

If you are in any doubt about the contents of this document or any action to be taken, it is recommended that you consult your Stockbroker, Banker, Solicitor, Accountant or any other professional adviser duly registered under the Investment and Securities Act (No. 29 of 2007). Investing in this Offer involves risks. For information concerning certain risk factors which should be considered by prospective investors, see "risk factors" commencing on pages 40 to 42 of the Shelf Prospectus issued in respect of the Bond Issuance Programme.



LAGOS STATE GOVERNMENT OF NIGERIA
Offer for Subscription (By way of Book Build)

of

₦100,000,000,000

Series III: 10 Year 12.25% Fixed Rate Bonds due 2030

(Offered to Qualified Institutional Investors and High Net worth Individuals, as defined under the Rules and Regulations of the Securities & Exchange Commission 2013 (as amended))

Under the ₦500,000,000,000 Debt Issuance Programme

Book Opens: December 31, 2019

Book Closes: January 17, 2020

This Pricing Supplement has been prepared pursuant to Rule 321 of the Rules and Regulations of the Securities & Exchange Commission ("the Commission" or "the SEC") and the listing requirements of the FMDQ Securities Exchange Plc ("FMDQ") and the Nigerian Stock Exchange ("the NSE") in connection with the issuance of ~~₦~~₦100,000,000,000 Bonds under the ₦500,000,000,000 Debt Issuance Programme established by Lagos State Government ("the Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated December 30, 2016 and any other supplements to the Shelf Prospectus as may be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement; except otherwise expressly stated. A copy of this Pricing Supplement has been delivered to the Commission for registration.

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

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the Securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. The Shelf Prospectus is valid for an indefinite period until determined by the Commission, according to Rule 279 (3)(5)(ii) of the SEC Rules (Sundry Amendments, April 2015).

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regards to the securities being issued hereunder (the "Series III Bonds" or "Bonds"). An application has been made to FMDQ and the NSE for the listing of the Bonds. The Bonds also qualify as a security in which Trustees may invest under the Trustee Investments Act (Cap T22) Laws of the Federation of Nigeria ("LFN"), 2004 and as a security under Section 20(1)(g) of the Personal Income Tax Act, Cap P8, LFN, 2004 as well as Section (19)(2) of the Companies Income Tax Act, Cap C21, LFN, 2004.

Investors are advised to also note that liability for false or misleading statements or acts made in connection with the prospectus is provided in sections 85 and 86 of the ISA 2007.

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. 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.

LEAD ISSUING HOUSE/BOOK RUNNER

CHAPEL HILL  DENHAM

ADVISORY LIMITED RC 1381308

JOINT ISSUING HOUSE/BOOK RUNNER:



RC 264978



RC 1376952



RC 207138



RC 446561



RC 116443



RC 972038



RC 639491



RC 956192



RC 672560



RC 1031358



RC 444999



RC 485600

www.lagosstate.gov.ng ; info@lagosstate.gov.ng

THIS PRICING SUPPLEMENT IS DATED JANUARY 29, 2020

TABLE OF CONTENTS

SUMMARY OF THE OFFER	3
MATERIAL ADVERSE CHANGE STATEMENT	8
PARTIES TO THE OFFER	9
INDICATIVE TRANSACTION TIMELINE	13
DECLARATION BY LAGOS STATE GOVERNMENT	14
THE ₦500 BILLION DEBT ISSUANCE PROGRAMME	15
DESCRIPTION OF THE ISSUE	16
SCHEDULE I – USE OF PROCEEDS	16
SCHEDULE II – USE OF PROCEEDS (DETAILED DESCRIPTION)	17
SCHEDULE III – INTEREST AND PRINCIPAL AMORTISATION PAYMENT SCHEDULE	22
APPENDIX I: DETAILS OF LAGOS STATE EXECUTIVE COUNCIL	23
APPENDIX II: EXTRACT FROM THE STATE EXECUTIVE COUNCIL RESOLUTION	27
APPENDIX III: EXTRACT FROM THE LAGOS STATE HOUSE OF ASSEMBLY RESOLUTION	29
APPENDIX IV: EXTRACT FROM RATINGS REPORT – AGUSTO & CO.	31
APPENDIX V: EXTRACT OF THE SERIES III TRUST DEED	32
APPENDIX VI: EXTRACT FROM REPORTING ACCOUNTANT’S REPORT	37
APPENDIX VII: FINANCIAL SUMMARY	46
APPENDIX VIII: PROCEDURE FOR APPLICATION AND ALLOTMENT	54
FORM OF COMMITMENT	56
FORM OF COMMITMENT (REVERSE SIDE)	57

SUMMARY OF THE OFFER

The following are the final terms of the Series III Bonds that are the subject of this Pricing Supplement. These terms and conditions are only applicable to this Issue.

1. **Issuer:** Lagos State Government
2. **Authorisation:** Lagos State Executive Council Resolution dated October 8, 2019
Lagos State House of Assembly Resolution November 22, 2019
3. **Description:** 10 year 12.25% Fixed Rate Bonds due 2030
4. **Series Number:** III
5. **Aggregate Nominal Amount:**
6.
 - i) **Issue Price:** At par. ₦1,000.00 (One Thousand Naira)
 - ii) **Issue Coupon:** 12.25%
 - iii) **Coupon Basis:** Fixed Rate
7.
 - i) **Gross Proceeds:** ₦100,000,000,000
 - ii) **Net Proceeds:** ₦97,763,210,100¹
8. **Subscription:** Minimum of ₦10,000,000.00 (i.e. 10,000 units at ₦1,000/unit) and multiples of ₦5,000,000.00 thereafter
9. **Denomination:** ₦1,000.00 (One Thousand Naira)
10.
 - i) **Issue Date:** January 29