prospectus, a Supplementary Shelf Prospectus, Pricing Supplement or Structured Note Supplement may be prepared by the Issuer 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.

The Bank declares that, to the best of its knowledge and honest belief, no material facts have been omitted from, and there are no material misstatements in, this Shelf Prospectus, which would make any statement contained herein misleading or untrue. The Bank will, in the event of any significant new factor or material mistake or inaccuracy relating to information included in this Shelf Prospectus that is capable of affecting the assessment of the Programme or the Instruments, prepare a Supplement to this Shelf Prospectus or publish a new Shelf Prospectus for use in connection with any subsequent issue of Instruments.

## DECLARATION BY THE ISSUER



04 January 2018

**The Director General**  
Securities & Exchange Commission  
SEC Tower  
Plot 272 Samuel Adesoji Ademulegun Street  
Central Business District  
Abuja

Dear Sir

### **Renewal of the ₦150 billion Structured Note Programme by Stanbic IBTC Bank PLC (the "Programme")**

The Prospectus has been prepared by Stanbic IBTC Bank PLC (the "Issuer") with a view to providing a description of the relevant aspects of the Issuer's business in connection with the Programme.

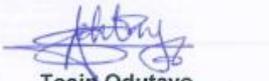
On behalf of the Board of Directors, we hereby make the following declarations:

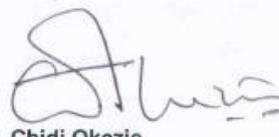
- (i) We confirm that the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contain no omission likely to affect its import;
- (ii) There has been no significant change in the financial condition, or material adverse change in the prospectus of the Issuer since the date of this document, and
- (iii) The Issuer is not in breach of any terms and conditions in respect of borrowed monies which resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 (twelve) months preceding the date of this Prospectus.

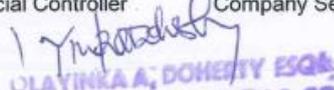
Signed for and on behalf of:  
**Stanbic IBTC Bank PLC**

By its duly authorised representatives:

  
**Demola Sogunle**  
Chief Executive

  
**Tosin Odutayo**  
Ag. Financial Controller

  
**Chidi Okezie**  
Company Secretary

  
**OLAYINKA A. DOHERTY ESQ.**  
**OLAYINKA A. DOHERTY & CO**  
Barristers, Solicitors And  
Notaries Public  
1, Yehinbob Street, Lagos

1 B.T.C. Floor  
Walter Carrington Crescent  
P.O. Box 71707 Victoria Island Lagos Nigeria  
Telephone: +234-1- 2712400; +234-1- 4488900 Facsimile: 234-1- 2806998

Stanbic IBTC Bank PLC RC 125997

Directors: Sim Tshabalala\* (Chairman) Demola Sogunle (Chief Executive) Andrew Mashanda (Executive) Wole Adesiyi (Executive) Babatunde Mazaunlay (Executive) M. Essien (SAN)  
A. Gain\*\* Z. Manyath\* Y. Sami  
\*South Africa \*\*South Africa / British

**Stanbic IBTC Bank** Moving Forward™

## PARTIES TO THE PROGRAMME

### Directors and Company Secretary of the Issuer

#### Directors:

**Mr. Sim Tshabalala (Chairman)**  
I.B.T.C. Place,  
Walter Carrington Crescent,  
Victoria Island,  
Lagos

**Dr. Demola Sogunle (Chief Executive)**  
I.B.T.C. Place,  
Walter Carrington Crescent,  
Victoria Island,  
Lagos

**Mr. Andrew Mashanda (Executive)**  
I.B.T.C. Place,  
Walter Carrington Crescent,  
Victoria Island,  
Lagos

**Mr. Wole Adeniyi (Executive)**  
I.B.T.C. Place,  
Walter Carrington Crescent,  
Victoria Island,  
Lagos

**Mr. Babatunde Macaulay (Executive)**  
I.B.T.C. Place,  
Walter Carrington Crescent,  
Victoria Island,  
Lagos

**Mr. Yinka Sanni (Non-Executive Director)**  
I.B.T.C. Place,  
Walter Carrington Crescent,  
Victoria Island,  
Lagos

**Mr. Zweli Manyathi (Non-Executive Director)**  
I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

**Mr. Arnold Gain (Non-Executive Director)**  
I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

**Mrs. Miannaya Essien, SAN (Independent Non-Executive Director)**  
I.B.T.C. Place,  
Walter Carrington Crescent,  
Victoria Island,  
Lagos

**Company Secretary:**  
Chidi Okezie  
I.B.T.C. Place,  
Walter Carrington Crescent,  
Victoria Island,  
Lagos

### Issuing House

#### Stanbic IBTC Capital Limited

I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island,  
Lagos

#### Solicitors to the Trustees

**Udo Udoma & Belo-Osagie**  
St. Nicholas House (12th Floor)  
Catholic Mission Street  
Lagos

#### Solicitors to the Transaction

**Banwo & Ighodalo**  
98 Awolowo Road  
South-West Ikoyi  
Lagos

### Trustees

**ARM Trustees Limited**  
1, Mekunwen Road  
Ikoyi  
Lagos

**United Capital Trustees Limited**  
UBA House (12th Floor)  
57 Marina  
Lagos

## **PARTIES TO THE PROGRAMME**

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<b>Reporting Accountant</b>	<b>Registrars</b>
<b>PwC</b> Landmark Towers 5B Water Corporation Road Victoria Island Lagos	<b>First Registrars &amp; Investor Services Limited</b> Plot 2, Abebe Village Road, Iganmu, Lagos
<b>Paying, Transfer &amp; Calculation Agent</b>	
<b>Stanbic IBTC Trustees Limited</b> The Wealth House Plot 1678, Olakunle Bakare Close Off Sanusi Fafunwa Victoria Island Lagos	

## **DOCUMENTS TO BE INCORPORATED BY REFERENCE**

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This Shelf Prospectus should be read and construed in conjunction with the Issuer's audited financial statements for the six months ended, 30 June 2017 and its Audited Annual Report for the financial years ended 31st December 2014, 31st December 2015 and 31st December 2016, comprising the audited annual financial statements of the Issuer and prepared in compliance with the IFRS issued by the International Accounting Standards Board and prescribed by the 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 Issuer 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 Issuer's information given in this Shelf Prospectus and the terms and conditions of additional Instruments to be issued under the Programme may be updated in a Supplement pursuant to the Rules & Regulations. Any such amendment or supplement will be incorporated by reference into this Shelf Prospectus and forms 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.

This Prospectus and any Supplement (as applicable) are accessible, and copies of them are available free of charge at the office of the Issuing House from 8:00a.m till 5:00p.m on Business Days, and on the website of the Issuer ([www.stanbicibtcbank.com](http://www.stanbicibtcbank.com)), during the validity of the Programme.

Telephone enquiries should be directed to the Issuing House on:

Stanbic IBTC Capital Limited: +234 1 422 8000

## TERMS AND CONDITIONS OF THE NOTES

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*The following is the text of the terms and conditions of the Notes which subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are attached to the applicable Series Trust Deed, and Supplementary Shelf Prospectus/Pricing Supplement (the “Final Terms”) and save for the italicised text will be endorsed on the Certificates issued in respect of the Notes.*

*The provisions of these Terms and Conditions of the Notes (the “General Conditions”) which are applicable to the Notes issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. Any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these General Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these General Conditions; alternative or optional provisions of these General 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 General Conditions; and all provisions of these General Conditions which are inapplicable to the Notes shall be deemed to be deleted from these General Conditions as required to give effect to the terms of the relevant Final Terms.*

The Notes are constituted by a Master Trust Deed (the “Trust Deed”) dated [•] 2018 between Stanbic IBTC Bank PLC (the “Issuer”), ARM Trustees Limited, and United Capital Trustees Limited (together the “Trustees” which expression shall include all persons for the time being appointed as trustee or trustees under the Trust Deed).

Any Tranche or Series of Notes which is to be created and issued pursuant to the Master 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 Trustees. The Issuer shall execute and deliver such Series Trust Deed to the Trustees containing such provisions (whether or not corresponding to any of the provisions contained in the Trust Deed) as the Trustees may require. Each Series Trust Deed shall set out the form of the Tranche of Notes to be so constituted thereby and shall be accompanied by legal opinions (in form and substance satisfactory to the Trustees) or supporting authorisations/approvals as may be required by the Trustees.

The Noteholders 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. The Trust Deed and any Series Trust Deed are hereinafter collectively referred to as the Trust Deed.

These terms and conditions include summaries of, and are subject to the detailed provisions of the Trust Deed and the Series Trust Deed. Except otherwise stated, words and expressions defined in the Trust Deed shall bear the same meanings when used herein.

### **1. CURRENCY, FORM, DENOMINATION AND TITLE**

#### **1.1 Issue and Currency**

- 1.1.1 The Notes may be issued by the Issuer in Tranches pursuant to the Trust Deed. A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued, provided that the aggregate nominal amount of all Notes Outstanding under the Programme at any one point in time does not exceed the Programme Amount. The Supplementary Shelf Prospectus/Pricing Supplement for each Tranche of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these General Conditions. The Supplementary Shelf Prospectus/Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Conditions, replace or modify these General Conditions for the purposes of those Notes.

1.1.2 The Notes shall be in registered form or as may be specified in the applicable Final Terms, in a Specified Currency and in Specified Denomination(s). The Notes issued under the Programme may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Dual Currency Interest Notes, Index Linked Notes, or a combination of any of the foregoing, subject to the applicable Final Terms.

1.1.3 The Notes may also be Installment Notes, Dual Currency Redemption Notes, or a combination of any of the foregoing, depending upon the redemption/payment basis shown in the applicable Final Terms. The Notes may also be Senior or Subordinated Notes as indicated in the applicable Final Terms.

### 1.2 Form and Title

1.2.1 A Tranche of Notes may be issued in certificated or dematerialised form. If issued in certificated form, a Certificate will be issued to Noteholders in respect of their registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the Register of Holders ("Register") of Notes of the applicable Series which the Issuer will procure to be kept by the Registrar. The Notes may also be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the CSCS.

1.2.2 Title to the Notes passes only by registration in the Register. The Noteholder of any Series will (except as otherwise required by law) be treated as its legal and beneficial owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no Person will be liable for so treating the Noteholder.

1.2.3 A Tranche of Notes may be listed on the NSE and/or FMDQ or on such other or further exchange(s) as may be determined by the Issuer, subject to any applicable laws. Unlisted Notes may also be issued under the Programme. The Supplementary Shelf Prospectus/Pricing Supplement will specify whether or not a Tranche of Notes will be listed, on which financial exchange(s) they are to be listed (if applicable) and, if such Tranche of Notes is to be listed on the NSE, the relevant platform or sub-market of the NSE such Tranche of Notes is to be listed.

### 1.3 Denomination

The aggregate nominal amount, Specified Currency and Specified Denomination of a Tranche of Notes will be specified in the Supplementary Shelf Prospectus/Pricing Supplement.

### 1.4 Closed Periods

No Noteholder may require the transfer of the Notes (i) during the period of fifteen (15) days ending on the due date for redemption of, or payment of any Interest or Instalment Amount in respect of that Note; (ii) after any Notes have been called for redemption by the Issuer or a Noteholder pursuant to Condition 5 or (iii) following the issuance of a default notice to the Issuer by the Trustees pursuant to Condition 10.

## 2. STATUS

### 2.1 Status of the Senior Notes

Unless otherwise specified in the Supplementary Shelf Prospectus/Pricing Supplement, the Notes shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Issuer under the Notes in respect of principal and any interest thereon shall, save for such obligations as may be preferred by applicable

legislation relating to creditor's rights, at all times rank at least equally with all other present and future unsecured and unsubordinated indebtedness and monetary obligations of the Issuer.

### 2.2 Status of the Subordinated Notes

2.2.1 Subordinated Notes are direct, unsecured and subordinated obligations of the Issuer and rank pari passu and without any preference among themselves and at least pari passu with the claims of all holders of Subordinated Indebtedness. The proceeds of the Subordinated Notes will, if certified by the CBN as forming part of the Issuer's regulatory capital, supplement the Issuer's Tier 2 capital.

2.2.2 In the event of the Winding-up of the Issuer, the claims of the Trustees and the holders of Subordinated Notes against the Issuer to payment of principal and interest in respect of the Subordinated Notes will rank:

- a) subordinated in right of payment to the payment of all Senior Indebtedness;
- b) pari passu without any preference among themselves and with all Parity Obligations; and
- c) in priority to all payments in respect of Junior Obligations.

2.2.3 The provisions of Condition 2.2.2 apply only to the principal and interest in respect of the Subordinated Notes and nothing in Condition 2.2.2 or in Conditions 11 and 12 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustees or the rights and remedies of the Trustees in respect thereof.

2.2.4 For as long as any Subordinated Notes certified by CBN as forming part of the Issuer's regulatory capital remains Outstanding, the Issuer shall not exercise any right to redeem the Subordinated Notes prior to its stated maturity ("Early Redemption") unless:

- a) the Early Redemption will not result in the Issuer's capital adequacy ratio falling below the regulatory minimum ratio prescribed by the CBN, and
- b) the Issuer has obtained the consent of the CBN for such Early Redemption.

## 3. COVENANTS

This Covenant shall apply to the Senior Notes and, where and to the extent specified in the relevant Final Terms, Subordinated Notes.

For as long as any of the Senior Notes or (if applicable) Subordinated Notes remains Outstanding (as defined in the Trust Deed), the Issuer shall/undertakes to comply with the following covenants:

### 3.1 No Consolidation or Merger

Save for transactions involving an internal restructuring, an arrangement with a related entity or such other restructuring or arrangement necessitated by any law or regulation, the Issuer shall not without the prior written consent of the Trustees (which consent may only be withheld by the Trustees if it is of the reasonable opinion that to do so will be materially prejudicial to the interests of the Holders) consolidate with or merge into any other Person (or enter into any transaction whose effect would be similar to that of a merger) or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its property and assets to any Person by one or more transactions or series of transactions (whether related or not) (any such consolidation or merger (or transaction whose effect would be similar to that of a merger) and any such transaction or series of transactions, a "consolidation" or "merger") if such consolidation or merger would have a Material Adverse Effect, unless:

- (i) the Issuer shall be the continuing Person or the successor Person (as a result of such consolidation or merger) shall be a corporation organised and validly existing under the laws of Nigeria, and shall expressly assume by a supplemental trust deed to the Trust Deed in form and substance satisfactory to the Trustees, all of the obligations of the Issuer under the Trust Deed;
- (ii) immediately before and after giving effect to such consolidation or merger, no Potential Event of Default (as defined in the Trust Deed) or Event of Default shall have occurred and be continuing; and
- (iii) the Issuer or such successor Person, as the case may be, shall have delivered to the Trustees, a certificate signed by two of its directors stating the consolidation or merger complies with the provisions of subparagraphs (i) and (ii) above.

### 3.2 Disposals

3.2.1 Without prejudice to the provisions of Conditions 3.3 or 3.4, the Issuer shall not sell, lease, transfer or otherwise dispose of, to a Person other than the Issuer or a subsidiary of the Issuer, as the case may be, by one or more transactions or series of transactions (whether related or not), the whole or any Material Part of any of its revenues or its assets, unless such transaction(s) is/are.

- a) for Fair Market Value; and
- b) has/have been approved by a resolution of the appropriate decision making body of the Issuer resolving that the transaction complies with the requirements of this Condition 3(b)

3.2.2 For the purpose of determining whether or not one or more disposals is of a Material Part, reference shall be had (i) to the most recent published audited consolidated or, as the case may be, non-consolidated financial statements of the Issuer, at the time the disposal is completed to determine the book value of the revenues or assets being disposed of and (ii) to the most recent published audited consolidated financial statements of the Issuer at the time the determination is made to determine the book value of the total revenues or total assets of the Issuer.

### 3.3 Transactions with Affiliates

3.2.3 The Issuer shall not, directly or indirectly, conduct any business, enter into or permit to exist any new transaction or series of related transactions being a Material Part (including the purchase, sale, transfer, assignment, lease, conveyance or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate (an "Affiliate Transaction"), including, without limitation, inter-company loans, unless the terms of such Affiliate Transaction are no less favourable to the Issuer than those that could be obtained in a comparable arm's length transaction for Fair Market Value with a Person that is not an Affiliate of the Issuer.

3.2.4 This Condition does not apply to (i) compensation or employee benefit arrangements with any officer or director of the Issuer or any of its subsidiaries arising as a result of the employment contract of such officer or director, or (ii) any Affiliate Transaction between the Issuer and any of its Subsidiaries or between any Subsidiaries of the Issuer.

### 3.4 Restricted Payments

The Issuer shall not declare or pay any dividend in cash or otherwise or make a distribution (whether by way of redemption, acquisition or otherwise) in respect of its share capital and to its shareholders if an Event of Default has occurred and is continuing PROVIDED THAT this restriction shall not be applicable in relation to a breach of Condition 10.1(ii) (Breach of Other Obligations).

### 3.5 Capital Adequacy

The Issuer shall not permit its total capital adequacy ratio to fall below the minimum total capital adequacy ratio required by the CBN and shall at all times comply with all rules, regulations and prudential supervision ratios of the CBN applicable to banks in Nigeria except where failure to so comply would not have a Material Adverse Effect.

### 3.6 Cessation of Business

Save as otherwise permitted in Condition 3.1 above, the Issuer shall not cease to carry on its business as a full, effective and valid going concern. The Issuer shall not engage in any business or activities not permitted under its memorandum and articles of association or relevant laws applicable to its continued corporate existence. The Issuer shall procure that no material change that would have a Material Adverse Effect is made to the nature of its business from that carried on as at the date of the relevant Series Trust Deed or conduct its business in a manner that might jeopardize the Issuer's fulfillment of its obligations under the Trust Deed.

### 3.7 Trustee Not Obligated to Monitor Compliance

The Issuer shall furnish the Trustees annually, with a certificate on which the Trustees may rely to confirm the Issuer's compliance with the Conditions (including Conditions 3.1, 3.2, 3.3, 3.4, and 3.5). Notwithstanding this, the Trustees are not obliged to monitor compliance by the Issuer with the Conditions (including Conditions 3.1, 3.2, 3.3, 3.4, and 3.5).

## 4. INTEREST AND OTHER CALCULATIONS

If the Supplementary Shelf Prospectus/Pricing Supplement so specifies, the Notes of any Tranche will bear interest from the Interest Commencement Date at the Interest Rate(s) specified in, or determined in accordance with, the Supplementary Shelf Prospectus/Pricing Supplement and such interest will be payable in respect of each Interest Period on the Interest Payment Date(s) specified in the Supplementary Shelf Prospectus/Pricing Supplement. The interest payable on the Notes of any Tranche for a period other than a full Interest Period shall be determined in accordance with the Supplementary Shelf Prospectus/Pricing Supplement.

### 4.1 Interest on Fixed Rate Notes

Interest on Fixed Rate Notes will be paid on the Interest Payment Dates specified in the Supplementary Shelf Prospectus/Pricing Supplement.

#### Accrual of Interest

The Notes bear interest from the Interest Commencement Date at the Interest Rate payable in arrears on each Interest Payment Date, subject as provided in Condition 6 (Payments). Each Note will cease to bear interest from the Interest Termination Date.

#### Fixed Interest Amount

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

#### Calculation of Interest Amount

The amount of interest payable in respect of each Note for any period for which a Fixed Interest Amount is not specified shall be calculated by applying the Interest 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:

- a) *if an Initial Broken Amount is specified in the Supplementary Shelf Prospectus/Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Supplementary Shelf Prospectus/Pricing Supplement; and*
- b) *if a Final Broken Amount is specified in the Supplementary Shelf Prospectus/Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount specified in the Supplementary Shelf Prospectus/Pricing Supplement.*

### 4.2 Interest on Floating Rate Notes

#### **Accrual of Interest**

The Notes bear interest from the Interest Commencement Date on the outstanding nominal amount at the Interest Rate payable in arrears on each Interest Payment Day, subject as provided in Condition 6 (Payments). Each Note will cease to bear interest from the Interest Termination Date.

#### **Floating Interest Rate**

The Floating Interest Rate which is applicable to a Tranche of Floating Rate Notes for an Interest Period will be determined in the manner specified in the relevant Final Terms.

#### **Maximum and/or Minimum Interest Rate**

If the Supplementary Shelf Prospectus/Pricing Supplement specifies a Maximum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be greater than such Maximum Interest Rate and/or if it specifies a Minimum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be less than such Minimum Interest Rate.

#### **Determination of Floating Interest Rate and Calculation of Interest Amount**

The Calculation Agent, in the case of Floating Rate Notes will, at or as soon as practicable after each time at which the Interest Rate is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Interest Rate for such Interest Period to the Calculation Amount and multiplying the product by the relevant Day Count Fraction, 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 the relevant Note divided by the Calculation Amount.

#### **Calculation of Other Amounts**

If the Supplementary Shelf Prospectus/Pricing 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 Supplementary Shelf Prospectus/Pricing Supplement.

#### **Publication**

The Calculation Agent will cause each Interest Rate determined by it, together with the relevant Interest 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 placing agent, the transfer agent, any Financial 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 not later than the later of the day that is 3 (three) Business Days before the relevant Interest Payment Date and the relevant Interest Determination Date for that Interest Period. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 14 (Notices).

Each Interest Rate determined by the Calculation Agent, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it, together with any

relevant payment date(s) shall be made available to the Noteholders in respect of any unlisted Floating Rate Notes promptly upon request.

The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. Any such amendment will be promptly notified to the Issuer and to the Noteholders in accordance with Condition 14 (Notices).and, if the relevant Tranche of Notes is listed on Stock Exchange. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and Interest Amount in respect of a Note having the minimum Specified Denomination.

#### 4.3 Interest on Mixed Rate Notes

The Interest Rate payable from time to time on Mixed Rate Notes shall be the Interest Rate payable on any combination of Fixed Rate Notes, Floating Rate Notes, or Zero Coupon Notes for respective periods, each as specified in the Supplementary Shelf Prospectus/Pricing Supplement. During each such applicable period, the Interest Rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that and to the extent that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Index Linked Notes, as the case may be.

#### 4.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up Nominal Amount of such Notes and otherwise as specified in the Supplementary Shelf Prospectus/Pricing Supplement from the Interest Commencement Date to the Interest Termination Date.

#### 4.5 Interest on Instalment Notes

In the case of Instalment Notes, interest will accrue on the amount outstanding on the relevant Note from time to time and otherwise as specified in the Supplementary Shelf Prospectus/Pricing Supplement from the Interest Commencement Date to the Interest Termination Date.

#### 4.6 Interest on Unpaid Amounts

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the Interest Termination Date. If on the date of redemption and upon due presentation of the Note, payment of principal is improperly withheld or refused, interest shall accrue at the rate specified in the Supplementary Shelf Prospectus/Pricing Supplement from the date on which such amount is due and payable until the date on which all amounts due in respect of such Note have been paid.

#### 4.7 Dual Currency Notes

In the case of Dual Currency Notes, if the Interest Rate or Interest Amount that fall due and payable is to be determined by reference to an Exchange Rate or a method of calculating an Exchange Rate, the Interest Rate or Interest Amount payable shall be determined in the manner specified in the Final Terms in respect of such Notes.

**Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the **Floating Rate Business Day Convention**, 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, (B) the **Following Business Day Convention**, such date shall be postponed to the next day that is a Business Day, (C) the

**Modified Following Business Day Convention**, 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 such date shall be brought forward to the immediately preceding Business Day or (D) the **Preceding Business Day Convention**, such date shall be brought forward to the immediately preceding Business Day.

### **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts Rate Multipliers and Rounding**

- (i) If any Margin or Rate Multiplier is specified in respect of the Notes (either (i) generally, or (ii) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (i), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (ii), calculated in accordance with Condition 4(d) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in respect of the Notes, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (i) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures shall be rounded to seven significant figures (with halves being rounded up); and (iii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes, "unit" means the lowest amount of such currency that is available as legal tender, in the country of such currency.

### **Calculations**

The Interest payable in respect of any Notes for any Interest Accrual Period shall be calculated by multiplying the product of the Rate of Interest and the calculation amount as specified in the applicable Final Terms ("the Calculation Amount") by the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or formula for its calculation) is specified in respect of such Interest Accrual Period, in which case the Interest Amount payable per Calculation Amount in respect of such Notes for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the Interest Amount payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amount payable in respect of each of those Interest Accrual Periods. In respect of any other period for which Interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which Interest is required to be calculated.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest on Notes of a Series for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or latest Accrual Period, the "Calculation Period"):

- (i) if **"Actual/365"** or **"Actual/Actual-ICMA"** is specified in respect of the Notes, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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);
- (ii) if **"Actual/365 (Fixed)"** is specified in respect of Notes of a Series, the actual number of days in the Calculation Period divided by 365;

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- (iii) if “Actual/360” is specified in respect of Notes of a Series, the actual number of days in the Calculation Period divided by 360;
- (iv) if “30/360”, “360/360” or “Note Basis” is specified in respect of the Notes, 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 (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period 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));
- (v) if “30E/360” or “Eurobond Basis” is specified in respect of the Notes, 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 a Calculation Period ending on the Maturity Date, the Maturity Date 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);

and

- (vi) if “**Actual/Actual**” is specified in respect of the Notes:
  - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and (b) if the Calculation Period is longer than one Determination Period, the sum of: (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) a Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means

- (i) in respect of an Interest Accrual Period, the amount of Interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Interest Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of Interest payable per Calculation Amount for that period.

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in respect of the Notes.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period

beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified in the Final Terms in respect of such Notes.

**“Interest Rate”** or **“Rate of Interest”** means the rate of interest payable from time to time in respect of Interest-bearing Notes of a Series or Tranche and that is either specified or calculated in accordance with the provisions in respect of such Notes.

**“Determination Date”** means the date specified in respect of the Notes of a Series or, if none is so specified, the Interest Payment Date.

**“Determination Period”** means the period from and including a Determination Date in any year to but excluding the next Determination Date.

### 5. REDEMPTION, PURCHASE AND OPTIONS

5.1 Tranche of Notes will, be redeemed on the Maturity Date in accordance with Condition 5(a) (Scheduled Redemption). If the "Redemption at the option of the Issuer (Call Option)" and/or "Redemption at the option of the Noteholders of Notes (Put Option)" and/or "Redemption for Taxation Reasons" is specified as applicable in the Supplementary Shelf Prospectus/Pricing Supplement, a Tranche of Notes may, or upon the occurrence of an Event of Default as set out in Condition 10 (Events of Default) be redeemed prior to its Maturity Date in accordance with this Condition 5 (Redemption, Purchase and Options).

#### 5.2 Scheduled Redemption

Unless previously redeemed or purchased and cancelled as specified below, the Notes will be redeemed at the Final Redemption Amount on the Maturity Date subject to the provisions contained in Condition 6 (Payments).

#### 5.3 Redemption by Instalments and Final Redemption

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5, Notes of a Series that provide for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in respect of such Notes. The outstanding nominal amount of such Notes shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Notes, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount. The Registrar shall update the Register to reflect the amount outstanding within 5 Business days of the Instalment Date.

(ii) **“Instalment Amount”** means the portion of the Principal Amount payable on a date specified in the applicable Final Terms (“the Instalment Date”)

(iii) Unless previously redeemed, purchased and cancelled as provided below, the Notes shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided in respect of the Notes, is its nominal amount) or, in the case of Notes falling within paragraph (i) above, its final Instalment Amount.

#### 5.4 Early Redemption

##### (i) Zero Coupon Notes:

a) The Early Redemption Amount payable in respect of Zero Coupon Notes, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Notes pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Notes unless otherwise specified in respect of the Notes.

- b) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of such Notes shall be the scheduled Final Redemption Amount of such Notes on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the amortisation yield (which, if none is specified in respect of the Notes, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- c) If the Early Redemption Amount payable in respect of any such Notes upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Notes becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Notes on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

**(ii) Other Notes:**

The Early Redemption Amount payable in respect of Notes of a Series (other than Zero Coupon Notes described in (i) above), upon redemption of such Notes pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified in the Final Terms in respect of the Notes.

### 5.5 Redemption for Taxation Reasons

If so specified in the Supplementary Shelf Prospectus/Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part,

- A. at any time (if the Floating Rate Note provisions are specified in the Supplementary Shelf Prospectus/Pricing Supplement as being applicable or, if they are, such provisions are not applicable at the time of redemption); or
- B. on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the Supplementary Shelf Prospectus/Pricing Supplement as being applicable and are applicable at the time of redemption),

on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount together with the Interest accrued to the date fixed for redemption), if:

- (i) the Issuer satisfies the Trustees and the SEC 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 Nigeria or any political subdivision or any authority thereof or therein having power to tax (other than the expiry of the Companies Income Tax exemption in respect of the Notes set out in the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 in relation to Notes 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 Notes; 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 Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustees and the SEC a certificate signed by two Directors or a Director and Company Secretary 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, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

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

- (i) where the Notes 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 Notes may be redeemed only on an Interest Payment Date, 60 (sixty) days prior to the Interest 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.

### 5.6 Redemption at the Option of the Issuer (Call Option)

5.6.1 If the Issuer is specified in the Supplementary Shelf Prospectus/Pricing Supplement as having an option to redeem, the Notes may, be redeemed at the option of the Issuer in whole or, if so specified in the Supplementary Shelf Prospectus/Pricing Supplement, in part, upon the Issuer, subject in the case of Subordinated Notes to obtaining any consent required by the CBN (or other Nigerian governmental authority responsible for the capital adequacy of banks)) having given:

- (i) not less than thirty (30) and not more than 60 (sixty) days, or such other period as specified in the Supplementary Shelf Prospectus/Pricing Supplement, notice to the Noteholders in accordance with Condition 14 (Notices); and
- (ii) [not less than 7 (seven) days before giving the notice referred to above, notice to the transfer agent, (both of which notices shall be irrevocable) to redeem all or some of the Notes then Outstanding on the Optional Redemption Date(s) (Call) and at the Optional Redemption Amount(s) (Call) specified in, or determined in the manner specified in, the Supplementary Shelf Prospectus/Pricing Supplement together, if appropriate, with interest accrued up to (but excluding) the Optional Redemption Date(s) (Call).
- (iii) Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as specified in the Supplementary Shelf Prospectus/Pricing Supplement, if applicable, provided that if Unwind Costs are specified in the Supplementary Shelf Prospectus/Pricing Supplement as applicable, the Optional Redemption Amount(s) (Call) may be reduced by Unwind Costs. In the case of a partial redemption of Notes, the Notes to be redeemed (Redeemable Notes) will be selected individually by lot; and in each such case not more than 30 (thirty) days prior to the date fixed for redemption (such date of selection being hereinafter called the Selection Date).
- (iv) A list of the serial numbers of the Individual Certificates will be published in accordance with Condition 14 (Notices) not less than 10 (ten) days prior to the date fixed for redemption.

5.6.2 Holders of Redeemable Notes shall surrender the Individual Certificates, together with Receipts and Interests (if any) relating to the Notes in accordance with the provisions of the notice given to them by the Issuer. Where only a portion of the Notes represented by such Certificates, Receipts and Interests (as applicable) are redeemed, the calculation agent shall deliver new Individual Certificates, Receipts

and Interests (as applicable) to such Noteholders in respect of the balance of the Notes.

**5.7 Redemption at the Option of Noteholders (Put Option)**

- 5.7.1 If the Noteholders of Notes are specified in the Supplementary Shelf Prospectus/Pricing 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 Supplementary Shelf Prospectus/Pricing 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 Supplementary Shelf Prospectus/Pricing 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.
- 5.7.2 In order to exercise the option contained in this Condition 5.7, 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 Supplementary Shelf Prospectus/Pricing Supplement, before the relevant Optional Redemption Date(s) (Put), surrender the Individual Certificates (if any) relating to such Notes to the placing agent in accordance with Condition 14 (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 Supplementary Shelf Prospectus/Pricing Supplement, if applicable.
- 5.7.3 Where a Noteholder Puts Notes represented by an Individual Certificate, such Noteholder shall deliver the Individual Certificate, together with Receipts and/or Interests (if any), to the transfer agent for cancellation by attaching it to a Put Notice. A holder of an Individual Certificate shall specify its payment details in the Put Notice for the purposes of payment of the Optional Redemption Amount.
- 5.7.4 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.
- 5.7.5 Any Put Notice given by a holder of any Note pursuant to this Condition 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 10 (Events of Default).

**5.8 Redemption or Purchase at the option of the Noteholders on a Put Event (Change of Control Put)**

- 5.81 If a Change of Control Put is stated in the applicable Final Terms and if at any time while any Senior Notes remains Outstanding:

- (i) a Change of Control occurs; and
- (ii) within the Change of Control Period (A) a Rating Downgrade in respect of that Change of Control occurs, or (B) a Negative Rating Event in respect of that Change of Control occurs (in either case, a “Put Event”), each holder of the Notes shall have the option (unless, before the giving of the Put Event Notice (as defined below), the Issuer shall have given notice under Condition 5(c) to redeem the Notes) to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) any of its Notes at their principal amount together with (or, where purchased, together with an amount equal to) Interest accrued to but excluding the Put Date (as defined below). Registered Notes may be redeemed under this Condition 5(g) in any multiple of their lowest Specified Denomination. Such option (the “Put Option”) shall operate as set out below.

If a Change of Control Put is stated in the applicable Final Terms and if at any time while any Senior Notes remains Outstanding:

- 5.82 If a Put Event occurs then, within 14 days of the occurrence of the Put Event, the Issuer shall, and upon the Trustees becoming so aware (the Issuer having failed to do so) the Trustees may, and, if so requested by the Noteholders of at least one fifth in principal amount of the Notes then Outstanding, shall, give notice (a “Put Event Notice”) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the procedure for exercising the Put Option.
- 5.83 In order to exercise the Put Option, a Noteholder must deliver at the specified office of the Registrar on any Business Day falling within the period commencing on the occurrence of a Put Event and ending 90 (ninety) days after such occurrence or, if later, 90 (ninety) days after the date on which the Put Event Notice is given to Noteholders as required by this Condition 5.8 (the “**Put Period**”), a Put Notice in which the Noteholder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 5.8 and, in the case of certificated Notes and partial redemption, the nominal amount thereof to be redeemed and an address to which a new Certificate in respect of the balance of such Notes is to be sent. The same process shall apply for Notes in book-entry form held through the CSCS, provided that in the case of partial redemption, the balance of such Notes shall be credited into the designated CSCS account maintained by the Holder.
- 5.84 The Issuer shall at its option redeem or purchase (or procure the purchase of) the Notes the subject of each Put Notice given under this Condition 5.8 on the date (the “Put Date”) 7 (seven) days after the expiration of the Put Period unless previously redeemed or purchased and cancelled. A Put Notice given by a Holder pursuant to this Condition 5.8 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such Holder, at its option, may elect by notice to the Issuer to withdraw the Put Option Notice pursuant to this Condition 5.8.

For the purposes of this Condition 5(g):

“**Change of Control**” shall be deemed to have occurred if any Person or any Persons acting in concert, or any Person or Persons acting on behalf of any such persons, (the “**Relevant Person**”) at any time directly or indirectly owns or acquires (i) more than 50% of the issued or allotted ordinary share capital of the Issuer or (ii) shares in the capital of the Issuer carrying more than 50% of the voting rights normally exercisable at a general meeting of the Issuer, provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the

Issuer with the same (or substantially the same) *pro rata* interests in the share capital of the Relevant Person as such shareholders have in the share capital of the Issuer.

**“Change of Control Period”** means the period commencing on the earlier of (i) the date of the relevant Change of Control and (ii) the date of the earliest Relevant Potential Change of Control Announcement (if any) and ending 180 (one hundred and eighty) days after the public announcement of the Change of Control having occurred.

**“Investment Grade Rating”** means a rating of at least a [BBB-] (or equivalent thereof) assigned by a SEC-registered Rating Agency.

**“Negative Rating Event”** shall be deemed to have occurred if (i) the Issuer does not within the Change of Control Period seek, and thereafter use all reasonable endeavours to obtain a rating from a Rating Agency, or (ii) it does so seek a rating and use such endeavours and it has not at the expiry of the Change of Control Period and as a result of such Change of Control obtained a rating, provided that the Rating Agency publicly announces or confirms in writing that it is declining to assign a rating as a result of the applicable Change of Control.

**“Rating Agency”** means any SEC-registered rating agency specified by the Issuer for its domestic ratings and or any of their respective successors.

**“Rating Downgrade”** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the rating previously assigned to the Notes by any Rating Agency is (i) withdrawn and not subsequently reinstated within the Change of Control Period; or (ii) changed from an Investment Grade Rating to a non-Investment Grade Rating and not subsequently upgraded to an Investment Grade Rating within the Change of Control Period, provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the withdrawal or reduction was the result of the applicable Change of Control.

**“Relevant Potential Change of Control Announcement”** means any public announcement or statement by or on behalf of the Issuer, or any actual or potential bidder or any advisor thereto relating to any potential Change of Control where, within 180 (one hundred and eighty) days of the date of such announcement or statement, a Change of Control occurs.

### 5.9 **Redemption of the Subordinated Notes at the Option of the Issuer following a Capital Disqualification Event**

5.9.1 At any time, if a Capital Disqualification Event occurs, the Issuer may, at its option, having given not less than 30 nor more than 60 days' notice to the Holder (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Subordinated Note, subject to having obtained the prior approval of the CBN if required pursuant to the applicable Law, at any time at its principal amount then outstanding together with Interest accrued to but excluding the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustees (i) a copy of the circular, notification, directive or other official policy communique evidencing such Capital Disqualification Event (a “CBN Communication”) and (ii) a certificate signed by two directors of the Issuer stating that (A) the Issuer has consulted with the CBN following the release of the relevant CBN Communication and (B) a Capital Disqualification Event has occurred.

**“Capital Disqualification Event”** means if, as a result of any change in law, or the application or official interpretation thereof, the Subordinated Notes are fully excluded from inclusion as tier 2 capital of the Issuer under the Applicable Banking

Regulations (save where such exclusion is only as a result of any application of limits on the inclusion of the Notes in tier 2 capital).

### 5.9.2 Purchases

The Issuer and any of its subsidiaries may at any time purchase Notes in the open market or otherwise at any price.

### 5.9.3 Right to re-issue the Notes

Where the Issuer has redeemed or repurchased any Note(s) under this Condition 5, the Issuer shall have and be deemed always to have had the power to resell or reissue such Notes either by reselling or reissuing the same Notes or by issuing other Notes in their place.

## 6. PAYMENTS

- 6.1 Only Noteholders named in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "Record Date") shall be entitled to payment of amounts due and payable in respect of Notes.
- 6.2 Payments of an Instalment Amount (where applicable), the Principal Amount, Periodic Distribution, final Instalment Amount and Interest (where applicable) will be made in the relevant currency and by credit/electronic funds transfer to the specified bank account of the Noteholder or by cheques/warrants drawn on a bank duly licensed by the CBN and mailed by registered post to the address on record of any Noteholder that does not specify a bank account. Provided however that the Issuer shall withhold amounts above N10,000,000 until a bank account is specified in writing by the Noteholder and the Noteholder shall not be entitled to any further Interest, return or other payment in respect of any such delay. Interest or returns on Notes due will be paid to the Noteholder shown on the Register of Notes of a Series at the close of business on the Record Date. The Noteholder shall be the only person entitled to receive payments in respect of Notes and the Issuer will be discharged by payment to, or to the order of, the Noteholder in respect of each amount so paid.
- 6.3 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque (or by such number of cheques as may be required in accordance with Applicable Banking Law and practice) of any such amounts made payable to the relevant Noteholder. Such payments by cheque shall be sent by registered post to the address of the Noteholder of registered Notes as set forth in the Register or, in the case of joint Noteholders of Registered Notes, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes. Cheques may be posted by registered post, provided that the Issuer shall not be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 6.3 (Payments).
- 6.4 If the due date for payment of any amount in respect of the Notes is not a Business Day, then the Noteholder thereof shall not be entitled to payment of the amount due until the next following day unless the day falls on in the next calendar month, in which case the due date will be the first preceding day that is a Business Day, and the Noteholder shall not be entitled to any further Interest, return or other payment in respect of any such delay. For the purpose of this Condition, "Business Day" means any day, other than a Saturday, Sunday or a FGN declared public holiday, on which banks are open for business in Nigeria and in the case of transfer to or from an account held by a non-resident Investor, in the place where such bank account is maintained.

6.5 All payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Issuer (where the Issuer itself acts as placing agent) or the placing agent on behalf of the Issuer (where the Issuer has appointed a third party to act as paying agent), as the case may be, on the terms and conditions of the Agency Agreement (if any) and this Condition 6 (Payments).

**6.6 Interpretation of the Principal Amount:**

Any reference in the General Conditions to the Principal Amount in respect of the Notes shall be deemed to include, as applicable any additional amounts which may be payable with respect to the Principal Amount under any undertaking or covenant given in addition thereto, or in substitution therefore, pursuant to the Trust Deed;

- a) the Final Redemption Amount of the Notes;
- b) the Early Redemption Amount of the Notes;
- c) the Optional Redemption Amount(s) (if any) of the Notes;
- d) in relation to Notes redeemable in instalments, the Instalment Amounts;
- e) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

## 7. TRANSFER OF NOTES

### 7.1 Transfer of Notes

7.1.1 All Notes issued pursuant to the Trust Deed shall be transferable subject to the provisions for registration of transfers contained therein.

7.1.2 Any Person becoming entitled to registered Notes in consequence of the death or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 7 or of his title as the Issuer shall require, be registered himself as the holder of such Notes or, subject to any procedure/requirements the Issuer shall require and the provisions on transfer, may transfer such Notes.

7.1.3 The Register shall be maintained at the offices of the Registrar and the Registrar shall provide for the registration of any Notes with respect to each Tranche or Series of Notes or its transfer under such reasonable regulations as the Registrar with the approval of the Issuer and the Trustees may prescribe.

7.1.4 The Register shall reflect the number of registered Notes issued and Outstanding, the date upon which each of the Noteholders was registered as such. The Register shall contain the name, address, and bank account details of the Noteholders of the registered Notes. The Register shall set out the Nominal Amount of the Notes issued to such Noteholders and shall show the date of such issue. The Register shall show the serial number of Individual Certificates issued in respect of any Notes. The Register shall be open for inspection during the normal business hours of the Issuer to any Noteholder or any person authorised in writing by any Noteholder.

7.1.5 Each Tranche or Series shall be registered in the applicable Register. Any transfer of Notes represented by a Certificate shall be effective only to the extent that such transfer is registered in the Register, by the Noteholder or transferee thereof in person or by his attorney duly authorised in writing, upon presentation and surrender of the Certificate (if the Notes are issued in physical form) together with a written instrument of transfer in a form satisfactory to the Registrar duly executed by or on behalf of the registered Noteholder and the transferee by a duly authorised attorney. Upon surrender of the aforesaid documents to facilitate the registration of transfer of Notes, the Registrar shall if the above stated conditions are met, register such transfer, and deliver a new Certificate (if any) to the transferee as appropriate.

- 7.1.6 The transfer of Notes in dematerialized or immobilized (book entry) form shall be regulated by the CSCS procedures and guidelines.
- 7.1.7 The Register shall be closed during such periods, not exceeding an aggregate of thirty (30) days in any year.

### 7.2 Prohibition on Stripping

Where so specified in the Supplementary Shelf Prospectus/Pricing Supplement, Notes which are issued with Receipts and/or Interests attached and which are redeemable at the option of the Issuer and/or Noteholders shall be issued subject to the condition that the relevant Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may only be transferred to a single transferee at a time and accordingly that the various rights in respect of such Notes may not be stripped and transferred to various transferees at different times. Stripping of Receipts and/or Interests is otherwise permitted.

## 8. INTEREST AND OTHER CALCULATIONS

Pursuant to the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order 2011, and the Value Added Tax (Exemption of Proceeds of Disposal of Government and Corporate Securities) Order 2011, corporate bonds are exempted from taxes ordinarily imposed under the Companies Income Tax Act (Chapter C21) LFN 2004 (as amended by the Companies Income Tax (Amendment) Act 2007) and as well as from the imposition of Value Added Tax Act (Chapter V1) LFN 2004 (as amended by the Value Added Tax (Amendment) Act 2007) respectively, for a period of 10 years from the date of commencement of the orders (being 2nd January, 2012). Furthermore, by virtue of the Personal Income Tax Act (Chapter P8) LFN 2004 (as amended by the Personal Income Tax (Amendment) Act 2011), corporate bonds are also exempt from personal income tax. Therefore, all amounts payable under the Notes will be paid without deduction or withholding for or on account of any income tax. Thus, the Issuer will not be required by law to withhold tax on Interest payments to the Noteholders. In relation to Notes with a maturity date later than 2nd January, 2022, the Issuer may be required by law to withhold tax on Interest payments to the Holders. Commissions payable to the SEC, NSE and the CSCS are also exempted from the payment of VAT pursuant to the Value Added Tax (Exemption of Commissions on Stock Exchange Transactions) Order 2014. This exemption came into effect on 25th July, 2014 and it is for a period of five years. The exemption will expire on 24th July, 2019.

The relevant Series Trust Deed will indicate the tax consequences of investment in the relevant Tranche of Notes.

## 9. PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 6 (six) years from the appropriate Relevant Date in respect of the Principal and Interest.

As used in these General 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 seven (7) days after that on which notice is duly given to the Noteholders that such payment will be made.

## 10. EVENTS OF DEFAULT

### 10.1 Events of Default relating to Senior Notes

Upon the happening of any of the following events (“**Events of Default**”), the Issuer shall forthwith notify all the Noteholders and the Trustees. The Trustees at its discretion may, and if so requested in writing by Holders of at least one-tenth in principal amount of the Notes then Outstanding, or if so directed by a Special Resolution, shall give written notice to the

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Issuer at its specified office, effective upon the date of receipt thereof by the Issuer, that the Notes are immediately due and repayable, whereupon the Early Redemption Amount of the Notes together with accrued Interest (if any) to the date of payment shall become immediately due and payable:

- (i) **Non-Payment:** default is made in the payment of Interest or the Principal Amount in respect of any Tranche or Series of Notes on the due date for more than 5 (five) Business Days in the case of non-payment as a result of a technical or administrative error, or 15 (fifteen) Business Days in the case of non-payment due to Force Majeure Event, provided that the Issuer shall deliver a notice of non-payment to the Trustees on the due date that such non-payment on the due date is as a result of a technical or administrative error or a Force Majeure Event;
- (ii) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or is not remedied within 30 (thirty) days after written notice of such default shall have been given to the Issuer by the Trustees at its specified office;
- (iii) **Cross-Default:** (A) any other present or future indebtedness of the Issuer for or in respect of monies borrowed or raised becomes due and payable prior to its stated maturity by reason of any default on the part of the Issuer, or (B) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (C) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any monies borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds U.S.\$50,000,000 (Fifty Million United States Dollars), or its naira equivalent using the CBN's official exchange rate on the relevant date;
- (iv) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the property, assets or revenues of the Issuer, where the value of such property, assets or revenue exceeds the sum of U.S.\$50,000,000 (Fifty Million United States Dollars) or its Naira equivalent using the CBN's official exchange rate on the relevant date, and such distress, attachment, execution or other legal process is not discharged or stayed within 120 (one hundred and twenty) days;
- (v) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer over a material part of the Issuer's property, assets or revenues, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person);
- (vi) **Insolvency:** the Issuer is, or is deemed by law or a Court to be insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer;
- (vii) **Winding-up:** an order is made or an effective resolution passed for the Winding-up or dissolution of the Issuer, or the Issuer shall apply or petition for a Winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threaten to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by a Special Resolution of the Noteholders;
- (viii) **Failure to take action:** any action, condition or thing (including the obtaining of any consent, licence, approval or authorisation) now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Deed for the issuance of the Notes is not taken, fulfilled or done, or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes or the Programme for the issuance of the Notes; or

- (ix) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer.

### 10.2 Events of Default relating to Subordinated Notes

This Condition 10.2 only applies to Subordinated Notes. The Trustees at their discretion may, and if so requested in writing by the holders of at least one-tenth in nominal amount of the Notes then Outstanding or if so directed by a Special Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount (if any) together with accrued interest as provided in the Trust Deed if any of the following events (each an “Event of Default”) shall occur:

- (i) default is made in the payment of any principal or interest due in respect of the Subordinated Notes or any of them and, in the case of any default in the payment of interest, the default continues for a period of 5 business days in the case of non-payment as a result of a technical or administrative error, or 15 (fifteen) Business Days in the case of non-payment due to Force Majeure Event, provided that the Issuer shall deliver a notice of non-payment to the Trustees on the due date that such non-payment on the due date is as a result of a technical or administrative error or a Force Majeure Event; or
- (ii) the Winding-up or dissolution of the Issuer is commenced. If the Notes become immediately due and repayable, the Trustees may, at its discretion and without further notice, institute proceedings for the Winding-up of the Issuer and prove in such Winding-up.

*Provided that* no repayment of principal in respect of the Notes may be made by the Issuer pursuant to this Condition, nor will the Trustees accept the same, otherwise than during or after a Winding-up or dissolution of the Issuer.

## 11. ENFORCEMENT

- 11.1 The Trustees may, at their discretion and upon a Special Resolution of the Noteholders present and voting at a special meeting duly convened for that purpose, institute proceedings to obtain the repayment of the Notes at any time after the Notes shall have become repayable under the terms of their issue.
- 11.2 No Noteholder shall be entitled to proceed directly against the Issuer to enforce the provisions of the Trust Deed unless the Trustees having become bound so to proceed, fails so to do within 14 (fourteen) Business Days and the failure shall be continuing, in which case the Noteholder, shall have only such rights against the Issuer as those which the Trustees are entitled to exercise.
- 11.3 The Trustees or the Noteholders shall be entitled to all remedies available under the law for the recovery of amounts owing in respect of the Notes or under the Trust Deed.
- 11.4 The Trustees shall also file a notice of any default and remedies being pursued with the SEC within thirty (30) days of the occurrence of an Event of Default.
- 11.5 No Noteholder shall in any circumstance be entitled to any remedy (whether by way of action, petition, arbitration or otherwise howsoever) for the recovery of any payment of a Principal Amount or interest on the Notes unless the Trustees, having become bound to take proceedings in accordance with the Master Trust Deed, notify the Noteholders in writing of its refusal to do so, in which case a Noteholder may:
  - (i) take such proceeding in a representative capacity on behalf of himself and, where authorised, other Noteholders of not less than ten per cent (10%) of the Principal Amount of the Notes of the Series of which they are Noteholders, for the recovery of the payments due on such Notes; or

- (ii) take such proceedings in his name for the recovery only of his own portion of the Notes.

11.6 No remedy against the Issuer, other than the institution of proceedings for the Winding-up of the Issuer or the proving or claiming in the Winding-up of the Issuer, shall be available to the Trustees or the Noteholders for the recovery of amounts owing in respect of the Subordinated Notes under the Trust Deed. No holder of Subordinated Notes shall be entitled to institute proceedings for the Winding-up of the Issuer or to prove in any Winding-up of the Issuer, unless the Trustees, having become bound to proceed against the Issuer as aforesaid, fail to do so within a reasonable period of time or, being able to prove in any Winding-up of the Issuer, fail to do so within a reasonable period of time, in which event any such Noteholder may, on giving an indemnity satisfactory to the Trustees, in the name of the Trustees (but not otherwise), himself institute proceedings for the Winding-up of the Issuer and/or prove in any Winding-up of the Issuer to the same extent (but not further or otherwise) that the Trustees would have been entitled to do so in respect of the Subordinated Notes held by him.

## 12. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and/or Registrar may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

## 13. NOTICES

### 13.1 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 Notes of a Series maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with CAMA 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.

### 13.2 Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relevant Certificate (if any), with the Registrar.

## 14. MEETINGS OF NOTEHOLDERS

14.1 The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by a Special Resolution of a modification of any of these General Conditions.

14.2 The quorum for any meeting convened to consider a Special Resolution shall be two or more persons or representing by proxy an aggregate of not less than 75% of the Nominal Amount of the Notes held by the applicable class for the time being Outstanding.

14.3 Any Special Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

## 15. ENTITLEMENT AND INDEMNIFICATION OF THE TRUSTEES

15.1 In connection with the exercise of their functions (including but not limited to those referred to in this Condition), the Trustees shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual

Noteholders and the Trustees shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

- 15.2 The Trust Deed contains provisions for the indemnification of the Trustees and for its relief from responsibilities. The Trust Deed also contains provisions pursuant to which the Trustees are entitled, inter alia, (i) to enter into business transactions with the Issuer and/or any of its subsidiaries and to act as trustee for the Noteholders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such Trusteeship without regard to the interest of, or consequence for, the Noteholders and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## 16. TRUST PROVISIONS

### 16.1 Declaration of Trust

All monies or assets received by the Trustees in respect of the Notes or amounts payable under the Trust Deed shall, despite any appropriation of all or part of them by the Issuer, be held by the Trustees in trust to apply them in accordance with the provisions of the Trust Deed.

### 16.2 Representative of Holders

The Trustees are the representatives of the Noteholders and are authorised to act on behalf of the Noteholders in accordance with the General Conditions and the Trust Deed and is hereby further authorised to contact the Registrar and/or the CSCS for the purposes of obtaining information (i) as to the aggregate nominal amount outstanding of any Series of Notes, (ii) relating to the identity of Noteholders, and (iii) for the purposes of giving notices to Noteholders under Condition 14 (Notices).

### 16.3 Binding Effect of the Conditions and the Trust Deed

The Noteholders are deemed to have accepted and will be bound by the General Conditions and the terms of the Trust Deed.

## 17. MODIFICATION OF THE TRUST DEED

The Trustees may agree with the Issuer, without the consent of the Noteholders but subject to the prior review and approval of the SEC, to (i) any modification of any of the provisions of the Trust Deed which is in the opinion of the Trustees of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustees not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Trustees so require, such modification shall be notified to the Noteholders, as soon as practicable in accordance with Condition 14 (Notices).

## 18. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes (the **Additional Notes**) having terms and conditions which are identical to any of the other Notes already issued under the Programme (the **Existing Notes**) or the same in all respects save for their respective Issue Prices, Issue Dates and aggregate Nominal Amounts, so that the Additional Notes shall be consolidated by the Issuer to form a single Series with the Existing Notes.

## 19. GOVERNING LAW

The provisions of these General Conditions and the Notes are governed by, and shall be construed in accordance with, the laws of Nigeria. The Issuer has agreed for the benefit of the Trustees and the Noteholders that the courts of Nigeria are to have exclusive jurisdiction to settle any dispute

## **TERMS AND CONDITIONS OF THE PROGRAMME**

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which may arise out of or in connection with the Trust Deed, the Notes and/or the Interests or any non-contractual obligation arising out of or in connection with them.

## 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 prior to making an investment decision, 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 Instruments may be subject to certain time limitations. The Issuer disclaims 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 nor any of the Issuing Houses is 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. Economic risk

##### ***Lack of economic diversification exposes the country to downside risks in oil price and production***

The structure of the Nigerian economy remains largely undiversified, import dependent and consumption driven. The country is dependent on oil for economic activities, fiscal revenues and foreign exchange. Oil accounts for more than 95%<sup>1</sup> of exports and foreign exchange earnings while the manufacturing sector accounts for less than one percent of total exports<sup>2</sup>. Dominance of oil as the major source of export receipts, coupled with import dependence heightens Nigeria's vulnerability to external shocks. The impact of the steady decline in oil prices from mid-2015 was evident in the depreciation of the currency, foreign exchange illiquidity, decline in foreign reserves, and a slowdown in the economy. Although the FGN has reaffirmed its commitment to diversify the Nigerian economy and enable the growth of a multi-sectoral Nigerian economy, a failure to continue to grow the non-oil sectors of its economy may constrain Nigeria's economic growth and, as a result, have an adverse effect on the Bank's business, results of operations and/or financial condition.

##### ***Large infrastructure deficit poses a hindrance to the development of the economy***

The value of Nigeria's total infrastructure stock (road, rail, power, airports, water, telecoms, and seaports) represents only 35% of GDP<sup>3</sup>. This is far below the level of peer emerging market countries, where the average is 70%.<sup>4</sup> Nigeria lacks stable power supply and adequate infrastructure such as roads, rail, ports, broadband networks etc., which has led to challenges in the development of many sectors of the economy. The power sector still faces challenges which relate to governance, funding, legal, regulatory and pricing issues across the value chain. Given the huge capital investment required to address this infrastructure deficit, there have been calls for the private sector to play a key role in providing critical infrastructure, either directly or in collaboration with the FGN. However, challenges with pricing and funding continue to challenge the viability of private sector investment. Failure to significantly improve Nigeria's infrastructure could adversely affect Nigeria's economy and growth prospects, including its ability to meet GDP growth targets which may, in turn, have an adverse effect on the Bank's business, results of operations and/or financial condition.

##### ***Issues with governance and processes continue to weigh on doing business in Nigeria***

Bureaucracy, bribery and corruption, are of serious concern and constitute major barriers to doing business in Nigeria and hinder economic growth and social development. Nigeria recently moved up 24 places to rank 145 out of 190 countries in the World Bank's 2018 Doing Business index. While this is an improvement, the country still performs poorly in the areas of paying taxes, enforcing contracts and trading across borders. This continues to impact negatively on tax revenue, investor confidence and mobility of goods and services.

Failure to address these issues, continued corruption in the public sector and any future allegations of or perceived risk of corruption in Nigeria could have an adverse effect on the Nigerian economy and may have a negative effect on Nigeria's ability to attract foreign investment and, as a result, may have a Material Adverse Effect on the Bank's business, results of operations and/or financial condition.

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1 The Nigerian Economic Recovery & Growth Plan 2017-2020

2 National Bureau of Statistics

3 The Nigerian Economic Recovery & Growth Plan

4 The Nigerian Economic Recovery & Growth Plan 2017-2020

## RISK FACTORS

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### II. Political risks

Political, economic and social stability in Nigeria have historically been affected by political and religious conflicts, terrorism, and social and religious tensions. The sectarian conflicts in the Middle Belt; insurgence of Boko Haram activity in North Eastern Nigeria; and the Fulani herdsmen crisis contribute 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 and may adversely affect Nigeria's political and economic stability which may, in turn, further affect the Bank's business, results of operation, and/or financial condition.

### IN RELATION TO THE ISSUER

The Issuer is exposed to operational and market risks in its ordinary course of business. Whilst the Issuer believes that it 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/or reputation of the Issuer. The following is a description of the risk factors which are material in respect of the financial situation of the Bank as the Issuer of the Instruments under the Programme.

#### I. **Regulatory Risk – these are the risks brought about through adherence to regulation governing the sector, which may have a negative impact on the way the Issuer operates:**

The banking industry in which the Issuer operates is highly regulated. BOFIA, various CBN Guidelines (including the Prudential Guidelines), circulars and directives contain provisions which the Issuer is required to adhere to, including the requirement to meet certain capital adequacy and cash reserve requirements, failing which the Issuer risks sanctions by the CBN. Non-compliance by the Issuer with CBN directives may result in the revocation of the Issuer's banking licence. Should the Issuer lose its banking licence, it would be unable to meet its obligations under the Instruments.

#### II. **Currency Risks - These are risks that arise from the change in price of one currency against another:**

This is the risk of losing earnings and capital arising from adverse movements in foreign exchange rates. The Bank 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. Movement in exchange rates could result in the devaluation of the Naira, which may affect the value of the Issuer's foreign currency denominated assets and liabilities and have a negative impact on the Issuer's financial condition. The Bank undertakes transactions denominated in foreign currencies such as the purchase of foreign currency and provision of foreign currency denominated loans. Any deterioration in economic conditions in Nigeria, or any significant fluctuation in inflation, the value of the Naira or exchange rates could materially adversely affect Nigerian banks, including the Bank.

#### III. **Operational risk – This refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events such as third-party fraud**

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 Issuer 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 Issuer's performance. The Issuer recognises the significance of operational risk, which is inherent in all areas of the Issuer's business. Any lapse due to operational risks that results in losses could affect the Issuer's ability to meet the Note or Structured Note obligations.

#### IV. **Credit risk – The Issuer 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 Issuer 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 Issuer holds or transacts.**

The Nigerian banking industry is subject to the credit risk that borrowers may not make timely payment of principal and interest on loans, if at all, and that upon such failure to pay; Nigerian banks may not be able

## RISK FACTORS

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to enforce any security interest or guarantee that they may hold. The credit risk of Nigerian borrowers is generally higher than borrowers in developed countries due to the greater uncertainty of the Nigerian regulatory, political, legal and economic environment.

Higher credit risk has a Material Adverse Effect on the quality of loan portfolios and exposes Nigerian banks to higher risks and more potential losses than banks in more developed countries. Such losses, if material, could have a Material Adverse Effect on the Issuer's financial condition, liquidity and results of operations.

### **V. Liquidity risk – This is the risk that the Issuer 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.

### **VI. Markets and interest rate risks – This is the risk that the Issuer may be unable to meet its obligations as they become due.**

The Issuer's financial condition and operating results could be affected by market risks that are outside the Issuer's control, including without limitation, volatility of interest rates and prices of securities; CBN monetary policies and other relevant regulatory policies. The fluctuations in interest rates could adversely affect the Issuer's operations and financial condition in a number of different ways. Where interest rates rise, prices of floating rate securities fall and when interest rates drop, the prices increase. Accordingly, the extent of the fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of the prevailing interest rates. Increased interest rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Instruments.

Although the Issuer 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 Bank's financial performance and ability to meet its obligations under the Instruments.

## IN RELATION TO THE NOTES

### **I. Limited active trading market for the Notes**

Any Series or Tranche of Notes 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 Notes may be limited. Although an application will be made for Notes issued under the Programme to be admitted to The NSE, FMDQ or any other SEC registered stock 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 Notes will be maintained. Accordingly, there is no assurance of the development or liquidity of any trading market for any particular Tranche or Series of the Notes.

### **II. Modifications, waivers and substitution**

The conditions of the Notes contain provisions for calling general meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend the vote at the relevant general meeting and Noteholders who voted in a manner contrary to the majority

### **III. Early Redemption**

The Notes may be subject to early redemption. Therefore, Noteholders may face the risk that the Notes will be redeemed before maturity in a falling interest rate environment, forcing the Noteholders to reinvest the proceeds at a lower rate of return.

## RISK FACTORS

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### IN RELATION TO THE STRUCTURED NOTES

#### I. 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 Structured Notes or zero. Accordingly, the Structured 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 Structured 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 Structured 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 Structured Noteholder is subject to various conditions, including the delivery by the Structured 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 Structured 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 Structured 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.

## NIGERIA – AN OVERVIEW

### (i) GENERAL OVERVIEW

The Federal Republic of Nigeria is located in West Africa and has a total area of 923,768 km<sup>2</sup> 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. There are currently 774 constitutionally recognized local government areas and area councils in Nigeria. Nigeria has experienced considerable economic growth since its return to democratic rule in 1999 and subsequent adoption of market friendly economic policies.

Nigeria is currently the most populous country in Africa, with a population of approximately 180.7 million in 2014 and 182.2 million in 2015 according to the UNDP's World Population Prospects, representing growth of 2.6%. Its population was approximately 190 million as at July 2017.<sup>5</sup> According to the 2017 UNDP's World Population Prospects, Nigeria has a relatively young population, with 4% of the population aged 60 years and above, 19% between the ages of 15 and 24 years, 32% of the population aged between the ages of 25 and 59 years and 44% under 15 years of age, as of 2017. 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.

The Nigerian economy is highly dependent on the oil sector, which, in 2016, accounted for 8.2% of real GDP and 92.5% of export earnings.<sup>6</sup> In the third and fourth quarters of 2017, the oil sector contributed to 10.04% and 7.17% of the total real GDP respectively. Overall, for the full year 2017, oil contributed to 8.68% of the full-year GDP. Dependence on the oil sector makes the economy highly vulnerable to oil price fluctuations. The collapse of crude oil prices on account of the global economic slowdown resulted in lower oil revenues for the government and ultimately led to a contraction in the economy. 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, 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 a decline in 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. The GDP however grew in the fourth quarter of 2017 by 1.92% (year-on-year) in real terms. For the year 2017, Nigeria recorded a real annual GDP growth rate of 0.83% representing an increase of 2.42% compared to the 1.58% contraction recorded in 2016.

Economic indicators	2012	2013	2014	2015	2016	2017
Population (mn)	167.3	171.8	176.5	181.2	186.0	190.0
Nominal GDP (US\$bn)	461.0	515.0	568.5	493.8	405.4	372.2
Real GDP growth (%)	4.3%	5.4%	6.3%	2.7%	-1.6%	0.8%
GDP per capita (US\$)	2,755	2,997	3,222	2,726	2,180	1,959
Inflation (%)	12.2%	8.5%	8.1%	9.0%	16%	15.4%
Exchange rate (NGN/US\$)	157.5	157.3	158.6	192.7	253.0	305.5
FX reserves (US\$bn)	41.3	40.3	32.0	26.7	25.8	38.8

Source: Economist Intelligence Unit, National Bureau of Statistics, Central Bank of Nigeria

<sup>5</sup> CIA World Factbook

<sup>6</sup> National Bureau of Statistics

Falling oil revenues widened the Federal Government deficit from ₦1.2 trillion in 2013 to ₦1.4 trillion in 2015, and an estimated ₦2.2 trillion in 2016. States, in particular, have been badly hit by the oil price shock; in 2015, 40 per cent of states were running a deficit of more than 30 per cent of their revenues.

Following the 1.2% contraction recorded in the first half of 2016, Nigeria's economy entered a recession amidst a low oil-price environment. The Nigerian economy further contracted 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. The Nigerian economy has however recently started showing signs of recovery, recording its third positive growth in the last quarter of 2017, growing 4.29% quarter-on-quarter and bringing the full year real GDP growth to approximately 0.83%. GDP performance data reflects a 0.43% growth year-to-date. GDP performance in recent years is increasingly being supported by growth in the non-oil sector, with the biggest growth drivers being agriculture, telecommunications, manufacturing and trade.<sup>7</sup> Nigeria's non-oil economy returned to growth territory in the last quarter of 2017, rising by 1.5% year-on-year in real terms, in contrast to contraction of 0.8% growth in the third quarter and 0.3% in Q4 2016, due primarily to growth in agriculture and trade. The non-oil sector is expected to be the main driver of the country's economy in the near future. Non-oil revenues in 2013 and 2012 were ₦2,213.8 billion and ₦2,033.6 billion, respectively. For the nine months ended 30 September 2017, oil revenue amounted to ₦2,858.3 billion, while non-oil revenue amounted to ₦2,078.4 billion. The annual contribution of the non-oil sector to GDP was 91.32% in 2017 and 91.65% in 2016.. 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.

The CBN is currently supporting growth in the economy through small and medium scale enterprises and the agricultural sector, with initiatives such as the Anchor Borrowers Programme which allows participants in the agricultural value chain to access credit at single digit rates of interest. Furthermore, the CBN is in the process of improving the implementation of its current policies, aimed at achieving a market-determined exchange rate regime to build confidence and encourage foreign exchange inflows.

### (ii) 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**

President Muhammadu Buhari has communicated to the general public that under his administration, the government shall focus on three key priorities – anti-corruption, security and the economy. More specifically – (i) Transparency in the oil and gas sector 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 and, kola nuts amongst others, 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.

Despite expected growth in the economy, Nigeria lacks stable power supply and adequate infrastructure leading to challenges in development of many sectors of the economy. It is estimated that the sector requires US\$10,000,000,000 to restore the generation and distribution infrastructure in the next few years.

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, the Economic Recovery and Growth Plan (“ERGP”) published in March 2017 is a more comprehensive economic plan, which 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

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<sup>7</sup> GDP Statistics Source: Nigerian Bureau of Statistics

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.

The strategic objectives of the ERGP include, to (i) restore economic growth through macroeconomic stability and economic diversification (ii) invest in the Nigerian people by increasing social inclusion, creating jobs and improving the human capital base of the economy (iii) build a globally competitive economy by investing in infrastructure and improving the business environment. The recently released report by the World Bank on the ease of doing business indicated that Nigeria had moved up 24 points from 169 in 2017 to 145 in 2018 and is one of the top ten improved countries worldwide, after carrying out a number of reforms to improve its business environment.

The ERGP defines six priority sectors: agriculture, manufacturing, solid minerals, services, construction and real estate, and oil and gas. Three of these sectors—services, agriculture, and manufacturing—are projected by the ERGP to account for three-quarters of growth from 2017 through 2020. Key policies intended to promote growth of the non-oil sector under the ERGP include industrial and trade policy, a digital-led strategy for growth, which aims to expand the information and communication technology ecosystem in Nigeria, and cross-sector strategies, which aim to support micro, small and medium enterprises. Additional policy objectives under the ERGP include reducing the cost of governance, developing the skills of public servants, and improving public service productivity. With the goal of reducing the cost of governance, the ERGP contemplates streamlining the number of MDAs with an aim to eliminate overlapping mandates and to reduce public expenditures.

With the goal of developing the skills of public services, the ERGP contemplates developing institutional capacity in budgeting, planning, policy analysis, financial management, procurement, human resources management, and leadership. With the goal of improving public service productivity, the ERGP contemplates implementing e-government across Government bodies, starting with a pilot scheme in selected MDAs.

Furthermore, on February 21, 2018, the Federal Government of Nigeria through the Presidential Enabling Business Environment Council (“PEBEC”), unveiled the reform initiatives aimed at driving the third phase of its 60-Day National Action Plan on the Ease of Doing Business in Nigeria. The National Action Plan, an initiative of the current administration of President Muhammadu Buhari, is an initiative by the PEBEC. The PEBEC is a body set up in July 2016 and chaired by the Vice President, Prof. Yemi Osinbajo, aimed at providing critical reforms in order to make Nigeria a progressively easier place to do business.

### Interest rates, 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 ₦155/\$1 - ₦160/\$1 through 2009 and 2013. The exchange rate has however come under pressure since June 2014 following the decline in the price of oil, Nigeria’s key export commodity, 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/US\$ remained fairly stable at just below ₦200/US\$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 and restriction on accessing foreign currency from the official market for 41 specific items.

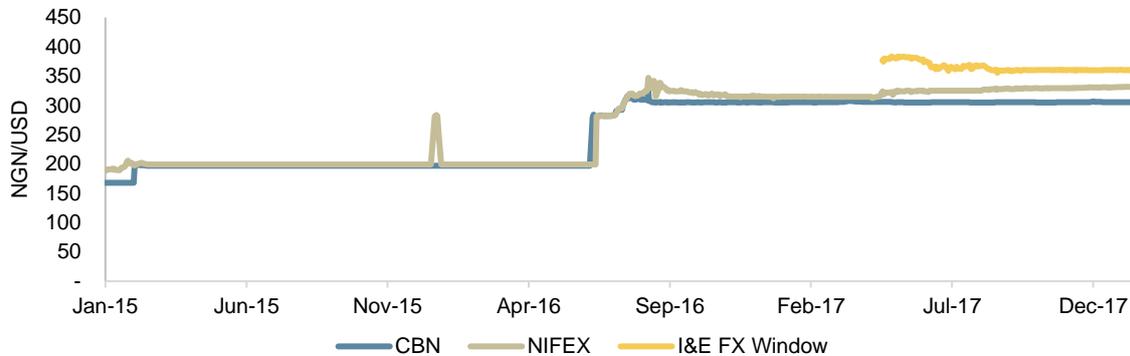
In 2016, the CBN tightened monetary policy as the economy faced the double challenge of contraction and sharply rising prices. The CBN also ended its U.S. dollar link on the Naira, allowing it to float freely on the inter-bank market and thus essentially allowing market forces to determine the exchange rate of the Naira to other currencies. The introduction of the Investors’ & Exporters’ (IE) FX window has created easier access to foreign exchange for companies and has somewhat stabilized the Naira against the US\$ across all FX windows.

As of 30 November 2017, 31 December 2017 and 31 January 2018, the Naira/U.S. dollar exchange rate stood at ₦306.0, ₦306.0 and ₦305.7 to U.S.\$1, respectively. As of 16 March 2018, the inter-bank exchange rate was ₦305.25 to the U.S. dollar.

## NIGERIA – AN OVERVIEW

The market seems to be slowly gaining confidence in the CBN's newest reforms as the average daily turnover has increased to up to an average of over US\$240,000,000 daily in 2018 although, the CBN accounts for roughly 40% of the transactions. The foreign exchange turnover in secondary market trading of Nigeria's bonds and other securities was U.S.\$9,637 million in January 2018 and U.S.\$7,544 million in February 2018.<sup>8</sup> Nigeria's foreign exchange reserves have also increased to more than its two-year high of c.US\$44.5 billion in March 2018 a level last seen in 2012, representing an improved, sizable FX buffer for the country.

### Exchange rate: Evolution of the Naira vs. US Dollar



Sources: CBN, FMDQ, Standard Bank Research

Over the years, a combination of tight monetary policies and modest wage growth has contributed to reduced inflationary pressure on the economy. Inflation averaged 10.4% from 2007 till December 2015, reaching a 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 from January 2013 to January 2016. Inflationary pressure increased from late 2015 resulting to double digits inflation rate by February 2016 with year-on-year inflation levels for headline inflation, core inflation and food inflation reaching 11.38%, 11.0%, and 11.35% respectively. As at 31 December 2016, year-on change for annual consumer price inflation had accelerated to 18.6% as compared to 9.6% and 8.0% as at 31 December 2015 and 31 December 2014, respectively. As at 31 October 2017, year-on change for annual consumer price inflation was 15.9%. The acceleration could be attributed to the significant increase in consumer prices on the back of higher fuel prices due to removal of fuel subsidies and exchange rate pass-through of the Naira devaluation. These factors continued to impact the Consumer Price Index as year-on-year headline inflation peaked at 18.7% in January 2017. However, pressure on inflation as continued to ease, dropping for 12 consecutive months to 14.33% in February 2018.<sup>9</sup>

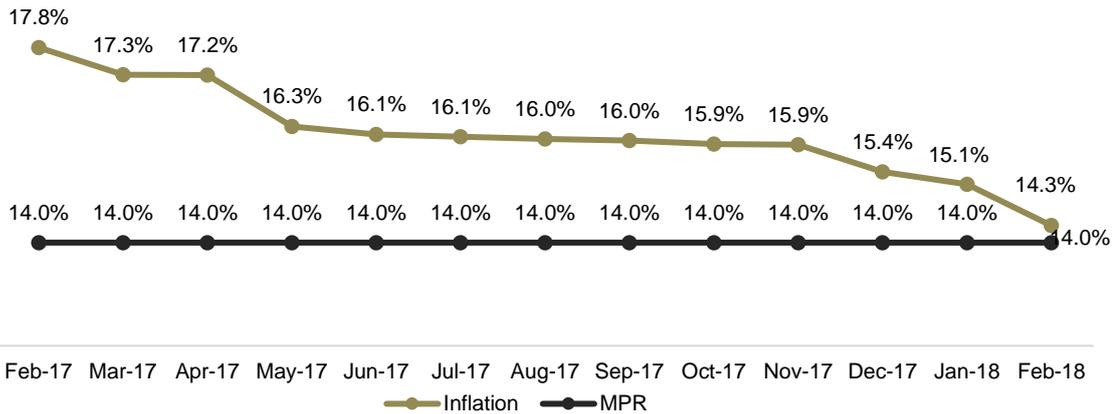
A key priority of the CBN is to maintain price and financial stability, and support economic development. The CBN maintained its benchmark monetary policy rate at 12% from October 2011 till November 2014 when it was increased to 13%. This prolonged tightening phase came to an end in November 2015, when the Monetary Policy Committee 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%. After maintaining a tight effective monetary policy stance for much of 2017, the CBN has eased policy slightly by moderating the rate at which it has been sterilizing NGN liquidity via OMO sales. It will continue to do so at cheaper rates, thus influencing secondary market yields down with it. To enable the CBN execute its plans, the Debt Management Office (DMO) has commenced raising foreign currency at lower rates (US\$3bn in November 2017 and US\$2.5bn in February 2018) to convert out of short-term local currency debt to long-term hard currency funding. US\$3bn. As at 30 June 2017, the MPR was 14%. On 4 April 2018, the MPC resolved to retain the MPR at 14%.<sup>10</sup>

<sup>8</sup> FMDQ

<sup>9</sup> Nigerian Bureau of Statistics Quarterly Reports on Consumer Price Index

<sup>10</sup> Standard Bank Research

**Monetary Policy Rate vs. Inflation**



*Nigerian Bureau of Statistics, CBN*

**KEY DRIVERS OF ECONOMIC GROWTH IN NIGERIA**

**Drivers of growth**

**Political reforms**

- Some of the reforms which the current administration has taken include:
  - i. exiting the Joint Venture cash call obligation arrangement with international oil companies;
  - ii. 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;
  - iii. introduction of Executive Order 5 in February 2018 by President Muhammadu Buhari in order to promote preference to be given to Nigerian companies and firms in awarding of contracts by procuring entities in accordance with the Public Procurement Act;
  - iv. the commencement of the third phase of PEBEC’s 60-Day National Action Plan in February 2018 on the Ease of Doing Business in Nigeria which aims at promoting an enabling environment for doing business and commerce in Nigeria;
  - v. introducing a Treasury Single Account;
  - vi. introducing the Efficiency Unit in the Ministry of Finance to guard against financial leakages; and
  - vii. reducing 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.

<b>Rising consumer class</b>	<ul style="list-style-type: none"> <li>■ 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</li> <li>■ The telecoms and food and beverage sectors have performed strongly over recent years and are expected to continue as GDP per capita rises</li> </ul>
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### Drivers of growth

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|----------------------------|--|
| <b>Manufacturing</b>       | <ul style="list-style-type: none"> <li>■ Nigeria’s consumer potential presents vast opportunities for manufacturers of finished goods</li> <li>■ In 2016, the manufacturing sector accounted for approximately 9.3% of Nigeria’s real GDP, compared to 9.5% in 2015. In the six months ended 30 June 2017, manufacturing accounted for 9.6% of real GDP.</li> <li>■ The largest components of manufacturing sector output are food, beverages and tobacco, which contributed 4.1% to real GDP in 2016, compared to 4.3% in 2015 and 4.6% in 2014. The contribution of the oil refining to real GDP was 0.3% 2016, compared to 0.3% in 2015 and 0.5% In 2014. The contribution of the cement sector to real GDP was 0.8% in 2016, compared to 0.9% in 2015 and 0.7% in 2014.</li> <li>■ 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</li> </ul>  |
| <b>Power</b>               | <ul style="list-style-type: none"> <li>■ The Government has identified the improvement of electricity generation, transmission and distribution infrastructure as a critical element in meeting economic growth and development objectives.</li> <li>■ To address these issues, the Government is pursuing a number of policy initiatives, including those set forth in the ERGP and the Roadmap for Power Sector Reform. The Roadmap for Power Sector Reform seeks to remove obstacles to private sector investment in the power sector, to complete the privatisation of generation and distribution companies, to facilitate the construction of new transmission networks and to reform the fuel-to-power sector with the goal of increasing electricity generation capacity.</li> <li>■ The current administration has stated that the proposed strategy to electricity generation is by an “incremental approach” from 5,000 megawatts to 7,000 megawatts, before “steady power” then to “uninterrupted power”, reaching 20,000 megawatts by 2021.</li> </ul>                          |
| <b>The oil sector</b>      | <ul style="list-style-type: none"> <li>■ With a drive towards economic diversification, it is expected that the oil sector will contribute less to economic growth in the coming years</li> <li>■ According to the CBN, for the nine months ended 30 September 2017, total exports amounted to ₦9,995.3 billion, with the oil sector accounting for 91.9% of total exports and the non-oil sector accounting for 8.1% of total exports during the period</li> <li>■ Non-oil revenue increased by 58.7% from ₦600.4 billion in the second quarter of 2017 to ₦953.0 billion in the third quarter of 2017, primarily as a result of a 163.3% increase in corporate tax receipts. For the nine months ended 30 September 2017, oil revenue amounted to ₦2,858.3 billion, while non-oil revenue amounted to ₦2,078.4 billion</li> <li>■ The sector, however, 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</li> </ul> |
| <b>Agriculture reforms</b> | <ul style="list-style-type: none"> <li>■ Agriculture contributed 24.44% to Nigeria’s GDP in the third quarter of 2017</li> <li>■ 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</li> <li>■ Agriculture in Nigeria is largely subsistence-based, but the Government aims to modernise the sector, building on reforms initiated in 2011. The Federal Ministry of Agriculture and Rural Development has developed a Medium-Term Sector Strategy (the “MTSS”) covering the period from 2017 to 2019. The</li> </ul>   |

### Drivers of growth

- MTSS comprises three pillars: economic reforms, social investment and infrastructure development.
- The Government has also launched the Agricultural Transformation Agenda, Growth Enhancement Support and Electronic Wallets, Rice Transformation Agenda and Cassava Transformation Agenda to name a few
  - 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
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### POLITICAL OVERVIEW

Nigeria returned to democratic governance in 1999 with the election of Chief Olusegun Obasanjo, a member of the People's Democratic Party ("PDP"), as President and Commander in Chief of the Armed Forces, following many years of military rule. The Obasanjo administration commenced the implementation of policies aimed at diversifying the economy to reduce reliance on the oil and gas sector, improving macroeconomic stability and developing the nation's infrastructure.

In 2007, Nigeria witnessed its first ever transition from one democratically elected government to another with the election of Alhaji Umaru Musa Yar'Adua, also a member of the PDP. Following the death of Alhaji Umaru Yar'Adua almost three years into his first term in 2010, vice president, Dr. Goodluck Jonathan, took office for the remainder of the late president's term before being elected to a full presidential term in 2011.

In 2015, President Muhammadu Buhari, who was the candidate of the All Progressives Congress ("APC"), became the first Nigerian presidential candidate to defeat an incumbent president after defeating Dr. Goodluck Jonathan in what many considered a peaceful election. Policy priorities for the Buhari administration include boosting infrastructure investment and diversifying the economy by targeting investment at specific sectors (notably agriculture and solid minerals). He has also communicated other key focus areas of priority – anti-corruption and security.

Nigeria has, 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 sought to solicit support of Western governments and a joint task force consisting of military forces from Nigeria, Chad and Niger.

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") emerged campaigning for the secession of a part of south-eastern Nigeria.<sup>11</sup> IPOB has now been proscribed as an illegal group and declared a terrorist organisation by the Federal Government. Consequently, the activities of the group have been largely contained.

Attacks in the southern and middle-belt regions of the country by Fulani herdsmen also pose a threat to national security in the country.

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

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<sup>11</sup> Reuters, 12 September 2017

- An increase in capital expenditure of over 30% was provided for in the 2017 budget (₦2.1trn from ₦1.6trn 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

### **b. Reducing the exploitation of its citizens through an anti-corruption drive:**

- Aim is to curb revenue leakages and create an effectual civil service
- Strengthen the powers of the Economic and Financial Crimes Commission, the Independent Corruption Practices and Other Related Offences Commission and other Anti-graft agencies and repeal the laws which inhibit their independence
- Focused drive to resolve the interlinked challenges of corruption, insecurity and economic underperformance through:
  - i. Reforming the opaque and mismanaged oil sector by revamping the NNPC. Additionally, there are currently processes ongoing at the National Assembly in connection with the Petroleum Industry Governance Bill (“**PIGB**”) which was passed by the Senate arm of the National Assembly on May 25, 2017. The House of Representatives passed its own version of the same bill on January 17, 2018. Both houses are yet to undergo a process of harmonization of their respective bills, after which the harmonized bill is required to be assented to by the President. The PIGB aims to promote transparency and accountability in the administration of petroleum resources in the country.
  - ii. 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 as well as , his strong support in northern Nigeria and his dedication to this challenge corruption and terrorism in the Republic has seen the government increase and strengthen its deliver clear advances in the fight against (armed) militancy activity across the country
- 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

One year to the 2019 general elections, the Independent National Electoral Commission (INEC) has indicated that it expects political parties to conduct primary elections between 18 August 2018 and 7 October 2018. After that, political parties will be allowed to commence campaigning from 18 November 2018 (Presidential and National Assembly candidates) and 1 December 2018 (State Governorship candidates) to 14 February 2019 and 28 February 2019 respectively. Presidential and National Assembly elections are scheduled for 16 February 2019, while Governorship elections are scheduled for 2 March 2019.

The perceived performance of the economy based on indicators such as unemployment levels, the exchange rate as well as petrol prices and electricity tariffs, coupled with the status of the current administration's drive against corruption and progress on the security front will be the main issues upon which the 2019 elections will be contested. Despite clear signs of some improvement to security and corruption, there is a sense that economic and structural reform implementation has been too slow. Escalating tensions between farmers and herdsmen will also be topical in the lead-up to the elections.

## OVERVIEW OF THE NIGERIAN BANKING SECTOR

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*The Information in this section has been extracted from publicly available data obtained from organizations such as the CBN, the International Monetary Fund, Business Monitor International, Economic Intelligence Unit and other sources believed to be reliable. The Issuer has relied on the accuracy of this information without independent verification and makes no representation as to its accuracy.*

The Nigerian banking sector currently consists of 28 licensed deposit money banks, comprising 22 commercial banks, 5 merchant banks and 1 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. 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. 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 International Inc’s acquisition of Oceanic International Bank Plc, the merger of Finbank Plc with First City Monument Bank Plc, the merger of Intercontinental Bank Plc with Access Bank Plc, and the acquisition of Equitorial Trust Bank Limited by Sterling Bank Plc. The exercise resulted in the CBN revoking the licenses of Spring Bank Plc and transferring its assets and liabilities to a bridge bank, Enterprise Bank Limited, Afribank Plc and transferring its assets and liabilities to a bridge bank, Mainstreet Bank Limited, and Bank PHB Plc and transferring its assets and liabilities to a bridge bank, Keystone Bank Limited (Spring Bank Plc, Afribank Plc and Bank PHB Plc are jointly referred to as the “**Intervened Banks**” while Mainstreet Bank Limited, Keystone Bank Limited, and Enterprise Bank Limited are jointly referred to as “**Bridge Banks**”). The NDIC formed the Bridge Banks to purchase and assume all the assets and some of the liabilities of the Intervened 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, AMCON purchased the Bridge 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. On a related note, the CBN restored the banking licences of Societe General Bank Limited (now known as Heritage Banking Company Limited) and Savannah Bank PLC (not currently operating).

## **OVERVIEW OF THE NIGERIAN BANKING SECTOR**

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In 2014, AMCON concluded the sale of its entire equity stakes in Enterprise Bank Limited to HBCL Investment Services Limited (a special purpose vehicle sponsored by Heritage Banking Company Limited) and Mainstreet Bank Limited to Skye Bank PLC for N56.1 billion and ₦126 billion respectively. In 2016, a year after Skye Bank PLC's acquisition of Mainstreet Bank Limited, there was a takeover of the management of Skye Bank PLC 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) are 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. On the other hand, merchant banks are required to have a minimum paid-up share capital of ₦15 billion and specialised banks a minimum paid-up share capital of ₦10 billion.

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 Plc, First City Monument Bank Plc (FCMB), Stanbic IBTC Bank Plc and United Bank for Africa Plc have adopted the Holding Company structure in varying forms.

### ***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 FSDH Merchant Bank Limited (formerly First Securities Discount House). 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 five merchant banks operating in Nigeria. As indicated above, merchant banks are required to have a capital base of ₦15 billion.

### ***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

## OVERVIEW OF THE NIGERIAN BANKING SECTOR

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public/private sector deposit, the MPC at its May 2015 meeting harmonized the CRR for both public and private sector deposits at 31%.

Constraints 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.

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.

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.

With the CBN allowed to intervene as buyer or seller, the rate is subject to indirect control rather than being fixed. The aim is to allow currency to be traded more freely, making the sector more attractive to foreign investors. The move signals a possible return of flexibility in foreign exchange rate determination and while investors will remain wary of the CBN’s tendency to change its stance and revert to currency manipulation, reaction to the new index has been positive.

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.

### **Economic Recovery Will Support Banking Revenues**

## OVERVIEW OF THE NIGERIAN BANKING SECTOR

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An ongoing recovery in the oil sector will see an increase in flows of hard currency in to the Nigerian banking sector over the coming quarters, supporting asset quality and lending conditions. Crude oil traditionally accounts for over 90.0% of Nigeria's total merchandise exports, and the sector's revenues have become a crucial component in the banking sector's balance sheet. The improvement in oil prices over the past year has reduced the downside risk of further deterioration of oil and gas exposures for the banks within our coverage. The 46% increase in oil price over the past two years and increased production given limited disruptions is increasing higher cash flow. Banks' management teams attest to a number of the restructured oil and gas loans now performing at pre-restructured levels. As of April 2017, around 45.0% of banks' loan books were denominated in foreign currency, leaving banks particularly exposed during the nadir in oil prices over 2016. Unable to access the foreign currency needed to service their obligations, borrowers have fallen into arrears at an increasing rate, with the NPL ratio having risen to 12.8% by year end 2016, up from just 5.3% a year earlier.

In addition to the tailwinds offered by Nigeria's oil sector, the country's banks will benefit from an upswing in the wider economy. Nigeria posted five consecutive quarters of negative real GDP growth over 2016 and Q1 17, but recent data shows rising oil production and an improvement in investor sentiment saw the economy expand by 0.5% yo-y in Q2. The central bank's initial reforms to its exchange rate regime have certainly helped in this regard. The introduction of the IEFX window has increased liquidity in the foreign exchange market, with investors feeling more confident that they will be able to liquidate and repatriate capital.

## OVERVIEW OF STANBIC IBTC BANK PLC

### a. HISTORICAL OVERVIEW

Stanbic IBTC Bank PLC emerged from the merger of Stanbic Bank Nigeria Limited with IBTC Chartered Bank PLC in September 2007. IBTC Chartered Bank PLC was itself a merger of three institutions (Investment Banking & Trust Company PLC (“IBTC Bank”), Chartered Bank PLC. and Regent Bank PLC.). IBTC Bank was a private limited liability company incorporated on 02 February 1989. IBTC was granted a merchant banking licence on 03 February 1989 and commenced operations on 01 March 1989. Its merchant banking licence was converted into a Universal Banking Licence in January 2002, pursuant to the universal banking framework of the CBN. In 2005, IBTC Bank became a public company and its shares were listed on The Nigerian Stock Exchange.

On 19 December 2005, IBTC Bank merged with Chartered Bank PLC and Regent Bank PLC. IBTC Bank changed its name to IBTC Chartered Bank PLC on 25 January 2006. On 24 September 2007, IBTC Chartered Bank PLC merged with Stanbic Bank Nigeria Limited, a wholly owned subsidiary of Stanbic Africa Holdings Limited (“SAHL”). SAHL is a subsidiary of Standard Bank Group Limited of South Africa (“SBG”). As part of the transaction between IBTC Chartered and Stanbic IBTC, SAHL acquired a majority shareholding (50.75%) in the enlarged bank. The merger resulted in a new entity known as Stanbic IBTC Bank PLC, which comprised of the Bank and six subsidiaries. Services provided by the group included corporate and investment banking, stockbroking, asset management, pension fund administration, personal and business banking services.

In September 2010, the CBN issued the Regulation on the scope of Banking Activities & Ancillary Matters, No.3 2010, which repealed the universal banking license and specified three permissible categories of licenses i.e. commercial banking, merchant banking or specialised banking.

Pursuant to the Regulation, Stanbic IBTC Bank PLC applied for a commercial banking license and was reorganised under a holding company structure via a Scheme of Arrangement (“the Scheme”) which became effective on 08 November 2012. This entailed the creation of a non-operating financial holding company, Stanbic IBTC Holdings PLC, to hold the shares of Stanbic IBTC Bank PLC and five of its subsidiaries, as well as two new companies, Stanbic IBTC Capital Limited and Stanbic IBTC Investments Limited which were incorporated to continue some of the existing lines of business previously conducted by the Bank.



Stanbic IBTC Holdings PLC is a member of Standard Bank Group which is Africa’s largest banking group ranked by assets and earnings. Standard Bank has been in business for over 150 years.

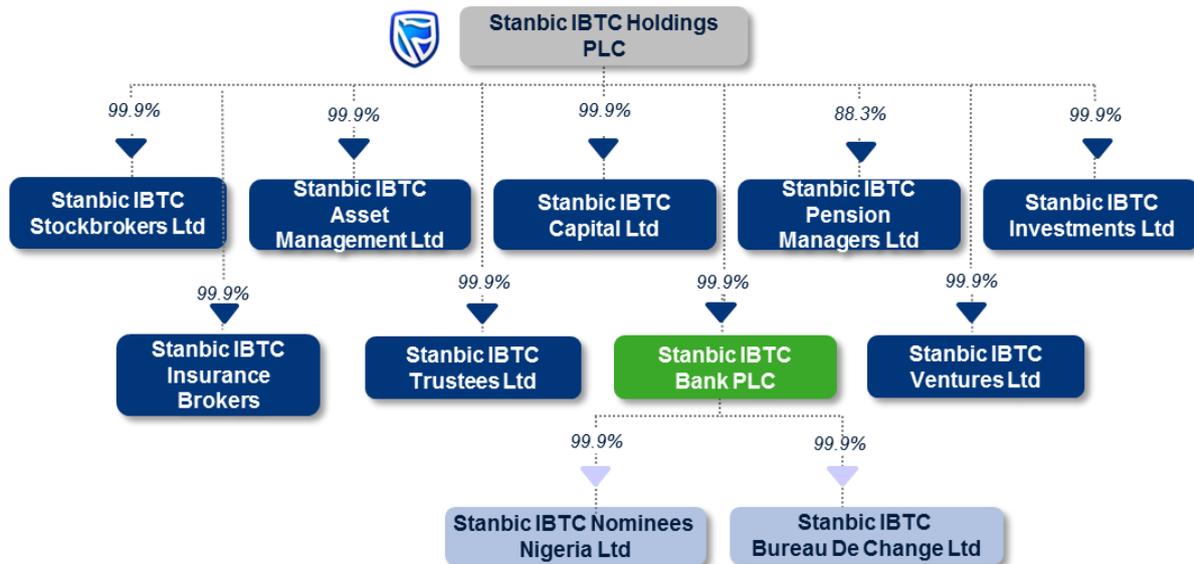
With a controlling stake of 53.2% in Stanbic IBTC Holdings, Standard Bank Group employs over 55,000 people worldwide. With headquarters in South Africa, it operates in 20 African countries and 14 countries outside Africa, including key financial centres in Europe, the United States and Asia. Standard Bank Group has 730 branches in South Africa and 548 branches in the Africa regions.<sup>12</sup>

Stanbic IBTC Holdings’ strategy is to position itself as the leading end-to-end financial services solutions provider in Nigeria. The Group offers expert service in three main business areas – Corporate and Transactional Banking, Personal and Business Banking and Wealth Management

<sup>12</sup> As at 31 December 2017

## OVERVIEW OF STANBIC IBTC BANK PLC

With a team of experienced and client-focused staff, Stanbic IBTC Holdings offers services which include specialised finance, trade finance, stockbroking, trusteeship, global markets, custodial services, asset and pension management, foreign exchange, lending, savings and investment products. As at the date of this Prospectus, the Group has nine subsidiaries.



### b. BUSINESS OVERVIEW

Stanbic IBTC Bank offers its clients a wide range of commercial banking products through its 180 branches spread across every state in Nigeria, and via a range of self-service channels powered by sophisticated technology to bring convenient banking to clients.

Products offered include savings, current and domiciliary accounts, high-yield current accounts, vehicle and asset finance, MasterCard debit and Visa credit Naira cards, MasterCard dollar credit card, home loans, insurance, mobile and internet banking, small and medium scale enterprise (SME) loans and the award-winning mobile banking application, \*909# Mobile Money. The Bank also offers cash management and transactional banking services complemented by electronic banking solutions, custody services, foreign exchange, money market and credit trading, and international trade services.

Custodial services are offered through Stanbic IBTC Nominees Nigeria Limited, the Bank's custody arm and non-pension asset custodian, which acts in a nominee capacity for clients' transactions in securities and other investments. The Bank is also a key player in financial inclusion and is poised to take banking to the doorsteps of its clients in different personal and business categories who desire bespoke banking services.

The Bank operates in two core business segments: Personal and Business Banking, Corporate and Investment Banking and Wealth Management.

#### **Personal and Business Banking**

Personal and Business Banking ("PBB") is the retail arm of the Bank's business. PBB provides banking and other financial services to individual customers and small and medium-sized enterprises. The segment offers these products and services to customers:

- **Mortgage lending** - Residential accommodation loans to personal market customers
- **Instalment sale and finance leases** – Instalment finance to personal market customers and finance of vehicles and equipment in the business market
- **Card products** - Credit and debit card facilities for individuals and businesses

- **Transactional and lending products** - Transactions in products associated with the various points of contact channels such as ATMs, internet, telephone banking and branches. This includes deposit taking activities, electronic banking, debit card facilities, cheque accounts and other lending products to both personal and business market customers

### ***Corporate and Transactional Banking***

This segment of the Bank provides corporate and transactional banking services to larger corporates, financial institutions and international counterparties. Services include:

- **Global Markets** - Foreign exchange, fixed income, interest rates, and equity trading
- **Transactional and lending products** - Corporate lending and transactional banking businesses, custodial services, trade finance business and property-related lending

### **c. SUBSIDIARIES**

As at the date of this Prospectus, the Bank has 2 subsidiaries. The subsidiaries are described below:

#### **Stanbic IBTC Nominees Limited**

Stanbic IBTC Nominees has been providing custody services since 1994. As the pioneer of the custody business in the Nigerian market, it runs on cutting-edge technology and plays an active role in regulator and stakeholder engagement.

The company provides custodial services to both local and international clients taking investment positions in Nigeria and is currently the largest custodian of non-pension assets in Nigeria.

Stanbic IBTC Nominees is one of the six appointed custodians of Money Market and Fixed Income Instruments by the CBN. The company is also one of the four Securities Lending Agents appointed by the SEC.

#### **Stanbic IBTC Bureau De Change Limited**

Stanbic IBTC Bureau De Change Limited was licensed on 20 September 2014 to carry on the business of buying, selling, supply, exchange and dealing in all foreign currencies and in travellers' cheques where available and providing all services lawful for a bureau de change to provide in Nigeria.

### d. BOARD OF DIRECTORS

The Board of Directors of the Bank comprises nine members. The Board formulates the broad policies and takes decisions for the management and operations of the Bank with a view to attaining the organization's objectives.

**Mr. Sim Tshabalala** is the Chairman of the Bank. He holds a Bachelor of Arts and Bachelor of Laws degree from Rhodes University (1990), as well as a Master of Laws degree from the University of Notre Dame, Indiana USA (1993). Mr. Tshabalala also holds a Higher National Diploma in Taxation law from the University of Witwatersrand, in South Africa (1996). Mr. Tshabalala is a qualified legal attorney with over 20 years' experience as well as similar experience in both retail and investment banking. He joined Standard Bank Group in year 2000 as Director, Structured Finance and has over the years held various positions in the Bank, culminating in his appointment as Joint Chief Executive of Standard Bank Group in March 2013. He currently serves as a Director on the boards of The Standard Bank of South Africa and Liberty Holdings Limited.

**Dr Demola Sogunle** is the Chief Executive of the Bank. He holds a First Class Honours degree in Agricultural Science (1986) and a Ph.D. in Land Resource Evaluation and Management (1993), both from the University of Ibadan, Nigeria. He also holds an MBA in Banking and Finance from ESUT Business School 1998, Nigeria and a Treasury Dealership Certificate from the Chartered Institute of Bankers of Nigeria (CIBN). He is a member of the Global Association of Risk Professionals. Dr. Sogunle has served in various capacities across Stanbic IBTC Holdings including Deputy Chief Executive of Stanbic IBTC Bank PLC until January 25, 2017, Chief Executive of Stanbic IBTC Pension Managers and Head of Wealth at Stanbic IBTC Holdings PLC. He has also served as the Head of Treasury, Head of Risk Unit, Head of group risk and Head of Financial Services Department of Stanbic IBTC Bank Plc. and Stanbic IBTC Pension Managers Ltd.

**Mr. Wole Adeniyi** is an Executive Director of the Bank. He holds a Bachelor's degree in Business Administration from the University of Benin (1991) and an MBA from the University of Manchester, United Kingdom (2010). He maintains membership of the Institute of Chartered Accountants of Nigeria (ACA) and Certified Information Systems Auditor (CISA). He is an Associate of the Institute of Chartered Accountants of Nigeria (ICAN). He heads the business operations support unit and is responsible for providing centralised operations with a consistently high quality and efficient operational support structure for the business units. Mr. Adeniyi has over 18 years' experience in banking operations, process management and business support all within the financial services industry. His sphere of skill and competence span across routine business operations, information technology processing, property and premises management, payment strategies, project governance monitoring as well as integration of business processes to emerging (multiple) technology platforms.

**Mr. Babatunde Macaulay** is an Executive Director of SIBTC. He holds a Bachelor of Sciences degree in Industrial Chemistry from the University of Ilorin (1995), and an MSc in International Human Resources Management at Cranfield University UK (2012). He joined the Bank in April 2012 as the Head of Transactional Products and Services (TPS), West Africa, responsible for the business in Nigeria, Ghana, Angola and DRC. Prior to joining the Bank, Mr. Macaulay was Head Transaction Products and Services at First City Monument Bank in Nigeria and was responsible for transaction banking, alternate channels, structured commodity and trade finance, and value chain financing. He has over 19 years' experience in the banking industry and the manufacturing sector.

**Mr. Andrew Mashanda** currently serves as an Executive Director of Corporate and Transactional Banking of the Bank. Mr Mashanda holds a Baccalaureus Computation in Accounting Science from the University of South Africa (1995), and a post graduate degree in Global Management from the University of Salford, United Kingdom (2016). He had held several executive management positions and was previously the Chief Executive for Standard Bank Malawi for four years prior to joining the Bank. Prior to joining the Standard Bank Group, Mr. Mashanda held several executive management positions in the banking, mining and media industries in South Africa.

**Mr Yinka Sanni** is a Non-Executive Director of the Bank. He holds has a B.Agric. (Hons.), Agricultural Economics from the University of Nigeria, Nsukka (1987); an MBA from the Obafemi Awolowo University (1990) and has gone through the Harvard Business School's Advanced Management Programme. He is a Fellow of the Chartered Institute of Stockbrokers of Nigeria and sits on the Council of the Institute. Mr. Sanni is currently the Chief Executive of Stanbic IBTC

## OVERVIEW OF STANBIC IBTC BANK PLC

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Holdings and served as the Chief Executive of the Bank until January 2017. He also served as the Chief Executive Officer of Stanbic IBTC Pension Managers Limited and as Managing Director of Stanbic IBTC Asset Management Limited. He has extensive experience in credit and marketing, corporate finance, asset management and stockbroking and has been involved in a number of landmark capital market transactions.

**Mr. Zweli Manyathi** is a Non-Executive Director of the Bank. He currently serves as the Chief Executive, Personal & Business Banking, Africa Regions at Standard Bank Group, a position he has held since August 2013. Mr. Manyathi holds a Bachelor of Commerce (Financial Management) from the University of South Africa. He also holds a Professional Development Programme certificate from City University of New York as well as Senior Executive Programme, Wits and Harvard Business School (2000). He has experience in different roles at the First National Bank and Barclays Africa.

**Mr. Arnold Gain** is a Non-Executive Director of the Bank. Mr. Gain holds BA (Hons) in Commerce (Financial Accounting as well as Business Data Processing) from the University of Cape Town, South Africa (1981). He first joined Standard Bank London in 1994 as Assistant General Manager, Corporate Finance and moved to Standard Bank Group Head Office in Johannesburg, South Africa in 1996, where he has remained instrumental in the development of the Bank's Corporate Finance strategy. Mr. Gain has been Interim Executive Director of Standard Bank S.A. Mozambique since August 1, 2014 and has been a Director of Standard Bank Namibia Limited since March 26, 2015. Mr. Arnold G. Gain serves as Head of Strategic Clients at Standard Bank Group. He is a Member of the South African Institute of Chartered Accountants as well as the Computer Society of South Africa. In 1991, Mr. Gain also served as the Member of the Securities Regulation of South Africa.

**Mrs Miannaya Essien, SAN** is an Independent Non-Executive Director of the Bank. Mrs. Essien is a Senior Advocate of Nigeria and the Managing Partner of Principles Law Partnership. She is a Notary Public of the Federal Republic of Nigeria; Chartered Arbitrator and Fellow of the Chartered Institute of Arbitrators, United Kingdom 2007; Registered Capital Market Consultant with the Securities and Exchange Commission. Mrs. Essien lectures at the Nigerian Law School, Abuja, Nigeria where she is a member of the adjunct faculty and is also an approved tutor of the Chartered Institute of Arbitrators. Mrs. Essien holds Bachelor of Laws (LL.B) from the University of Nigeria Nsukka 1984, as well as Master of Laws from the University of Lagos 1991.

## **USE OF PROCEEDS**

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Unless otherwise stated in the applicable Supplement, the net proceeds from the issuance of the Instruments may be used for (i) funding and liquidity management; (ii) capital management; and (iii) distribution and transfer of risk assets.

The applicable Supplement for each Tranche or Series will specify details of the use of proceeds of the particular Tranche or Series.

## Stanbic IBTC Bank PLC

### Nigeria Bank Analysis

September 2017

Rating class	Rating scale	Rating	Rating outlook	Expiry date
Long-term	National	AA <sub>(NG)</sub>	Stable	August 2018
Short-term	National	A1 <sub>(NG)</sub>		

#### Financial data:

(USDm comparative)#	31/12/15	31/12/16
NGN/USD (avg.)	197.0	256.0
NGN/USD (close)	197.0	305.3
Total assets	4,433.4	3,119.9
Primary capital	481.8	358.1
Secondary capital	120.3	91.6
Net advances	1,794.5	1,156.3
Liquid assets	1,958.0	1,626.0
Operating income	350.3	355.7
Profit after tax	31.6	42.3
Market cap.*	N395.0bn/USD1.3bn	
Market share**	3.1%	

#Central Bank of Nigeria ("CBN") exchange rate.

\*For Stanbic IBTC Holdings Plc at 21 Sept. 2017.

\*\*Based on industry assets at 31 December 2016.

#### Rating history:

##### Initial rating (December 2006)

Long-term: AA<sub>(NG)</sub>Short-term: A1<sub>(NG)</sub>

Rating outlook: Stable

##### Last rating (March 2017)

Long-term: AA<sub>(NG)</sub>Short-term: A1<sub>(NG)</sub>

Rating outlook: Stable

#### Related methodologies/research:

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

Nigerian Financial Institution Overview, 2017

Stanbic rating reports (2006-17)

Glossary of Terms/Ratios, February 2016

#### GCR contacts:

##### Primary Analyst

Funmilayo Abdulrahman

Credit Analyst

funmilayo@globalratings.net

##### Committee Chairperson

Dave King

king@globalratings.net

Analyst location: Lagos, Nigeria

Tel: +234 1 462-2545

Website: www.globalratings.com.ng

#### Summary rating rationale

- Stanbic IBTC Bank PLC ("Stanbic" or "the bank") is a wholly owned subsidiary of Stanbic IBTC Holdings PLC ("the Holdco" or "the group"), which is a member of the Standard Bank Group ("SBG"). While the bank competes favourably with other mid-sized banks in Nigeria, relatively maintaining a market share of 3.1% in terms of total industry assets at FY16 (FY15: 3.2%), a key rating strength is the implied financial, risk management and technical support from its ultimate parent, SBG. SBG is the largest banking group in Africa, in terms of total assets and earnings.
- Capitalisation is considered strong for the current risk assumed, with the bank reporting a regulatory risk weighted capital adequacy ratio ("CAR") of 20.2% and 21.0% at 1H FY17 and FY16 respectively, against the required minimum of 10% for national licensed banks. While shareholder's funds continued to rise year-on year to N109.3bn at FY16, as a result of strong internal capital generating capacity, capitalisation is further enhanced by subordinated debt securities amounting to N28bn at FY16.
- Gross non-performing loan ("NPL") ratio declined to 5.0% at FY16 (FY15: 7.1%), following a loan portfolio clean up. The bank took advantage of the CBN waiver which allowed banks to write-off fully provisioned loans in FY16. Notwithstanding this, continued asset quality pressure saw the bank's gross NPL ratio rise to 7.8% at 1H FY17. Specific provision covered 46.1% of gross NPLs at 1H FY17 (FY16: 59.9%).
- Stanbic maintained a high liquidity profile in FY16, with the regulatory liquidity ratio ranging between 65.5% and 95.5% and averaging 78.9%, which is well above the required minimum of 30%. Average liquidity ratio for 1H FY17 was 86.7%.
- The bank reported a pre-tax profit of N15.0bn for FY16, up 141.2% from FY15. A positive earnings trend was also reflected at 1H FY17, with pre-tax profit of N14.3bn. While net interest income was largely supported by investment yields and reduced funding costs, non-interest income was driven by net fees and commission income at FY16 and then by trading activities at 1H FY17. Cost to income ratio decreased to 61.9% in FY16 from 71.9% in FY15. Profitability indicators improved with the ROaE and ROaA rising to 14.7% (FY15: 6.8%) and 1.6% (FY15: 0.7%) in FY16 respectively.

#### Factors that could trigger a rating action may include

**Positive change:** Maintaining strong financial metrics in terms of profitability, asset quality and capitalisation, and a further strengthening of the bank's competitive position in the domestic market, would be favourably considered. Furthermore, upside potential would most likely require notable improvements in the operating environment which has negatively impacted performance across the banking sector.

**Negative change:** The ratings are sensitive to a sharp deterioration in key asset quality indicators, earnings, capital adequacy and liquidity, as well as a reduction in the assessment of shareholder support.

## Stanbic IBTC Holdings PLC

## Full Rating Report

## Ratings

## National

<b>Stanbic IBTC Holdings PLC</b>	
Long-Term Rating	AAA(nga)
Short-Term IDR	F1+(nga)

<b>Stanbic IBTC Bank PLC</b>	
Long-Term Rating	AAA(nga)
Short-Term Rating	F1+(nga)

<b>Sovereign Risk</b>	
Foreign-Currency Long-Term IDR	B+
Local-Currency Long-Term IDR	B+

## Outlooks

Sovereign Foreign-Currency Long-Term IDR	Negative
Sovereign Local-Currency Long-Term IDR	Negative

## Financial Data

	30 Jun 17	31 Dec 16
<b>Stanbic IBTC Holdings</b>		
Total assets (USDbn)	4.2	3.5
Total assets (NGNbn)	1,274.0	1,053.5
Total equity (NGNbn)	161.5	140.8
Net income (NGNbn)	24.1	28.5
Operating ROAA (%)	5.0	3.5
Operating ROAE (%)	38.1	27.1
Internal capital generation	19.1	20.3
Fitch Core Capital/weighted risks (%)	19.4	18.9

## Key Rating Drivers

**Support Driven Ratings:** Stanbic IBTC Holdings PLC's (SIBTCH) National Ratings are based on potential support from its parent, South Africa's Standard Bank Group Limited (SBG/Group; BB+/Stable) if required. Our view of institutional support considers SIBTCH's strategic importance to SBG, high levels of integration between the parent and the subsidiary, as well as SBG's majority shareholding in SIBTCH (53.2% through Stanbic Africa Holdings Limited).

SIBTCH is the holding company for SBG's Nigerian operations. Its main operating entity is Stanbic IBTC Bank PLC (SIBTC), a mid-tier commercial bank, which forms 95% of the holding company's assets. In our view, SBG's support would extend to both SIBTC and SIBTCH.

**Strategically Important to SBG:** SIBTC has a domestic market share of 3%. It is primarily a corporate bank with a growing presence in retail and business banking. Nigeria is an important market for SBG's African franchise. The ratings incorporate our view that SIBTCH and SIBTC are strategically important to the group.

**Operations are Highly Integrated:** SIBTCH is highly integrated with SBG's risk management framework. Credit and market risk decisions may be taken locally (at the SIBTC level), but this is monitored by the group and is subject to limits imposed by SBG. The high level of integration strengthens Fitch's belief that support would be forthcoming from SBG if necessary.

**Mid-Tier Franchise:** SIBTCH's loan growth is expected to pick up to 10%-15% by 2018, driven mainly by its Personal and Business Banking (PBB) segment. SIBTCH is already strong in corporate and investment banking (CIB) and wealth management.

**Asset Quality Deterioration:** The impaired loans ratio increased to 7.9% at end-1H17 due to several new impairments in oil-related loans. This reflects SIBTCH's high sensitivity to credit concentrations by obligor and industry. Reserve coverage is acceptable at 83%.

**Strong Revenue Generation Capability:** One of SIBTCH's main strengths is its diversified earnings. Non-interest income generation is high and underpinned by fees and commissions and trading income. Loan impairment charges are high, but manageable in the context of strong earnings. Costs are well controlled. As a result, profitability metrics are healthy.

**Good Funding Profile; Very Good Liquidity:** Customer deposits grew strongly (by 13% in 1H17) with the bank rolling out new delivery channels. Balance sheet liquidity is underpinned by large volumes of government securities. Additionally, SIBTCH's loans/deposits ratio (62%) is one of the lowest among peers.

**Adequate Capital Ratios:** SIBTCH's risk weighted capital ratios are strong and compare favourably against peers; Fitch expects these levels to be maintained.

## Rating Sensitivities

**Near-Term Changes Unlikely:** Given Nigeria's Country Ceiling of 'B+', SIBTCH and SIBTC's National Ratings could withstand up to a two-notch downgrade of SBG's Long-Term Foreign-Currency IDR of 'BB+' before they would be affected. Downside risk to the ratings could also stem from a decline in SBG's willingness or ability to provide support, or from a change in SBG's stake, resulting in a loss of control. A downgrade of Nigeria is unlikely to result in a downgrade of SIBTCH/SIBTC's National Ratings.

## Related Research

Standard Bank Group (September 2017)  
Nigeria (October 2017)  
Nigeria Banks Results Dashboard (May 2017)

## Analysts

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## SETTLEMENT, CLEARING AND TRANSFER

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### 1. Clearing system and settlement

Each Series of Instruments issued under the Programme shall be registered with a separate securities identification code with the CSCS. All transactions in such Instruments 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 Instruments 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.

The Bank 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 Instruments

Title to beneficial interest in the Instruments 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

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*The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Instruments issued under this Programme. In particular, it does not constitute a representation by the Issuer or its advisers the tax consequences attaching to a subscription or purchase of Instruments issued under the Programme or applicable to all categories of investors.*

The summary is not envisioned to be, and should not be construed to be tax advice to any particular investor or any group of investors. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Instruments issued under this Programme and the tax consequences applicable to each actual or prospective purchaser of the Instruments may vary. Any prospective investor who is in any doubt as to his/her tax position or who is subject to taxation in any jurisdiction other than the Federal Republic of Nigeria should seek professional advice from his/her preferred professional advisers as to the pros and cons of an investment in the Instruments, bearing in mind his/her peculiarities. Neither the Issuer nor its tax advisers shall be liable to any subscriber in any manner for placing reliance upon the contents of this section.

Except as otherwise indicated, this summary only addresses Nigerian tax legislation, in effect and in force at the date hereof and 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.

### **The Tax Regime**

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 rate of 10 percent (or 7.5 percent in the case of a foreign entity or person, if the foreign company or person to whom the interest accrues is resident in a country with which Nigeria has entered into a double taxation treaty and same has been ratified by the Nigerian Government) and the Bank would be required to withhold tax on such payments and remit same to the appropriate tax authorities.

### **Tax Exemptions**

Under current legislation in Nigeria, an investment in the Instruments 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 PIT Amendment Act. The CIT Order and VAT Order became effective on 02 January, 2012 and are valid for a period of ten (10) years from that date. Where the maturity of any Instruments issued under the Programme (and held by Holders that are corporate entities) exceeds 01 January, 2022, withholding tax implications in respect of the interest payments on the Instruments for the period after 02 January, 2022 will be stated in the applicable Supplement.

In relation to individual holders of the Instruments, the exemption under PITA, which exempts from personal income tax income earned from bonds issued by corporates and supra-nationals; any interest earned by these holders endures indefinitely as there is no end date set in the Act for the exemption unlike the exemption in the CIT Order and the VAT Order.

## TAX CONSIDERATIONS

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In relation to the capital gains tax, such tax is payable on the disposal of corporate bonds or other debt instruments not issued by the Federal Government of Nigeria. The proposed ten-year waiver from Capital Gains Tax approved by the Federal Government in March 2010 has yet to undergo the requisite legislative and administrative processes for it to become effective. By implication investors may only benefit from the waiver from Capital Gains Tax when the requisite Order is gazetted and the necessary amendments made to the enabling law. The Capital Gains Tax Act, Chapter C1 LFN 2004 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.

Furthermore, the VAT (Exemption of Commissions on Stock Exchange Transactions) Order 2014 (the "VAT Exemption Order") equally exempts the imposition of 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 VAT Exemption Order 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 VAT until July 24, 2019. After this date, Holders may be required to pay VAT on any commission payable to the CSCS, SEC or The NSE in connection with Debt Securities. This exemption only applies to trading of securities on The NSE and does not extend to the FMDQ. Therefore, Holders may have to pay VAT on fees payable in connection with Debt Securities traded on the FMDQ



Independent assurance report to:

The Directors  
Stanbic IBTC Bank Plc  
The IBTC Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

and

The Directors  
Stanbic IBTC Capital Limited  
The IBTC Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

Dear Sirs,

We have reviewed the accompanying consolidated statements of financial position for the three years ended 31 December 2017, consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for the years then ended and the related explanatory notes (together, "the financial information"). The financial information is based on the audited financial statements of Stanbic IBTC Bank Plc and its subsidiaries (the "Bank").

### **Directors Responsibility**

The Directors are responsible for the preparation and fair presentation of the financial statements on which the financial information is based, in accordance with the basis of accounting described in the financial information and for such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors are also responsible for the contents of the prospectus in which this report is included.

### **Our Responsibility**

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised) which requires us to conclude whether anything has come to our attention that causes us to believe that the financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The review primarily consists of making inquiries of management and others as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this financial information.

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*PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria*



**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information does not present fairly, in all material respects the state of the financial position of the bank as at the dates stated and of its profit or loss and cash flows for the years then ended, in accordance with the Bank's accounting policies.

**Basis of Accounting**

Without modifying our conclusion, we draw attention to the significant accounting policies included in the financial information, which describe the basis of accounting. The financial information is prepared for inclusion in the prospectus to be issued in connection with the proposed capital raising transaction by Stanbic IBTC Bank Plc. As a result, the financial information may not be suitable for another purpose.

Yours faithfully,

A handwritten signature in blue ink that reads 'Patrick Obianwa'.

For: **PricewaterhouseCoopers**  
Chartered Accountants  
Lagos, Nigeria

**29 March 2018**

Engagement Partner: Patrick Obianwa  
FRC/2013/ICAN/0000000880

## REPORTING ACCOUNTANT'S REPORT

### 1. CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31 December 2017 N'millions	31 December 2016 N'millions	31 December 2015 N'millions
Interest income	116,438	83,267	79,231
Interest expense	(38,429)	(29,927)	(39,151)
<b>Net Interest income</b>	<b>78,009</b>	<b>53,340</b>	<b>40,080</b>
Fee and commission revenue	20,651	23,321	14,126
Fee and commission expense	(341)	(764)	(553)
<b>Net fee and commission revenue</b>	<b>20,310</b>	<b>22,557</b>	<b>13,573</b>
Trading revenue	28,692	14,771	14,866
Other revenue	656	663	221
<b>Income before credit impairment charges</b>	<b>127,667</b>	<b>91,331</b>	<b>68,740</b>
Credit impairment charges	(25,577)	(19,803)	(14,931)
<b>Income after credit impairment charges</b>	<b>102,090</b>	<b>71,528</b>	<b>53,809</b>
Staff costs	(28,296)	(25,033)	(18,136)
Other operating expenses	(43,990)	(31,709)	(30,532)
<b>Profit before tax</b>	<b>29,804</b>	<b>14,786</b>	<b>5,141</b>
Income tax	(1,503)	123	1,753
<b>Profit for the year</b>	<b>28,301</b>	<b>14,909</b>	<b>6,894</b>
<b>Other comprehensive income:</b> <i>Items that are or may be reclassified subsequently to profit or loss:</i>			
- Net change in fair value of available-for-sale financial assets	3,492	(474)	1,737
- Realised fair value adjustments on available-for-sale financial assets reclassified to income statement	64	(162)	653
<b>Other comprehensive income for the year, net of tax</b>	<b>3,556</b>	<b>(636)</b>	<b>2,390</b>
<b>Total comprehensive income for the year</b>	<b>31,857</b>	<b>14,273</b>	<b>9,284</b>
<b>Profit attributable to:</b>			
Equity holders of the parent	28,301	14,909	6,894
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent	31,857	14,273	9,284
<b>Earnings per share</b>			
Basic earnings per ordinary share (kobo)	755	398	184
Diluted earnings per ordinary share (kobo)	755	398	184

## REPORTING ACCOUNTANT'S REPORT

### 2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2017 N'millions	31 December 2016 N'millions	31 December 2015 N'millions
<b>ASSETS</b>			
Cash and cash equivalents	400,838	289,312	193,945
Pledged assets	43,240	28,303	86,303
Trading assets	151,479	15,657	36,590
Derivative assets	11,052	14,317	911
Financial investments	276,530	217,917	145,485
Asset held for sale	-	-	262
Loans and advances to banks	9,234	15,264	26,782
Loans and advances to customers	372,089	352,965	353,513
Other assets	40,655	31,307	17,202
Property and equipment	18,602	19,668	21,991
Intangible assets	605	713	-
Deferred tax assets	8,346	8,334	7,329
<b>Total assets</b>	<b>1,332,670</b>	<b>993,757</b>	<b>890,313</b>
<b>LIABILITIES</b>			
Trading liabilities	62,449	5,325	24,101
Derivative liabilities	2,592	11,788	383
Current tax liabilities	2,412	1,865	1,884
Deposits from banks	61,721	53,766	95,446
Deposits from customers	775,262	568,673	497,579
Other borrowings	74,892	79,633	81,107
Subordinated debt	29,046	27,964	23,699
Provisions	9,042	6,364	7,751
Other liabilities	176,554	128,521	62,784
<b>Total liabilities</b>	<b>1,193,970</b>	<b>883,899</b>	<b>794,734</b>
<b>EQUITY</b>			
Share capital	1,875	1,875	1,875
Share premium	42,469	42,469	42,469
Reserves	94,356	65,514	51,235
<b>Total equity</b>	<b>138,700</b>	<b>109,858</b>	<b>95,579</b>
<b>Total equity and liabilities</b>	<b>1,332,670</b>	<b>993,757</b>	<b>890,313</b>

## REPORTING ACCOUNTANT'S REPORT

### 3. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders									
	Ordinary share capital	Share premium	Statutory credit risk reserve	Available-for-sale revaluation reserve	Share-based payment reserve	SMIESS reserves	AGSMIES reserves	Statutory reserves	Retained earnings	Total
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
<b>Balance at 1 January 2015</b>	<b>1,875</b>	<b>42,469</b>	<b>3,366</b>	<b>(1,570)</b>	<b>304</b>	<b>1,039</b>	<b>-</b>	<b>18,981</b>	<b>21,326</b>	<b>87,790</b>
Profit for the year	-	-	-	-	-	-	-	-	6,894	6,894
Net change in fair value on available-for-sale financial assets	-	-	-	1,737	-	-	-	-	-	1,737
Realised fair value adjustments on available-for-sale financial assets	-	-	-	653	-	-	-	-	-	653
Statutory credit risk reserve	-	-	3,318	-	-	-	-	-	(3,318)	-
Transfer to statutory reserve	-	-	-	-	-	-	-	926	(926)	-
Equity-settled share-based payment transaction	-	-	-	-	5	-	-	-	-	5
Transfer of vested share options to retained earnings	-	-	-	-	(277)	-	-	-	277	-
Dividends paid to equity holders	-	-	-	-	-	-	-	-	(1,500)	(1,500)
<b>Balance at 31 December 2015</b>	<b>1,875</b>	<b>42,469</b>	<b>6,684</b>	<b>820</b>	<b>32</b>	<b>1,039</b>	<b>-</b>	<b>19,907</b>	<b>22,753</b>	<b>95,579</b>
<b>Balance at 1 January 2016</b>	<b>1,875</b>	<b>42,469</b>	<b>6,684</b>	<b>820</b>	<b>32</b>	<b>1,039</b>	<b>-</b>	<b>19,907</b>	<b>22,753</b>	<b>95,579</b>
Profit for the year	-	-	-	-	-	-	-	-	14,909	14,909
Net change in fair value on available-for-sale financial assets	-	-	-	(474)	-	-	-	-	-	(474)
Realised fair value adjustments on available-for-sale financial assets	-	-	-	(162)	-	-	-	-	-	(162)
Statutory credit risk reserve	-	-	(5,895)	-	-	-	-	-	5,895	-
Transfer to statutory reserve	-	-	-	-	-	-	-	2,246	(2,246)	-
Equity-settled share-based payment transaction	-	-	-	-	6	-	-	-	-	6
Transfer of vested share options to retained earnings	-	-	-	-	(10)	-	-	-	10	-
<b>Balance at 31 December 2016</b>	<b>1,875</b>	<b>42,469</b>	<b>789</b>	<b>184</b>	<b>28</b>	<b>1,039</b>	<b>-</b>	<b>22,153</b>	<b>41,321</b>	<b>109,858</b>

## REPORTING ACCOUNTANT'S REPORT

	Attributable to equity holders									
	Ordinary share capital	Share premium	Statutory credit risk reserve	Available-for-sale revaluation reserve	Share-based payment reserve	SMIESS reserves	AGSMIES reserves	Statutory reserves	Retained earnings	Total
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
<b>Balance at 1 January 2017</b>	<b>1,875</b>	<b>42,469</b>	<b>789</b>	<b>184</b>	<b>28</b>	<b>1,039</b>	<b>-</b>	<b>22,153</b>	<b>41,321</b>	<b>109,858</b>
Profit for the year	-	-	-	-	-	-	-	-	28,301	<b>28,301</b>
Net change in fair value on available-for-sale financial assets	-	-	-	3,492	-	-	-	-	-	<b>3,492</b>
Realised fair value adjustments on available-for-sale financial assets	-	-	-	64	-	-	-	-	-	<b>64</b>
Statutory credit risk reserve	-	-	(789)	-	-	-	-	-	789	-
Transfer to statutory reserve	-	-	-	-	-	-	-	4,223	(4,223)	-
Transfer to AGSMIEIS	-	-	-	-	-	-	749	-	(749)	-
Equity-settled share-based payment transaction	-	-	-	-	(15)	-	-	-	-	<b>(15)</b>
Transfer of vested share options to retained earnings	-	-	-	-	-	-	-	-	-	-
Dividend paid to Equity holders	-	-	-	-	-	-	-	-	(3,000)	<b>(3,000)</b>
<b>Balance at 31 December 2017</b>	<b>1,875</b>	<b>42,469</b>	<b>-</b>	<b>3,740</b>	<b>13</b>	<b>1,039</b>	<b>749</b>	<b>26,376</b>	<b>62,439</b>	<b>138,700</b>

## REPORTING ACCOUNTANT'S REPORT

### 4. CONSOLIDATED STATEMENT OF CASH FLOWS

	31 December 2017 N'millions	31 December 2016 N'millions	31 December 2015 N'millions
<b>Cash flows from operating activities</b>			
Profit /(loss) before income tax	29,804	14,786	5,141
<b>Adjustments:</b>			
Credit impairment charges on loans and advances	25,577	19,803	14,931
Depreciation of property and equipment	3,427	3,650	3,059
Amortisation of intangible assets	46	33	-
Dividend income	(112)	(224)	(105)
Items of intangible assets written off	(62)	-	-
Equity-settled share-based payments	(15)	6	5
Fair value on derivatives	(5,931)	(2,001)	1,655
Non-cash flow movements in other borrowings	1,088	35,382	1,963
Non-cash flow movements in subordinated debt	1,082	4,265	726
Interest expense	38,429	29,927	39,151
Interest income	(116,438)	(83,267)	(79,231)
Gains on disposal of property and equipment	(207)	(51)	(44)
	(53,116)	7,523	(17,890)
Increase in loans and other assets	(261,266)	59,660	5,347
Increase in deposits and other liabilities	309,345	60,080	(39,897)
Dividends received	101	202	95
Interest paid	(35,864)	(27,921)	(38,140)
Interest received	114,612	73,457	81,020
Direct taxation paid	(962)	(875)	(2,233)
<b>Net cash flows from / (used in) operating activities</b>	<b>102,654</b>	<b>186,912</b>	<b>(6,557)</b>
<b>Investing activities</b>			
Capital expenditure on - property	(139)	(167)	(234)
- equipment, furniture and vehicles	(2,615)	(1,531)	(4,116)
- intangible assets	-	(746)	-
Proceeds from sale of property, equipment, furniture and vehicles	600	422	183
(Purchase)/ sale of financial investment	(55,057)	(71,072)	42,012
<b>Net cash flows (used in)/ from investing activities</b>	<b>(57,211)</b>	<b>(73,094)</b>	<b>37,845</b>
<b>Financing activities</b>			
Proceeds from addition to other borrowings	25,278	5,746	30,734
Repayment of other borrowings	(31,107)	(44,608)	(21,741)
Dividends paid	(3,000)	-	(1,500)
<b>Net cash flows (used in)/ from financing activities</b>	<b>(8,829)</b>	<b>(38,862)</b>	<b>7,493</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>36,614</b>	<b>74,956</b>	<b>38,781</b>
Effect of exchange rate changes on cash and cash equivalents	13,163	14,904	5,143
Cash and cash equivalents at beginning of the year	179,722	89,862	45,938
<b>Cash and cash equivalents at end of the year</b>	<b>229,499</b>	<b>179,722</b>	<b>89,862</b>

## STATUTORY AND GENERAL INFORMATION

### 1. INCORPORATION AND SHARE CAPITAL HISTORY

The Bank was incorporated as a private limited liability company on 2 February 1989 with a share capital of ₦12,000,000 and was converted into a public limited liability company on 25 January 2005.

Pursuant to the full implementation of the CBN's Regulation 3 of 2010, the Bank's shares were de-listed on 23 November 2012 from the official trading list of The NSE and the Bank became a wholly owned subsidiary of Stanbic IBTC Holdings PLC.

The Bank currently has an authorised share capital of ₦4,000,000,000 comprising 8,000,000,000 Ordinary Shares of 50 kobo each, while its issued and paid-up share capital is ₦1,874,998,327 comprising 3,749,996,654 Ordinary Shares of 50 kobo each.

The following changes have taken place in the Bank's authorised and issued share capital since incorporation.

Year	Authorised (₦000)		Issued & Fully Paid-up (₦000)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1989	-	20,000	-	12,000	Cash
1991	30,000	50,000	12,000	24,000	Bonus (1:1)
1992	-	50,000	16,000	40,000	Bonus (2:3)
1994	100,000	150,000	60,000	100,000	Bonus (3:2)
1996	50,000	200,000	100,000	200,000	Bonus (1:1)
1997	400,000	600,000	400,000	600,000	Bonus (2:1)
2001	400,000	1,000,000	400,000	1,000,000	Bonus (2:3)
2003	1,000,000	2,000,000	1,000,000	2,000,000	Bonus (1:1)
2004	2,000,000	4,000,000		2,000,000	
2005	1,000,000	5,000,000	935,492	2,935,492	Cash
2006	1,500,000	6,500,000	3,314,508	6,250,000	Cash and share exchange
2007	3,500,000	10,000,000	3,125,000	9,375,000	Share exchange
2012	(7,500,000)	2,500,000	(7,500,000)	1,875,000	Share exchange
2015	1,500,000	4,000,000		1,875,000	

## STATUTORY AND GENERAL INFORMATION

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### 2. SHAREHOLDING STRUCTURE

As at 30 June 2017, the Bank's issued share capital of 3,749,996,654 Ordinary Shares of 50 kobo each was beneficially held as follows:

	Ordinary Shares held	%
Stanbic IBTC Holdings PLC	3,749,996,653	99.99999999%
Yinka Sanni	1	0.00000001%
	<hr/>	
	3,749,996,654	100.00%

Apart from Stanbic IBTC Holdings PLC, no other shareholder held more than 5% of the issued share capital of the Bank as at 30 June 2017.

### 3. DIRECTORS' BENEFICIAL INTERESTS

With the exception of the 1 (one) share held by Mr. Sanni, none of the other Directors holds any shares in the Bank.

### 4. INDEBTEDNESS

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 Series of Instruments to be issued

### 5. Investments

Information on the current and ongoing investments of the Issuer is disclosed in the audited financial statements on an ongoing basis as financial investments (non-trading financial assets primarily consisting of sovereign and corporate debt), and equity investments in subsidiaries.

### 6. SUBSIDIARIES

As at the date of this Shelf Prospectus, the Bank has 2 subsidiaries:

<b>Subsidiaries</b>	<b>% Shareholding</b>
Stanbic IBTC Nominees Limited	99.9%
Stanbic IBTC Bureau de change Limited	99.9%

### 7. CLAIMS AND LITIGATION

The Bank is, in its ordinary course of business, presently involved in two hundred and forty-five (245) cases.

The total monetary claims in Thirty-One (31) cases instituted against the Bank with claims above Two Hundred and Fifty Million Naira (₦250,000,000 ) including Three (3) counter-claims in the Ten (10) cases instituted by the Bank is approximately One Hundred and Sixty-Two Billion, Fifty-Eight Million, Seven Hundred and Sixteen Thousand, One Hundred and Eighty-Eight Naira, Thirty-Seven Kobo (₦162,058,716,188.37); and Two Hundred and Fifty Thousand United States Dollars (USD\$250,000.00), excluding interest and costs, which may be awarded by the courts hearing those matters after conclusion of same.

The total monetary claim in the Ten (10) cases instituted by the Bank, including the Bank's counter-claims in Thirteen (13) out of the Thirty-One (31) cases instituted against it, is approximately ₦ 15,309,430,293.95 (Fifteen Billion, Three Hundred and Nine Million, Four Hundred and Thirty Thousand, Two Hundred and Ninety-Three Naira, Ninety-Five Kobo), excluding interest and costs, which may be awarded by the courts hearing those matters after conclusion of same.

The Solicitors to the Transaction are of the opinion that the contingent liability to which the Bank may be exposed on account of these matters is not likely to exceed the sum of Fifty-Three Billion,

Eight Hundred and Four Million, One Hundred and Twenty-Seven Thousand, One Hundred and Ten Naira, Twenty Kobo (₦53,804,127,110.20). The Solicitors to the Transaction are also of the opinion that majority of the claims instituted against the Bank are exaggerated, frivolous, speculative. Most of the claims against the Bank are instituted by loan defaulters as pre-emptive actions to delay the Bank's recovery effort in respect of outstanding facilities. The Bank's contingent liability in the cases instituted against it will however eventually be established, found and determined by the court only upon conclusion of the cases.

In arriving at the above respective opinions, the Solicitors to the Transaction have assumed that matters involving the Bank are being and will continue to be diligently defended.

The Directors of the Bank are of the respective opinion that none of the aforementioned cases will have any Material Adverse Effect on the Bank, or the contemplated transaction; and save for the cases aforementioned, they are not aware of any other pending and/or threatened claim or litigation matter against the Bank which would have any Material Adverse Effect.

Based on the information made available to Solicitors to the Transaction, the Solicitors confirm that they are not aware of any claim or litigation pending against the Bank or threatened which (i) materially or adversely affects the Bank's ability to fulfil its obligations under the Transaction; and/or; (ii) affects the validity of the Transaction or restricts the proceedings or actions of the Bank with respect to the Transaction.

### 8. EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Below are relevant extracts from the Bank's Memorandum and Articles of Association:

#### ***Objects (Section 1)***

Clause 3 The objects for which the Company is registered are:

(a) To carry in Nigeria and elsewhere the business of banking and in this regard to transact and do all matters and things incidental thereto, or which at any time hereafter in any place where the Company shall engage in its business shall be carried on usually in the business of banking and in particular (but without prejudice to the generality of the foregoing):-

- iii. To draw make issue endorse accept buy sell discount and deal in bills of exchange promissory notes, bonds, debentures, certificates of deposit and other instruments and securities of any kind whatsoever whether transferable or negotiable or not.
- iv. To grant, issue negotiate and confirm letters of credit circular notes, drafts and instruments or securities of all kinds.

(e) To promote, effect, insure, guarantee, underwrite, participate in, manage or carry out any issue whether public or private of state municipal or other loans or bonds or of shares, stocks, debentures, debenture stock or bonds of any company or to subscribe to or to secure or procure the subscription of or placing of any issue and to lend or advance money for any such issues.

(f) To borrow or issue money on such terms as the Company may deem fit and in particular by the issue of notes, bonds, certificates of deposit, debentures and debenture stock (whether perpetual or not) and to secure the repayment of moneys borrowed or raised or owing by mortgaged charge or lien upon the whole or any part of the undertakings property and assets of the Company both present and future including its uncalled capital and also by similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligations undertaken by the company or any other person or company as the case may be.

#### ***Borrowing Powers (Section 2)***

##### Article 83

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property (both present and future) and uncalled Capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. Provided that the borrowing powers of the Directors

shall be limited such that the aggregate amount at any time owing in respect of moneys borrowed by the Company and its subsidiary companies exclusive of inter-company loans shall not exceed an amount equivalent to one and one half of the Company's Shareholders funds except with the consent of the Company in General Meeting.

### Article 84

Any debentures may be made assignable free from any equities between the Company and the person to whom the same may be issued at a discount, premium, or otherwise, and with any special privileges as to redemption, surrender, drawings, and otherwise upon such terms and conditions as the Directors shall think fit, and may be constituted or collaterally secured by a Trust Deed or otherwise.

### Article 85

The Directors shall duly comply with the requirements of Part VII of the Act in regard to the registration of mortgages and charges, the keeping of registers of charges therein specified and the otherwise. A fee of one thousand Naira shall be payable for each inspection of the register of charges by any person other than a creditor or Member and for each inspection of the register of debenture holders by any person other than a registered holder of the debenture or a Member of the Company.

## 9. EXTRACTS FROM THE MASTER TRUST DEED

### **Appointment of Trustees and Declaration of Trust (Section 3)**

The Issuer hereby appoints each of the Trustees, and each of the Trustees hereby accepts their appointment, as the joint representatives of the Holders in accordance with the provisions of the Trust Deed to hold the benefit of the covenants, rights and other obligations of the Issuer herein contained, for the benefit of the Holders in accordance with the terms and conditions of the Trust Deed (Section 3.1).

By execution hereof, the Trustees hereby declare themselves trustees for the Holders to hold the benefit of the covenants and other obligations on the part of the Issuer herein contained on trust for the Holders subject to the terms and conditions of the Trust Deed (Section 3.2).

Any sums received by the Trustees, whether of principal, interest or otherwise from the Issuer, shall be received by the Trustees on trust to apply same towards indemnities, costs and charges in accordance with the Trust Deed and, thereafter, apply the remainder in accordance with the rights of each Holder as set out in the Trust Deed and the relevant Series Trust Deed (Section 3.3).

The Trustees have accepted and agreed to enforce the powers, and perform the duties and obligations of the Trustees, specifically set forth herein (Section 3.4).

The trust created herein shall be a continuing obligation of the Trustees and shall continue to be in full force and effect until terminated in accordance with the Trust Deed (Section 3.5).

### **Amount and Issue of the Notes (Section 4)**

The Issuer may issue Notes (hereby constituted by the Trust Deed) from time to time in one or more Series in an aggregate nominal amount not exceeding the Programme Limit through public offering, book building, private placement or any other methods. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and save in respect of the issue date, Issue Price, first payment date of Interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the applicable Series Trust Deed and Final Terms (Section 4.1).

The Issuer shall be at liberty from time to time (but subject always to the provisions of the Trust Deed) without the consent of the Holders to create and issue further Notes having terms and

conditions which are the same as the Notes of any Tranche under the Programme save for the amount and date of the first payment of Interest thereon and so that the Notes may be consolidated and form a single series with the Outstanding Notes of a particular Series (Section 4.2).

Pursuant to a Deed of Covenant and an Agency Agreement dated on or about the date hereof, the Issuer has agreed to issue Structured Notes or such other Debt Securities as may be stated in the Final Terms as being constituted, secured or governed under the Deed of Covenant and Agency Agreement. The Issuer agrees that the total amount to be raised pursuant to the Deed of Covenant and Agency Agreement and the Trust Deed shall not exceed the Programme Limit (Section 4.3).

The Notes shall be issued at the Issue Price and shall be subscribed for in the multiples and in the manner set forth in the relevant Supplementary Shelf Prospectus or Final Terms (Section 4.4).

### **Form of the Notes (Section 5)**

#### **Form of Notes (Section 5.1)**

The Notes of each Series or Tranche shall be in registered form, and made eligible for admission to listing on a stock exchange. However, the Notes may be listed or unlisted at the discretion of the Issuer.

#### **Title (Section 5.2)**

##### **Issue of Notes in Dematerialised Form (Section 5.2.1)**

The Notes shall be issued in dematerialised/immobilised (book-entry) form and each Holder shall be issued an E-allotment Notification. Each Holder shall be entitled to deal in the same in accordance with CSCS procedures and guidelines.

The CSCS Statement of Account shall be conclusive and binding for all purposes save in the case of manifest error and such Person shall be treated by the Issuer, the Trustees and the Registrar as the legal and beneficial owner of such aggregate number of Notes for all purposes.

##### **Physical Certificates (Section 5.2.2)**

Notwithstanding section 5.2.1 above, a Holder may elect to receive a Certificate covering the aggregate Principal Amount of the Holder's beneficial interest in the Notes PROVIDED THAT joint Holders shall be entitled to only one (1) Certificate in respect of the Notes jointly held by them which certificate shall be delivered to that one of the joint Noteholders whose name stands first in the Register and the delivery of a Certificate to one of such persons shall be deemed to be sufficient delivery to all.

##### **Persons Deemed Owners (Section 5.3)**

Except as may subsequently be agreed between the Parties to a Series Trust Deed, the Holder (or his legal representative) shall be deemed and regarded as the legal and beneficial owner of the Debt Securities registered in its name for all purposes including but not limited to the payment of the Principal Amount, premium (if any) and Interest (where applicable).

##### **Currency, Medium and Place of Payment (Section 5.4)**

The Principal Amount, premium (if any), and Interest (where applicable) on the Notes shall be payable in the relevant currency (Section 5.4.1).

Payment of the Principal Amount, premium (if any) and Interest (where applicable) shall be made in the manner specified in the Final Terms (Section 5.4.2).

Payment of Final Redemption Amount shall be made in the manner as specified in the Final Terms (Section 5.4.3).

Any payment made pursuant to 5.4.1 to 5.4.3 above shall be deemed valid and shall satisfy and discharge the Issuer of any obligation to make payment on such Notes to the extent of the amount paid (Section 5.4.4).

### **Execution of Certificates** (Section 5.5)

All Certificates shall be executed for and on behalf of the Issuer by two Directors or by a Director and the Company Secretary or such other persons as the Issuer may authorise. The signatures of such Directors, the Company Secretary or of any other authorised person may be mechanically or electronically reproduced or engraved on the Certificates. Each Certificate so executed and authenticated shall be a binding and valid obligation of the Issuer to the Holder.

### **Exchange of Certificates and CSCS Statement of Account** (Section 5.6)

Upon presentation and surrender of any Certificate to the Registrar together with written instructions satisfactory to the Registrar, (duly executed by the registered Holder or his attorney duly authorised in writing), the Certificate may be exchanged for an amount equal to the aggregate Principal Amount or final Instalment Amount (where applicable) of registered Notes of that Series or Tranche; provided that such surrender and exchange shall occur on the Maturity Date of each Series or Tranche or any other date in respect of a Series or Tranche as specified in the relevant Series Trust Deed and/or Supplementary Shelf Prospectus.

The CSCS rules and procedure will apply to exchange of the CSCS Statement of Account in the case of dematerialized Notes.

### **Transfer of Notes** (Section 5.7)

All Notes issued pursuant to the Trust Deed shall be transferable subject to the provisions for registration of transfers contained herein (Section 5.7.1).

The Issuer shall cause the Register, with respect to each Tranche or Series, to be maintained at the offices of the Registrar and the Registrar shall provide for the registration of any Debt Securities or its transfer under such reasonable regulations as the Registrar with the approval of the Issuer and the Trustee may prescribe (Section 5.7.2).

Each Tranche or Series shall be registered in the applicable Register. Any transfer of Notes represented by a Certificate shall be effective only to the extent that such transfer is registered in the Register, by the Holder or transferee thereof in person or by his attorney duly authorised in writing, upon presentation and surrender of the Certificate (if the Notes are issued in physical form) together with a written instrument of transfer in a form satisfactory to the Registrar duly executed by or on behalf of the registered Holder and the transferee by a duly authorised attorney. Upon surrender of the aforesaid documents to facilitate the registration of transfer of Notes, the Registrar shall, if the above stated conditions are met, register such transfer, and deliver a new Certificate (if any) to the transferee as appropriate (Section 5.7.3).

The transfer of Notes in dematerialised or immobilised (book entry) form shall be regulated by the CSCS procedures and guidelines (Section 5.7.4).

The Register shall be closed during such periods as may be determined by the Parties, provided that the periods of such closure shall not exceed an aggregate of 30 (thirty) days in any year (Section 5.7.5).

### **Statements of Account** (Section 5.8).

The Issuer and the Trustees may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on (without liability) as sufficient evidence thereof the CSCS Statement of Account or any form of record made by the CSCS or such other form of evidence and/or information and/or certification as they shall, in their absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the Holder of a particular nominal amount of Notes and, if it does so rely, such CSCS Statement of Account, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

### **Separate Series** (Section 5.9)

The Notes of each Series shall form a separate Series of Notes and accordingly, unless for any purpose the Trustee in its absolute discretion shall otherwise determine, the provisions of Clauses 5 to 37 (both inclusive) and Schedule 3 shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in such Clauses and Schedule, the expressions **Notes** and **Holders** shall be construed accordingly.

### **Redemption of Notes** (Section 6)

The Notes will be redeemed at their Principal Amount plus premium (if any) and Interest (where applicable) on the Maturity Date, (or earlier at the option of the Issuer or the Holders if so provided in the relevant Series Trust Deed) (Section 6.1).

The mode and terms of redemption of the Notes will be as stated in the relevant Series Trust Deed and in accordance with Condition 5 (*Redemption, Purchase and Options*) (Section 6.2).

The Trustee shall not be required to take any steps to ascertain whether a Put Event or any event which could lead to the occurrence of a Put Event (*as defined in Condition 5*) (*Redemption, Purchase and Options*) has occurred and shall not be liable for omitting to take any such steps (Section 6.3).

### **Establishment of Designated Accounts** (Section 16)

Unless otherwise stated in any Series Trust Deed, the Issuer shall, not later than fifteen (15) Business Days before the first Interest Payment Date for each Tranche or Series of Notes, open a Designated Account in the name of the Trustees into which the Issuer shall at least three (2) Business Days before an Interest Payment Date, Instalment Date (as defined in Condition 5 of Schedule 3 to the Master Trust Deed) or Maturity Date ("Funding Date") pay all monies due under the relevant Tranche or Series at the time to the Holders (Section 16.1).

The Trustees shall at the expense of the Issuer notify the Issuer (Section 16.2):

at least five (5) Business Days before a Funding Date of an impending Funding Date (Section 16.1.1);

if it or its Appointee (as defined in the Master Trust Deed) have not by close of business on the Funding Date received the full amount required for payment to the Holders, that it has not received the said amount (Section 16.1.2); and

if it or its Appointee (as defined in the Master Deed) have received the full amount of any sum payable in respect of the Notes (Section 16.1.3).

SCHEDULE 1

**PROVISIONS FOR MEETINGS OF THE HOLDERS**

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**Who May Convene Meetings**

The Issuer or the Trustees respectively may at any time and at their discretion, and the Trustees shall on the requisition in writing of the Holders holding not less than three-quarters ( $\frac{3}{4}$ ) of the nominal amount of the Notes for the time being Outstanding (and upon being indemnified to its satisfaction against all costs and expenses to be thereby incurred), convene a meeting or meetings of the Holders in accordance with the provisions of this schedule to discuss and determine any matter affecting their interest. Any such meeting shall be held at such place as the Trustees shall determine or approve.

Holders of at least ten percent (10%) of the nominal amount of the Notes for the time being Outstanding shall be entitled, upon the occurrence of an Event of Default, to convene a meeting at which a resolution to compel the Trustees to take steps against the Issuer will be proposed.

**Notice of Meetings**

A meeting of the Holders may be called by giving not less than twenty-one (21) days' notice in writing.

A meeting may be called after giving shorter notice than that specified in paragraph 2.1 above if consent is accorded thereto by Holders holding not less than seventy-five per cent (75%) of the nominal amount of the Notes for the time being Outstanding.

**Content and manner of service of notice**

Every notice of a meeting shall specify the place, the day and hour of the meeting and shall contain a statement of the business to be transacted and the terms of every resolution (including the drafts of any Special Resolution) to be proposed thereat.

Notice of every meeting shall be given to:

every Holder; PROVIDED THAT the Trustees shall ensure that a notice is mailed to each of the Holders at their respective addresses of record in the Register of Notes of a Series maintained by the Registrar;

the person entitled to a Note in consequence of the death, insolvency, winding-up or dissolution of a Holder by sending it through the post in a pre-paid letter addressed to him by name or by the title of the representative of the deceased or assignee of the insolvent or by any like description at the address (if any) supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death, insolvency, Winding-up or dissolution had not occurred;

to the Registrar;

to each Trustee when the meeting is convened by the Issuer; and

the Issuer, when the meeting is convened by the Trustees.

The accidental omission to give notice to, or the non-receipt of notice by, any Holder or other person to whom it should be given shall not invalidate the proceedings of the meeting.

**Explanatory Statement to the Notice**

There shall be annexed to every notice convening a meeting of the Holders a statement setting out the material facts concerning each item of business.

Where any item of business consists of granting approval to any document by the meeting the time and place where the documents can be inspected shall be specified in the statement aforesaid.

### Quorum for Meeting

Any two or more Holders holding or representing by proxy at least one-third (1/3) of the nominal amount of the Notes for the time being Outstanding shall be a quorum for the conduct of business at a meeting of the Holders unless the business of the meeting includes the consideration of a Special Resolution, in which event the necessary quorum shall be two (2) or more Holders holding or representing by proxy seventy-five percent (75%) of the nominal amount of the Notes for the time being Outstanding and no business shall be transacted at any meeting unless the requisite quorum shall be present when the meeting proceeds to business, provided that at any meeting the business of which includes any of the following matters (each of which shall only be capable of being effected after having been approved by Special Resolution):

- a) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest on the Notes;
- b) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of the Notes;
- c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest in respect of the Notes;
- d) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is specified in respect of the Notes, to reduce any such Minimum and/or Maximum;
- e) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount;
- f) to vary the currency or currencies of payment or denomination of the Notes of a Series, or;
- g) to modify the provisions concerning the quorum required at any meeting of Holders or the majority required to pass a Special Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than seventy-five percent (75%), or at any adjourned meeting not less than twenty-five percent (25%), in nominal amount of the Notes for the time being Outstanding.

If within an hour from the time appointed for holding the meeting a quorum is not present, the meeting, if called upon the requisition of Holders, shall stand dissolved. In any other case, the meeting shall stand adjourned to such day and time not less than seven (7) days thereafter and to such place as the Chairman may determine.

At least seven (7) days' notice of any adjourned meeting shall be given in the same manner as for an original meeting, but it shall not be necessary to specify in such notice the business to be transacted at the adjourned meeting. Any two (2) or more persons being Holders or holding proxies for Holders whatever the amount of Notes held by them, shall be a quorum for deciding upon all matters which could properly have been disposed of at the meeting from which the adjournment took place, provided that where a Special Resolution is to be passed at such an adjourned meeting, the quorum shall be any two (2) or more persons being Holders or holding proxies for Holders holding at least 1/3<sup>rd</sup> of the nominal amount of the Debt Securities.

### Chairman of Meeting

Such person nominated by the Trustees shall be entitled to take the chair at every meeting and if no such nomination is made or if at any meeting the Trustees or the person nominated shall not be present within thirty (30) minutes after the time appointed for holding the meeting the Holders personally present shall on a show of hands elect one of themselves to be the Chairman thereof.

If a poll is demanded on the election of the Chairman it shall be taken forthwith and the Chairman elected on a show of hands shall exercise all the powers of the Chairman until the result of such poll is declared.

If some other person is elected Chairman as a result of the poll he shall be the Chairman for the remainder of the meeting.

### Persons entitled to attend meetings

In addition to the Holders, the Trustees, their solicitor(s), the Issuer and any authorised officer of the Issuer and any other person authorised in that capacity by the Trustees may attend any meeting but shall not be entitled to vote thereat.

### Evidence of Passing of Resolution

At any meeting a resolution or any question put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded in the manner hereinafter mentioned, and unless a poll is so demanded a declaration by the Chairman that on a show of hands the resolution has been carried either unanimously or by a particular majority or lost or not carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the meeting, shall be conclusive evidence of that fact without proof of the number or proportion of the votes cast in favour of, or against such resolution.

### Demand for Poll

Before or on the declaration of the result of the voting on any point or question on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on demand made in that behalf by at least five (5) Holders having the right to vote on the resolution and present in person or by proxy or by the holders of not less than one-quarter ( $\frac{1}{4}$ ) in nominal amount of the Debt Securities for the time being Outstanding.

The demand for a poll may be withdrawn at any time prior to such poll being taken by any person or persons who made the demand.

### Time of taking Poll

A poll demanded on a question of adjournment shall be taken forthwith.

A poll demanded on any other question (not being a question relating to the election of a Chairman as provided for in Paragraph 6.2 hereof) shall be taken in such manner and at such time not being later than thirty (30) days from the time when the demand was made, as the Chairman may direct.

### Votes

On a show of hands, every Holder who (being an individual) is present in person or by proxy or (being a body corporate) is present by its duly authorised representative shall have one (1) vote, and on a poll every Holder who is present in person or by proxy shall have one (1) vote in respect of every unit of the Debt Security of which he is the holder.

### Representatives of Bodies Corporate

Anybody corporate which is a Holder may by writing under the hand of a duly authorised officer authorise such person as it thinks fit to act as its representative at any meeting of the Holders and the person so authorised shall be entitled to exercise the same powers on behalf of the body corporate which he represents as that body corporate could exercise if it were an individual Holder.

### Proxies

The registered Holder or in the case of joint Holders, the one named first in the Register, shall be entitled to vote in respect thereof either in person or by proxy and in the latter case, as if such one joint Holder was solely entitled to such Debt Securities. A registered Holder shall be entitled to appoint another person (whether a Holder or not) as his proxy to attend a meeting and vote thereat instead of himself.

In every notice calling a meeting of the Holders there shall appear with reasonable prominence a statement that a Holder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Holder.

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarized copy of the power of authority, shall be deposited at such place as may be

## **STATUTORY AND GENERAL INFORMATION**

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specified in the notice convening the meeting or in some document accompanying the same or if no place is so specified then at the office of the Registrars for the time being, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a meeting at which a poll is to be taken, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

The instrument appointing a proxy shall be:

in writing in the usual common form or such other form as the Trustees may approve; and

signed by the Holder so appointing or his attorney duly authorised in writing or if the Holder so appointing is a body corporate be under its seal or be signed by an officer or any attorney duly authorised by it.

No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of execution. An instrument appointing a proxy shall be deemed to confer authority to demand or to join in a demand for a poll.

Every Holder entitled to vote at a meeting of the Holders or on any resolution to be moved thereat shall be entitled, during the period beginning twenty-four (24) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect by himself or through a duly authorised person, the proxies lodged at any time during the business hours of the Registrar, provided that not less than three (3) Business days' notice in writing of the intention so to inspect is given to the Registrar.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Trustees at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Entitlement of Holder to vote differently**

On a poll taken at a meeting of the Holders, a Holder entitled to more than one vote, or his proxy or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast all his votes in the same way.

### **Scrutineers at Poll**

Where a poll is to be taken the Chairman of the meeting shall appoint two (2) scrutineers to scrutinize the votes given on the poll and to report thereon to him.

The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or for any other cause.

Of the two (2) scrutineers appointed under this clause at least one such scrutineer shall always be a Holder present at the meeting, provided that such a Holder is available and willing to be appointed.

### **Manner of Poll and result thereof**

The Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken, and shall declare the result thereof.

### **Voting in the case of joint holding**

In the case of joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint Holders; and for this purpose seniority shall be determined by the order in which the names of the joint Holders stand in the Register of Debt Securities.

### Power to adjourn meeting

The Chairman of a meeting of the Holders (may with the consent of and shall, if directed by any such meeting at which a quorum is present), adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might lawfully have been transacted at the meeting from which the adjournment took place.

### Casting Vote

In the case of equality of votes whether on a show of hands or a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as or on behalf of a Holder.

### Proceedings and Demand for Poll

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

### Chairman to be sole judge

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting, and the Chairman present at the taking of a poll shall, taking the advice of the scrutineers, be the sole judge of the validity of every vote tendered at such poll.

### Power of General Meeting

A meeting of the Holders shall *inter alia* have the following powers which shall only be exercisable by Special Resolution:

- (a) to sanction the release of the Issuer from all or any part of the Principal monies and Interest owing on the Debt Securities;
- (b) to sanction any modification or compromise or any agreements in respect of the rights of the Holders against the Issuer whether such rights shall arise under the Trust Deed or a Certificate or otherwise;
- (c) to assent to any modification of the provisions contained in the Trust Deed proposed or agreed by the Issuer;
- (d) to give any sanction, direction or request which under any of the provisions of the Trust Deed is required to be given by Special Resolution;
- (e) to authorise and empower the Trustees to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Special Resolution;
- (f) to appoint any person (whether a Holder or not) into a committee or committees to represent the interest of the Holders and to confer upon such committee or committees any powers or discretions which the Holders could themselves exercise by Special Resolution; and
- (g) to sanction any scheme or proposal for the exchange of part or all of the Notes for or the conversion of the Notes into or cancellation of the Notes in consideration for shares, stocks and or other securities of the Issuer or any other company formed or to be formed for this purpose;
- (h) to give any release to the Trustees in respect of anything done or omitted to be done by the Trustees hereunder before the giving of the release.

### Resolution Binding

A resolution passed at a meeting of the Holders duly convened and held in accordance with the Trust Deed shall be binding upon all the Holders whether present or not at such meeting and whether or not voting, and each of the Holders shall be bound to give effect thereto accordingly, and the passing of any

## STATUTORY AND GENERAL INFORMATION

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such resolution shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with the meeting to determine without appeal, whether or not the circumstances justify the passing of such resolution.

### Minutes

Minutes of all resolutions and proceedings at such meeting as aforesaid shall be made and duly entered in the books to be provided from time to time for that purpose by the Trustees at the expense of the Issuer, and every such minutes as aforesaid if signed by the Chairman of the meeting at which such resolutions were passed or proceedings had or by the Chairman of the next succeeding meeting of the Holders shall be conclusive evidence of the matters therein contained, and until the contrary is proved every such meeting or proceedings in respect of which minutes have been signed as aforesaid shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken to have been duly passed or taken.

### Resolution in Writing

A resolution in writing duly signed by all the Holders for the time being outstanding, shall be as effective for all purposes as a Special Resolution duly passed at a meeting of the Holders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all of the Holders.

## 10. DECLARATIONS

Except as otherwise disclosed in this Prospectus:

- 1 No share of the Issuer is under option or agreed conditionally or unconditionally to be put under option;
- 2 No commissions, brokerages or other special terms have been granted by the Issuer to any person in connection with the Programme or sale of any securities of the Issuer;
- 3 Save as disclosed in this Prospectus, the directors of the Issuer have not been informed of any holding representing 5% or more of the issued share capital of the Issuer;
- 4 There are no founders', management or deferred shares or any options outstanding in the Issuer;
- 5 There are no material service agreements between the Issuer or any of its respective Directors and employees other than in the ordinary course of business;
- 6 There are no long-term service agreements between the Issuer or any of its respective Directors and employees other than in the ordinary course of business;
- 7 No Director of the Issuer has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Issuer in the five years prior to the date of this Prospectus;
- 8 No prosecution has commenced against the Issuer or any of its respective subsidiaries in respect of any breach of any securities or banking laws or CAMA;
- 9 No action has been taken against the Issuer by The NSE or FMDQ OTC in respect of any breach of the listing requirements of The NSE or FMDQ OTC respectively.

It is further declared that as at [•], 2018:

- 10 None of the Directors is under any bankruptcy or insolvency proceedings in any court of law;
- 11 None of the Directors has been convicted in any criminal proceeding;
- 12 None of the Directors is subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty.

## STATUTORY AND GENERAL INFORMATION

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### 11. COSTS AND EXPENSES

The costs and expenses of and incidental to the issuance of Instruments under the Programme, including fees payable to the regulatory authorities, brokerage commission, professional parties, printing and distribution expenses, will 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.

### 12. MATERIAL CONTRACTS

Other than the material contracts set out below, the Bank or any member of the group has not entered into any contract which is outside the Bank or the group's ordinary course of business and considered material in the five years prior to the date of issue of this Prospectus:

- i. Master Trust Deed dated [●] 2018 between Stanbic IBTC Bank PLC as Issuer and ARM Trustees Limited and United Capital Trustees Limited as Trustees in respect of the N150,000,000,000.00 Structured Note Programme of the Bank. The Master Trust Deed sets out, amongst others, the powers, rights, obligations/duties of the Trustees in relation to the Notes constituted by the Master Trust Deed.
- ii. Agency Agreement dated [●] 2018 and made between Stanbic IBTC Bank PLC as Issuer and Stanbic IBTC Trustees Limited as the Paying Agent, the Transfer Agent and the Calculation Agent in respect of the N150,000,000,000.00 Structured Note Programme of the Bank. The Agency Agreement sets out the relationship between the Issuer and the Paying Agent, Transfer Agent and Calculation Agent performing payment, calculation and other functions in respect of the Credit Linked Notes and other Structured Notes and the terms and conditions of the Structured Notes.
- iii. Deed of Covenant to be executed by the Issuer as a deed poll in favour of the Structured Noteholders, constituting a Tranche of the Structured Notes and setting out the Issuer's undertakings to the Structured Noteholders.

Other material contracts in respect of any issuance of Instruments under the Programme will be disclosed in the applicable Supplement.

### 13. RELATIONSHIPS BETWEEN THE ISSUER AND ITS ADVISERS

Except as disclosed below, the Issuer is not related to any of its advisers other than in the ordinary course of business:

- i. The Issuer and the Issuing House, Stanbic IBTC Capital Limited, are subsidiary companies of Stanbic IBTC Holdings PLC
- ii. The Issuer and the Paying Agent, Transfer Agent and Calculation Agent, Stanbic IBTC Trustees Limited, are subsidiary companies of Stanbic IBTC Holdings PLC.

### 14. OVERVIEW OF CORPORATE GOVERNANCE

The Bank and its subsidiaries operate under a governance framework which enables the Board to balance its role of providing oversight and strategic counsel with its responsibility to ensure conformance with regulatory requirements, group standards and acceptable risk tolerance parameters.

The Bank's subsidiaries have their own distinct boards and take account of the particular statutory and regulatory requirements of the businesses they operate. These subsidiaries operate under a governance framework that enable their respective boards to balance their roles in providing oversight and strategic counsel with their responsibility for ensuring compliance with the regulatory requirements that apply in their respective areas of operation and the standards and acceptable risk tolerance parameters adopted by the Bank. In this regard, both subsidiaries have aligned their governance framework to that of the Bank.

A number of committees have been established by the Bank's board that assists the Board in fulfilling its stated objectives. The committees' roles and responsibilities are set out in their

mandates, which are reviewed periodically to ensure they remain relevant. The mandates set out their roles, responsibilities, scope of authority, composition and procedures for reporting to the Board.

### **Codes and regulations**

The Bank operates in a highly regulated environment and compliance with applicable legislation, regulations, standards and codes, including transparency and accountability, remain an essential characteristic of its culture. The Board monitors compliance with these by means of management reports, which include information on the outcome of any significant interaction with key stakeholders and regulators. The Bank complies with all applicable legislation, regulations, standards and codes.

### **Board and directors**

#### *Board structure and composition*

Ultimate responsibility for governance rests with the Board of Directors of the Bank, who ensure that appropriate controls, systems and practices are in place. The Bank has a unitary board structure and the roles of chairman and chief executive are separate and distinct. The Bank's chairman is a non-executive director. The number and stature of non-executive directors ensures that sufficient consideration and debate are brought to bear on decision making thereby contributing to the efficient running of the Board.

One of the features of the manner in which the Board operates is the role played by board committees, which facilitate the discharge of board responsibilities. The committees each have a Board approved mandate that is regularly reviewed.

#### *Strategy*

The Board considers and approves the Bank's strategy. Once the financial and governance objectives for the following year have been agreed, the Board monitors performance against financial objectives and detailed budgets on an on-going basis, through quarterly reporting.

Regular interaction between the Board and the executive is encouraged. Management is invited, as required, to make presentations to the Board on material issues under consideration. Directors are provided with unrestricted access to the Bank's management and company information, as well as the resources required to carry out their responsibilities, including external legal advice, at the Bank's expense.

It is the Board's responsibility to ensure that effective management is in place to implement the agreed strategy, and to consider issues relating to succession planning. The Board is satisfied that the current pool of talent available within the Bank and the ongoing work to deepen the talent pool provides adequate succession depth in both the short and long term.

#### *Skills, knowledge, experience and attributes of directors*

The Board ensures that directors possess the skills, knowledge and experience necessary to fulfil their obligations. The directors bring a balanced mix of attributes to the Board, including:

- i. International and domestic experience;
- ii. Operational experience;
- iii. Knowledge and understanding of both the macroeconomic and the microeconomic factors affecting the Bank;
- iv. Local knowledge and networks; and
- v. Financial, legal, entrepreneurial and banking skills.

The credentials and demographic profile of the Board are regularly reviewed to ensure the Board's composition remains both operationally and strategically appropriate.

#### *Delegation of authority*

The ultimate responsibility for the Bank's operations rests with the Board. The Board retains effective control through a well-developed governance structure of Board committees. These committees provide in-depth focus on specific areas of Board responsibility. The Board delegates authority to the chief executive to manage the business and affairs of the Bank. The executive committee assists the chief executive when the Board is not in session, subject to specified parameters and any limits on the Board's delegation of authority to the chief executive.

### *Board committees*

Some of the functions of the Board have been delegated to Board committees, consisting of Board members appointed by the Board. The committees are listed below:

- i. Credit committee
- ii. Risk management committee
- iii. Board audit committee
- iv. Remuneration committee
- v. Board nomination committee
- vi. Audit committee

### *Going concern*

On the recommendation of the audit committee, the Board annually considers and assesses the going concern basis for the preparation of the financial statements at the period end.

### *Dealing in securities*

In line with its commitment to conduct business professionally and ethically, the Bank has introduced policies to restrict the dealing in securities by directors, shareholder representatives on the audit committee and employees.

### *Sustainability*

The Bank is committed to contributing to sustainable development through ethical, responsible financing and business practice which unlocks value for its stakeholders. The Bank manages the environmental and social aspects that impacts its activities, products and services, whilst ensuring sustainable value creation for its customers. The Bank is passionately committed to encouraging financial inclusion through the provision of banking and other financial services to all cadres of the society and a promoter of gender equality.

### *Social responsibility*

As an African business, the Bank understands the challenges and benefits of doing business in Africa, and owes its existence to the people and societies within which it operates. The Bank is committed therefore not only to the promotion of economic development but also to the strengthening of civil society and human well-being. The Bank is concentrating its social investment expenditure in defined focus areas which currently include education in order to make the greatest impact. These areas of focus will be subject to annual revision as the Nigeria's socio-economic needs change.

### *Ethics and organisational integrity*

The Board aims to provide effective and ethical leadership and ensures that its conduct and that of management is aligned to the organization's values and code of ethics.

### *Compliance with the Central Bank of Nigeria code of corporate governance*

Stanbic IBTC Bank PLC is primarily regulated by the CBN. In this regard, compliance with the CBN Code of Corporate Governance, as well as all regulations issued by the CBN for banks remains an essential characteristic of its culture. The Board confirms that as at the year ended 31 December 2017 the Bank has complied in all material respects with the principles set out in the CBN's code of corporate governance save for the requirement to appoint a second Independent Non-Executive Director. Significant progress is being made in terms of identifying a suitable candidate.

### *Whistle blowing*

In line with the CBN's guidelines on whistle blowing, the bank has a whistle blowing policy which has been approved by the Board. The Board supports the implementation of the policy which actively encourages the Bank's employees and other stakeholders to report any unlawful, irregular or unethical conduct that is observed through the requisite whistle blowing channels through confidential or anonymous disclosures.

### *Compliance with the Securities and Exchange Commission's Code of Corporate Governance*

As a public company, the Bank confirms that it constantly complies with the principles set out in the Securities and Exchange Commission's Code of Corporate Governance. The Bank applies the Code's principles of transparency, integrity and accountability through its behaviour, corporate governance best practice and by adoption, as appropriate and proportionate for a Bank of its size and nature. The policies and procedures adopted by the Board and applicable to the Bank's businesses are documented in mandates, which also set out the roles and delegated authorities applying to the Board and Board committees, and Executive Committee.

## 15. RELATED PARTY TRANSACTIONS

The Bank is wholly owned by Stanbic IBTC Holdings PLC and the ultimate parent and controlling entity of the Bank is Standard Bank Group Limited.

The Bank is related to other companies that are subsidiaries of Standard Bank Group Limited. These include Standard Bank Isle of Man Limited, Standard Bank of South Africa, Stanbic Bank Ghana Limited, CfC Stanbic Bank Kenya Limited, Stanbic Bank Botswana, Stanbic Bank Uganda Limited, and Standard Bank (Mauritius) Limited. ICBC Standard Bank PLC, which is an associate of Standard Bank Group Limited, is also a related party.

In the normal course of business, current accounts are operated and placements of foreign currencies and trades between currencies are made with Standard Bank of South Africa and other entities within the Standard Bank Group.

Stanbic IBTC Holdings also provides some support functions to the Bank and other entities related to the Bank. The support functions include information technology, legal and company secretarial services, as well as business support such as administrative, procurement and real estate services.

## 16. CONSENTS

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

<b>Directors of the Company:</b>	Mr Sim Tshabalala Dr Demola Sogunle Mr Yinka Sanni Mr Wole Adeniyi Mr Babatunde Macaulay Mr Andrew Mashanda Mr Zweli Manyathi Mr Arnold Gain Mrs Miannaya Essien, SAN
<b>Company Secretary:</b>	Mr Chidi Okezie
<b>Issuing House:</b>	Stanbic IBTC Capital Limited
<b>Solicitors to the Trustees:</b>	Udo Udoma & Belo-Osagie
<b>Solicitors to the Transaction:</b>	Banwo & Ighodalo
<b>Trustees:</b>	United Capital Trustees Limited

ARM Trustees Limited

**Paying, Calculation and Transfer Agent:** Stanbic IBTC Trustees Limited

### 17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents can be inspected at the offices of Stanbic IBTC Capital Limited at I.B.T.C. Place, Walter Carrington Crescent, Victoria Island, Lagos, between 8:00am and 5:00pm on Business Days, during the validity period of the Programme:

- i. The Certificate of Incorporation of the Issuer;
- ii. The Memorandum and Articles of Association of the Issuer;
- iii. A copy of the resolution dated 14 April 2011 passed at the meeting of the Board of Directors of the Bank, recommending of for the approval of the shareholders, the establishment of a Debt Issuance Programme;
- iv. A copy of the resolution dated 8 June 2011 passed at the Annual General Meeting of shareholders of the Bank, authorising the Directors to establish a Debt Issuance Programme
- v. This Prospectus dated [●] issued in respect of the ₦150,000,000,000 Structured Note Programme;
- vi. The audited financial statements of the Issuer for the three years ended, 31 December 2017, 31 December 2016 and 31 December 2015;
- vii. The Report by PwC on the audited financial information of the Issuer for each of the three years ended 31 December 2017, 31 December 2016 and 31 December 2015;
- viii. The schedule of the claims and litigation referred to above and the Solicitors' opinion thereon;
- ix. The material contracts referred to on page 105 of this Prospectus;
- x. The written consents referred to on page 108 of this Prospectus;
- xi. The Issuer's Ratings Report;
- xii. Letter of no objection from the CBN dated 8 February 2018; and
- xiii. Letter from the SEC dated [●] confirming the registration of the Prospectus.

## TERMS AND CONDITIONS OF THE STRUCTURED NOTES

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### GENERAL TERMS AND CONDITIONS

Save and except as otherwise stated in this Schedule, the General Terms and Conditions set out in Schedule 3 to the Master Trust Deed shall also apply to the Structured Notes.

### SUPPLEMENTARY 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:

<b>Agency Agreement</b>	means the agency agreement dated [●] and made between the Issuer, the Paying Agent, the Transfer Agent and the Calculation Agent and as may be further supplemented and/or amended and/or restated from time to time;
<b>Coupon Amount</b>	means in relation to a Tranche of Structured Notes, and a Coupon Period, the amount of coupon payable in respect of that Tranche of Structured Notes for that Coupon Period;
<b>Fixed Rate Structured Notes</b>	means the Structured Notes that carry a predetermined Coupon Rate payable in arrears on a fixed date or fixed dates in each year and on redemption or on such other dates as may be indicated in the applicable Structured Note Supplement;
<b>Floating Rate Structured Notes</b>	means the Structured Notes on which the Coupon payable in arrears changes periodically based on some pre-determined benchmark, in respect of such period or on such date(s) as may be indicated in the applicable Structured Note Supplement;
<b>FX Linked Coupon Notes</b>	means the Structured Notes in respect of which the amount payable in respect of Coupon is calculated by reference to one or more foreign exchange rates as may be indicated in the applicable Structured Note Supplement;
<b>Indexed Notes</b>	means the Structured Notes in respect of which the amount payable in respect of Coupon is calculated by reference to an index and/or a formula as may be indicated in the applicable Structured Note Supplement;
<b>Instalment Notes</b>	means the Structured Notes redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as specified in the applicable Structured Note Supplement;
<b>ISDA</b>	International Swaps and Derivatives Association, Inc.
<b>ISDA Definitions</b>	means the 2003 ISDA Credit Derivatives Definitions published by the ISDA, as amended and supplemented from time to time;
<b>NIBOR</b>	means the Nigerian Inter-bank Offered Rate as quoted on <a href="https://www.fmdqotc.com">https://www.fmdqotc.com</a> on the relevant date;
<b>Reference Bank</b>	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;
<b>Reference Price</b>	has the meaning ascribed thereto in the applicable Structured Note Supplement;
<b>Reference Rate</b>	has the meaning ascribed thereto in the applicable Structured Note Supplement;

## **TERMS AND CONDITIONS OF THE STRUCTURED NOTES**

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<b>Reference Rate Market</b>	means, [NIBOR], or the inter-bank market specified in the applicable Structured Note Supplement; in all other cases;
<b>Specified Denomination</b>	has the meaning specified in the applicable Structured Note Supplement; and
<b>Zero Coupon Structured Notes</b>	means the Structured Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment.

### **CONDITION 1**

#### **COUPON**

If the applicable Structured Note Supplement so specifies, the Structured 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 Structured 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 Structured Notes**

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

##### *(i) Accrual of Coupon*

The Structured 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 6 of the General Terms and Conditions (*Payments*).

##### *(ii) Fixed Coupon Amount*

The amount of coupon payable in respect of each Structured Note for any Coupon Period shall be the relevant Fixed Coupon Amount and, if the Structured 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 Structured 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 Structured Note divided by the Calculation Amount, provided that:

- (a) *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*
- (b) *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 Structured Notes, Indexed Notes and FX Linked Coupon Notes**

##### *(i) Accrual of Coupon*

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The Structured 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 6 of the General Terms and Conditions (*Payments*).

(ii) *Coupon Rate for Floating Rate Structured Notes*

The Coupon Rate which is applicable to a Tranche of Floating Rate Structured 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 Structured 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:

- (c) the Floating Rate Option is as specified in the applicable Structured Note Supplement;
- (d) the Designated Maturity is the period specified in the applicable Structured Note Supplement; and
- (e) 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 Structured 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 Structured 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 Structured 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 Structured 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 Structured 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 Structured Notes represented by Individual Certificates, or (ii) the aggregate outstanding Nominal Amount of the Structured Notes if the Structured 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 Structured Note divided by the Calculation Amount or, if sub-paragraph (ii) applies, *pro rating* such rounded figure amongst the Structured Notes by reference to the Specified Denomination of the relevant Structured Note relative to the then aggregate Nominal Amount of Structured 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 Structured Notes are for the time being listed, as soon as possible after their determination and in any event in the case of Floating Rate Structured 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 Structured 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 Structured Noteholders in accordance with Condition 6 of the Supplemental Conditions (*Notices*) and, if the relevant Tranche of Structured 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 Structured 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 Structured Notes, Indexed Notes and FX Linked Coupon Notes*) by the Calculation Agent will (in the absence of default, bad faith or manifest error) be binding on the Issuer, the Paying Agent and the Structured 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 Structured 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 Structured Noteholders (Put Option)*" and/or "Condition 5.5 of the General Terms and Conditions (*Redemption for Taxation Reasons*) is specified as applicable in the applicable Structured Note Supplement, a Tranche of Structured 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*).

#### **1.1 Scheduled Redemption**

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

- (a) The Structured 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.

#### **1.2 Early Redemption at the option of Structured Noteholders (Put Option)**

If the Structured Noteholders of Structured Notes are specified in the applicable Structured Note Supplement as having an option to put any Structured Notes, the Issuer shall, at the option of the Structured Noteholders of such Tranche of Structured Notes, redeem the Structured 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 Structured Noteholder in writing (the **Optional Redemption Amount(s) (Put) Amendment Notice**) as to the amount of the relevant Unwind Costs and the Structured 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 Structured 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 Structured Noteholders (Put Option)*), the Structured Noteholders of such Structured 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 Structured 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 Structured 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 Structured Note pursuant to this Condition 2.2 (*Early Redemption at the option of Structured 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 Structured 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 Structured Note forthwith due and payable pursuant to *Condition 3 (Events of Default)*.

### **1.3 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 Structured Notes held by the relevant Structured Noteholder to be forthwith due and payable in accordance with Condition 3 (*Events of Default*), such Structured 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*).

### **1.4 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 5.5 of the General Terms and Conditions (*Redemption for Taxation Reasons*), Condition 5.4 of the General Terms and Conditions (*Early Redemption*) or Condition 2.2 of the Supplemental Conditions (*Early Redemption at the option of Structured Noteholders (Put Option)*), shall terminate upon the occurrence before the performance of such obligation of a Credit Event.

### **1.5 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.

### **1.6 Early Redemption Amounts**

For the purpose of Condition 5.5 of the General Terms and Conditions (*Redemption for Taxation Reasons*), Condition 5.4 of the General Terms and Conditions (*Early Redemption*) or Condition 2.2 (*Early Redemption at the option of Structured Noteholders (Put Option)*), and Condition 3 (*Events of Default*) (and otherwise as stated herein), the Structured 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 Structured Notes with a Final Redemption Amount equal to the Nominal Amount, at the Final Redemption Amount thereof; or
- (b) in the case of Structured Notes (other than Zero Coupon Structured 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

## **TERMS AND CONDITIONS OF THE STRUCTURED NOTES**

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- (c) in the case of Zero Coupon Structured 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 Structured 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 Structured Notes shall arise upon the occurrence of any of the events stated in Condition 10 of the General Terms and Conditions (*Events of Default*) save that

- (i) Condition 10.1 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 Structured 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 10.2 shall not apply to the Structured Notes.

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

Paying Agent: Stanbic IBTC Trustees Limited

Address: The Wealth House, Plot 1678 Olakunle Bakare Close, Off Sanusi Fafunwa Street, Victoria Island, Lagos

Transfer Agent: Stanbic IBTC Trustees Limited

Address: The Wealth House, Plot 1678 Olakunle Bakare Close, Off Sanusi Fafunwa Street, Victoria Island, Lagos

Calculation Agent: Stanbic IBTC Trustees Limited

Address: The Wealth House, Plot 1678 Olakunle Bakare Close, Off Sanusi Fafunwa 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*:

## **TERMS AND CONDITIONS OF THE STRUCTURED NOTES**

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- (a) there will at all times be a Paying Agent and a Transfer Agent;
  - (b) so long as the Structured 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 Structured 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 STRUCTURED NOTE HOLDERS**

The Agency Agreement contains provisions for convening meetings of Structured Noteholders.

### **CONDITION 6**

#### **NOTICES**

**(a) Notices to the Structured Noteholders**

All notices to the Structured Noteholders will be valid if mailed to them at their respective addresses of record in the relevant register of Structured 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 Structured 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 Structured Noteholders**

Notices to be given by any Structured 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 Structured 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.

### 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

**Bankruptcy**

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;

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;

### **Business Day**

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;

### **Calculation Amount**

### **Call Option**

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;

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

### **Cash Settlement Amount**

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 5.6 of the General Terms and Conditions (*Redemption at the Option of the Issuer (Call Option)*);

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:

$$(A \times B) - C$$

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

**Conditionally Transferable Obligation** limitation, due to any tax liability, decrease in tax benefit or other adverse effect on its tax position);

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

## TERMS AND CONDITIONS OF THE STRUCTURED NOTES

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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 Structured Notes, (other than Zero Coupon Structured 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 Structured 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 Structured Notes (other than Zero Coupon Structured 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](http://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](http://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

**Day Count Fraction**

Settlement Currency that is (i) the rate of conversion specified in the applicable Structured Note Supplement 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;

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:

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

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 (ISDA 2006) 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 the Federal Republic of Nigeria, Canada, Japan, the Republic of South Africa, the United Kingdom or the United States of America or the euro 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;

<b>Delivery Date</b>	means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered;
<b>Delivery Expenses</b>	shall have the meaning specified in Condition 9 ( <i>Physical Settlement</i> );
<b>Designated Transferee</b>	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;
<b>Domestic Currency</b>	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);
<b>Downstream Affiliate</b>	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;
<b>Due and Payable Amount</b>	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

**Early Redemption Amount**

sums in respect of default interest, indemnities, tax gross-ups and other similar amounts);

the amount at which the CLNs will be redeemed by the Issuer pursuant to the provisions of Condition 5.5 of the General Terms and Conditions (*Redemption for Taxation Reasons*), Condition 5.4 of the General Terms and Conditions (*Early Redemption*) 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 5.5 of the General Terms and Conditions (*Redemption for Taxation Reasons*), Condition 5.4 of the General Terms and Conditions (*Early Redemption*) or Condition 2.2 of the Supplemental Conditions (*Early Redemption at the option of Structured 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;

<b>Event Determination Date</b>	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;
<b>Failure to Pay</b>	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;
<b>Fallback Settlement Method</b>	means the fallback settlement method specified in the applicable Structured Note Supplement;
<b>Final Broken Amount</b>	the amount specified as such in the applicable Structured Note Supplement;
<b>Final Decision</b>	means a Decision published in accordance with section 4.6(f) of the Rules;
<b>Final Price</b>	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;
<b>Final Redemption Amount</b>	means the amount payable in respect of each CLN upon final redemption thereof, as specified in the applicable Structured Note Supplement;
<b>Financial Exchange</b>	the NSE and/or such other or further exchange(s) as may be selected by the Issuer, subject to Applicable Laws;
<b>Fixed Coupon Amount</b>	means the amount specified in the applicable Structured Note Supplement;
<b>Full Quotation</b>	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;
<b>Fully Transferable Obligation</b>	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 <b>Fully Transferable Obligation</b> . 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;

## TERMS AND CONDITIONS OF THE STRUCTURED NOTES

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<b>Higher Redemption Amount</b>	means the amount Specified as such;
<b>Implied Yield</b>	means the yield accruing on the Issue Price of Zero Coupon CLNs, as specified in the applicable Structured Note Supplement;
<b>Initial Broken Amount</b>	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;
<b>Initial Stub Amount</b>	means the amount Specified as such;
<b>Intervening Period</b>	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;
<b>ISDA Annex</b>	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];
<b>ISDA Member</b>	means any entity listed, from time to time, as a Primary Member of ISDA or a Subscriber Member of ISDA on the Website;
<b>Issue Price</b>	The amount specified as such in the applicable Structured Note Supplement;
<b>Latest Permissible Physical Settlement Date</b>	means the 30th Business Day following the Physical Settlement Date;
<b>Mandatory Exchange</b>	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
<b>Market Value</b>	

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;

<b>Margin</b>	has the meaning ascribed thereto in the applicable Structured Note Supplement;
<b>Minimum Quotation Amount</b>	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;
<b>Minimum Redemption Amount</b>	means the amount Specified as such;
<b>Modified Eligible Transferee</b>	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;
<b>Modified Restructuring Maturity Limitation Date</b>	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;
<b>Multiple Holder Obligation</b>	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 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 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 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 5.4 of the General Terms and Conditions (*Early Redemption*). 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 5.4 of the General Terms and Conditions (*Early Redemption*) or Condition 5.6 of the General Terms and Conditions (*Redemption at the Option of the Issuer (Call Option)*);

**Optional Early Redemption Date(s) (Put 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 CLN holders are specified as having an option to redeem in accordance with Condition 2.2 of the Supplemental Conditions (Early Redemption at the option of Structured Noteholders (Put Option)). If no such date(s) is/are specified in the applicable Structured Note Supplement, the Optional 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

	<p>(b) with respect to any other obligation, the outstanding principal balance of such obligation,</p>
<b>Paying Agent</b>	<p>provided that with respect to any Exchangeable Obligation that is not an Accreting Obligation, <b>Outstanding Principal Balance</b> 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;</p>
<b>Payment Currency</b>	<p>Stanbic IBTC Trustees Limited, or such other party as may be appointed by the Issuer in accordance with the Agency Agreement;</p> <p>means Naira or such other currency as specified in the applicable Structured Note Supplement;</p>
<b>Payment Requirement</b>	<p>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, USD1,000,000 (One Million United States Dollars) 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;</p>
<b>Permitted Currency</b>	<p>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 &amp; 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];</p>
<b>Physical Settlement Date</b>	<p>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 (<i>Notices</i>) (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;</p>
<b>Physical Settlement Period</b>	<p>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;</p>
<b>Potential Failure to Pay</b>	<p>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;</p>

- 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

<b>Put Option</b>	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.
<b>Put Notice</b>	<p>Publicly Available Information need not state: (i) in relation to the definition of “<i>Downstream Affiliate</i>”, 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;</p> <p>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 2.2 of the Supplemental Conditions (<i>Early Redemption at the option of Structured Noteholders (Put Option)</i>);</p> <p>a notice which must be delivered to the Paying Agent by any CLN holder wanting to exercise the Put Option;</p>
<b>Qualifying Affiliate Guarantee</b>	means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity;
<b>Qualifying Guarantee</b>	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 <b>Underlying Obligation</b> ) for which another party is the obligor (the <b>Underlying Obligor</b> ) 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;
<b>Qualifying Participation Seller</b>	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;

<b>Regular Period</b>	means: <ul style="list-style-type: none"><li>(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;</li><li>(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</li><li>(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;</li></ul>
<b>Relevant Date</b>	means in respect of any payment, the date on which such payment first becomes due.
<b>Relevant Obligations</b>	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;
<b>Repudiation/Moratorium</b>	means the occurrence of both of the following events: <ul style="list-style-type: none"><li>(i) an authorized officer of a Reference Entity or a Governmental Authority:<ul style="list-style-type: none"><li>(a) 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</li><li>(b) declares or imposes a moratorium, standstill, roll-over or deferral, whether <i>de facto</i> or <i>de jure</i>, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and</li></ul></li><li>(ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to</li></ul>

the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date;

<b>Repudiation/Moratorium Evaluation Date</b>	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;
<b>Repudiation/Moratorium Extension Condition</b>	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 ( <i>Deferral of Maturity Date</i> ) applies, the Deferred Maturity Date;
<b>Repudiation/Moratorium Extension Notice</b>	<p>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.</p> <p>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;</p>
<b>Resolve, Resolved and Resolves</b>	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 <b>DC Resolution</b> ;
<b>Restructured Bond or Loan</b>	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;
<b>Restructuring</b>	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;

<b>Restructuring Date</b>	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;
<b>Restructuring Maturity Limitation Date</b>	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;
<b>Reviewable Question</b>	means an Eligible Reviewable Question rephrased in accordance with section 4.1 (b) of the Rules;
<b>Scheduled Maturity Date</b>	means the date specified in the applicable Structured Note Supplement;
<b>SEC Rules</b>	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)
<b>Series</b>	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;
<b>Settlement Currency</b>	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;
<b>Sovereign</b>	means any state, or government, or any Sovereign Agency thereof;
<b>Sovereign Agency</b>	means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign;
<b>Sovereign Restructured Deliverable Obligation</b>	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) <i>Interpretation of Provisions</i> " 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;
<b>Specified</b>	

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**

### **Valuation Date**

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

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:
- (i) **Average Market** means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
  - (ii) **Highest** means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
  - (iii) **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:
- (i) **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
  - (ii) **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:
- (i) **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
  - (ii) **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](http://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**

##### **2.1 Issue and Currency**

- 2.1.1 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 Notes or Structured Notes issued

## **TERMS AND CONDITIONS OF THE STRUCTURED NOTES**

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by the Issuer under the Programme) does not exceed the Programme Limit. 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.

2.1.2 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.

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

### **2.2 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

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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) Condition 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) Condition 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

## **TERMS AND CONDITIONS OF THE STRUCTURED NOTES**

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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.

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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:

- (i) 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
- (ii) 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

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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

## TERMS AND CONDITIONS OF THE STRUCTURED NOTES

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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.

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**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.

**Specified Financial Centre(s)** means the financial centre(s) 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.

**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 Structured 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 Structured 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 Structured 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 Structured Notes as it determines appropriate in order to reflect such substitution; or
- (b) redeem all (but not some only) of the Structured Notes by giving notice to Holders, in accordance with If the Structured 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 Structured 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 Structured 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

## TERMS AND CONDITIONS OF THE STRUCTURED NOTES

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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.

## FORM OF SUPPLEMENT

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Set out below is the form of Supplement which will be prepared by the Issuer for each Series of Instruments issued under the Programme



### STANBIC IBTC BANK PLC RC 125097

#### OFFER FOR SUBSCRIPTION OF ₦ [●%] SERIES [●] [NOTES / STRUCTURED NOTES] DUE [●] UNDER THE ₦150,000,000,000 STRUCTURED NOTES PROGRAMME

BOOKBUILDING OPENS: [●]

BOOKBUILDING CLOSSES: [●]

This Supplement is prepared for the purpose of Rule 279(3)6(b) of the Rules and Regulations of the Securities and Exchange Commission (the “Commission” or “SEC”), 2013 (as amended) in connection with the ₦150,000,000,000 Structured Notes Programme established by Stanbic IBTC Bank PLC (the “Issuer” or “the Bank”). This Supplement is supplemental to, and should be read in conjunction with the Shelf Prospectus, dated [●] as amended and/or supplemented from time to time

This document constitutes the Supplement relating to the issue of ₦ [●] (the “Issue”) described herein. The Instruments described herein are issued on, and are subject to the General Terms and Conditions of the Notes or the Terms and Conditions of the Structured Notes (as applicable) as amended and/or supplemented by the Final Terms contained in this Supplement. To the extent that there is any conflict or inconsistency between the contents of this Supplement and the Shelf Prospectus, the provisions of this Supplement shall prevail.

This 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 Supplement shall have the meanings ascribed to them in the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from the Issuing House.

The registration of the Shelf Prospectus and this Supplement shall not be taken to indicate that the Commission endorses or recommends the securities which forms the subject matter hereof, or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Supplement. No securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Supplement/Supplementary Shelf Prospectus later than three years after the date of the issue of the Shelf Prospectus. This 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 [●] [Notes/Structured Notes] (as applicable)”). Application has been made to the [FMDQ OTC PLC/ Governing Council of The Nigerian Stock Exchange for the admission of the Instruments to the Daily Official List of the Exchange]. [The Instruments also qualify as a security in which Trustees may invest under the Trustees Investments Act Chapter T22, Laws of the Federation of Nigeria 2004].

The Issuer accepts full responsibility for the accuracy of the information contained in this Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge (having made all reasonable enquiry), 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 has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Furthermore, the material facts contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

**This Supplement is dated [●] 2018**

## DESCRIPTION OF THE INSTRUMENTS/ SUMMARY OF FINAL TERMS

1. Issuer	Stanbic IBTC Bank PLC
2. Status of the Instruments	[•]
3. (a) Series Number	[•]
(b) Tranche	[•]
4. Aggregate Nominal Amount	[•]
5. Redemption/Payment Basis	[Redemption at par] [Credit Linked] [Instalment] [Partly Paid] [Zero Coupon] [Index Linked Notes] / [Structured Notes] [Specify other]
6. Interest Payment Basis	[Fixed]/[Floating] Rate [Specify other]]
7. Form of Instruments	[Registered] /[Book-Entry]
8. Automatic/Optional Conversion from one Interest Payment Basis to another	[Insert details including date for conversion]
9. Tenor	[•]
10. Issue Date	[•]
11. Trade Date	[•]
12. Business Centre	[•]
13. Additional Business Centre	[•]
14. Specified Denomination	[•]
15. Use of Proceeds	[•]
16. Calculation Amount	[•]
17. Issue Price	[•]

18. Interest Commencement Date	[•]
19. Interest Termination Date	[•]
20. Maturity Date	[•]
21. Specified Currency	[•]
22. Applicable Business Day Convention	[•]
23. Trustee(s)	[•]
24. Calculation Agent	[•]
25. Paying Agent	[•]
26. Transfer Agent	[•]
27. Specified office of the Calculation Agent, Paying Agent and Transfer Agent	[•]
28. Final Redemption Amount	[•]
29. Unwind Costs	[Standard Unwind Costs] [Other] [Not applicable]
<b>30. PARTLY PAID NOTES / [STRUCTURED NOTES]</b>	[Applicable/Not Applicable]  <i>(If not applicable delete the remaining sub- paragraphs of this paragraph)</i>
(a) Amount of each payment comprising the Issue Price	[•]
(b) Date upon which each payment is to be made by Holder	[•]
(c) Consequences (if any) of failure to make any such payment by Holder	[•]
(d) Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments	[•]
<b>31. INSTALMENT NOTES / [STRUCTURED NOTES]</b>	[Applicable/Not Applicable]  <i>(If not applicable delete the remaining sub- paragraphs of this paragraph)</i>
(a) Instalment Dates	[•]
(b) Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the Notes / [Structured Notes])	[•]

<b>32. FIXED RATE NOTES / [STRUCTURED NOTES]</b>	[Applicable/Not Applicable]
	<i>(If not applicable delete the remaining subparagraphs of this paragraph)</i>
(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	[•]
<b>33. FLOATING RATE NOTES / [STRUCTURED NOTES]</b>	[Applicable/Not Applicable]
	<i>(If not applicable delete the remaining subparagraphs of this paragraph)</i>
(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 Clause [•] (Definitions) of the Master Trust Deed	[•]
(d) Interest Rate(s)	[•]
(i) Minimum Interest Rate	[•]
(ii) Maximum Interest Rate	[•]
(iii) Other terms relating to the method of calculating interest (e.g. Day Count Fraction, rounding up provision, if different from Condition [•] of the General Terms and Conditions of the Notes <i>(Interest on Floating</i>	[•]

*Rate Notes and Index  
Linked Notes))*

- |  |   |
|--|---|
| (e) Interest Amount  | [•]   |
| (f) Margin   | [•]   |
| (g) Reference Banks  | [•]   |
| (h) Manner in which the Interest Rate is to be determined  | [ISDA Determination/Screen Rate Determination/other (insert details)] |
| (i) If ISDA Determination:   |   |
| (i) Floating Rate  | [•]   |
| (ii) Floating Rate Option  | [•]   |
| (iii) Designated Maturity  | [•]   |
| (iv) Reset Date(s)   | [•]   |
| (j) If Screen Rate Determination:  |   |
| (i) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) | [•]   |
| (ii) Interest Determination Date(s)  | [•]   |
| (iii) Relevant Screen Page   | [•]   |
| (iv) Relevant Time   | [•]   |
| (k) If Interest Rate to be calculated otherwise than by reference to (i) or (j) above                      |   |
| (i) Margin   | [•]   |
| (ii) Minimum Interest Rate   | [•]   |
| (iii) Maximum Interest Rate  | [•]   |
| (iv) Day Count Fraction  | [•]   |
| (v) Fall back provisions, rounding provisions and any other terms relating to the method of calculating    | [•]   |

interest for Floating Rate  
Notes / [Structured Notes]

- (l) If different from Calculation Agent, agent responsible for calculating amount of principal and interest [•]

**34. MIXED RATE NOTES / [STRUCTURED NOTED]**

[Applicable/Not Applicable]

*(If not delete the remaining sub-paragraphs of this paragraph)*

- (a) Period(s) during which the interest rate for the Mixed Rate Notes / [Structured Notes] will be (as applicable) for:

- (i) Fixed Rate Notes / [Structured Notes] [•]  
(ii) Floating Rate Notes / [Structured Notes] [•]  
(iii) Index Linked Notes / [Structured Notes] [•]  
(iv) Other / [Structured Notes] [•]

**35. ZERO COUPON NOTES / [STRUCTURED NOTES]**

[Applicable/Not Applicable]

*(If not delete the remaining sub-paragraphs of this paragraph)*

- (a) Implied Yield [•]  
(b) Reference Price [•]  
(c) Any other formula or basis for determining amount(s) payable [•]

**36. INDEX LINKED NOTES / [STRUCTURED NOTES]**

[Applicable/Not Applicable]

*(If not applicable delete the remaining sub-paragraphs of this paragraph)*

- (a) Type of Index Linked Notes / [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 [•]

**37. EXCHANGEABLE NOTES  
[STRUCTURED NOTES]**

[Applicable/Not Applicable]

*(If not applicable delete the remaining sub-paragraphs of this paragraph)*

- (a) Mandatory Exchange applicable? [•]
- (b) Holders' Exchange Right applicable? [•]
- (c) Exchange Securities [•]
- (d) Manner of determining Exchange Price [•]
- (e) Exchange Period [•]
- (f) Other [•]

**38. CREDIT LINKED NOTES PROVISIONS**

[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]
(g) Attach pro forma Put Notice(s)	[Applicable/ Not Applicable]
(h) 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 [●] of the General Terms and Conditions of the Notes ( <i>Redemption for Taxation reasons</i> ))	Nominal Amount outstanding on the date of redemption
	[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]

(i) Credit Event Backstop Date [Applicable] [Not applicable]

(j) Obligation(s)

Deliverable Obligation Category (Select only one)	Deliverable Obligation Characteristics (Select all that apply)
<input type="checkbox"/> Payment	<input type="checkbox"/> Not Subordinated
<input type="checkbox"/> Borrowed Money	<input type="checkbox"/> Specified Currency [●]
<input type="checkbox"/> Reference Obligations Only	<input type="checkbox"/> Not Sovereign Lender
<input type="checkbox"/> Bond	<input type="checkbox"/> Not Domestic Currency [Domestic Currency means [●]]
<input type="checkbox"/> Loan	<input type="checkbox"/> Not Domestic Law
<input type="checkbox"/> Bond or Loan	<input type="checkbox"/> Listed
	<input type="checkbox"/> Not Contingent
	<input type="checkbox"/> Not Domestic Issuance

Additional Obligations [●]

Excluded Obligations [●]

(k) Settlement Method [Auction Settlement] [Cash Settlement] [Physical Settlement]

(l) Fall back Settlement Method [Cash Settlement] [Physical Settlement] [Not applicable]

[●] Payment

**Terms Relating to Cash Settlement:**

(m) Final Price (if different from the definition in the Shelf Prospectus) [●]

(n) Valuation Date	[Single Valuation Date: [•] Business Days [Multiple Valuation Dates: [•] Business Days; and each [•] Business Days thereafter Number of Valuation Dates: [•]]
(o) Valuation Time	[•]
(p) Quotation Method	[Bid][Offer][Mid-market]
(q) Quotation Amount	[•] [ Representative Amount]
(r) Minimum Quotation Amount	[•]
(s) Indicative Quotation	[Applicable/Not Applicable]
(t) Quotation Dealer(s)	[•]
(u) Settlement Currency	[•]
(v) Cash Settlement Date	[•] Business Days
(w) Cash Settlement Amount	[•]
(x) Quotations	[Include Accrued Interest] [Exclude Accrued Interest]
(y) Valuation Method	[Market] [Highest]  [Average Market] [Highest] [Average Highest]  [Blended Market] [Blended Highest]  [Average Blended Market] [Average Blended Highest]
<b>Terms Relating to Physical Settlement:</b>	Physical Settlement Date: [•] Business Days.  Other terms: [•]
(z) Physical Settlement Period	[•]
(aa) Asset Amount	[Include Accrued Interest] [Exclude Accrued Interest]
(bb) 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 [•]

**39. OTHER NOTES / [STRUCTURED NOTES]** [Applicable/Not Applicable]

*(If not delete the remaining sub-paragraphs of this paragraph)*

If the Notes / [Structured Notes] are not Partly Paid Notes / [Structured Notes], Instalment Notes / [Structured Notes], Fixed Rate Notes / [Structured Notes], Floating Rate Notes / [Structured Notes], [•]

Mixed Rate Notes / [Structured Notes], Zero Coupon Notes / [Structured Notes], Index Linked Notes or Exchangeable Notes / [Structured Notes], Credit Linked Notes or if the Notes / [Structured Notes] are a combination of any of the foregoing, set out the relevant description and any additional terms and conditions relating to such Notes / [Structured Notes].

#### 40. PROVISIONS REGARDING REDEMPTION/MATURITY

(a) Redemption at the Option of the Issuer (Call Option)	[Applicable/Not Applicable]
If applicable:	
(i) Optional Redemption Date(s) (Call)	[•]
(ii) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s)	[•]
(iii) Minimum period of notice (if different from Condition [•] of the Terms and Conditions of the Notes ( <i>Early Redemption at the option of the Issuer (Call Option)</i> ))	[•]
(iv) If redeemable in part:	[•]
(A) Minimum Redemption Amount(s)	[•]
(B) Higher Redemption Amount(s)	[•]
(v) Other terms applicable on Redemption	[•]
(b) Redemption at the option of the Noteholders (Put Option)	[Applicable/Not Applicable]
If applicable:	
(i) Optional Redemption Date(s) (Put)	[•]
(ii) Optional Redemption Amount(s) (Put) and method, if any, of	[•]



(ii) Relevant sub-market of the Financial Exchange	[Not Applicable] [Interest Rates Market]
(f) Taxation	<p>The Notes are exempt from a number of taxes in Nigeria. These include exemptions from the Companies Income Tax (CIT), Value Added Tax (VAT) and Personal Income Tax (PIT), by virtue of the Companies Income Tax (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 respectively. The CIT Order and VAT Order became effective on January 2, 2012 and are valid for a period of ten (10) years from that date. The exemption order under PITA is indefinite. Following the expiration of the CIT Order and the VAT Order, and unless otherwise extended, the Notes will be subject to tax under Nigerian law. The Notes are also exempt from VAT payable on commissions on stock exchange transactions by virtue of the VAT (Exemption of Commissions on Stock Exchange Transactions) Order, 2014. Accordingly commissions payable to the SEC, NSE and Clearing System will not be subject to VAT until July 24, 2019.</p>
(g) If syndicated, names of managers	[•]
(h) Receipts attached? If yes, number of Receipts attached	[Yes/No]
(i) Coupons attached? If yes, number of Coupons attached	[Yes/No]
(j) Credit Rating assigned to the Issuer/Notes/Programme (if any)	<p>[Issuer Local: Short term [•]  Long term [•]  Issuer International: [•]]</p>
(k) Date of Issue of Credit Rating and Date of Next Review	Rating obtained on [•]. Next review in approximately [•]
(l) Stripping of Receipts and/or Coupons prohibited as provided in Condition [•] of the General Terms and Conditions of the Notes ( <i>Prohibition on Stripping</i> )?	[•]
(m) Governing law	[•]
(n) Other Banking Jurisdiction	[•]

(o) 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]
(p) Stabilisation Manager (if any)	[•]
(q) Method of Distribution	[•]
(r) [Total Notes / [Structured Notes] in Issue (excluding current issue)]	[•]
(s) Rights of Cancellation	[•]
(t) Material Change	[Save as disclosed in the Shelf Prospectus as read together with this 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 Auditor 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 [•].]
(u) Responsibility Statements	<p>[The Issuer certifies that to the best of its knowledge and belief, there are no material facts that have been omitted which would make any statement in the Shelf Prospectus, as read together with this 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 Supplement contains all information required by law, 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 Supplement, except as otherwise stated therein or herein.</p> <p>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 Supplement, makes no representation as to the accuracy 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 Supplement.]</p>

(v) Other provisions

[•]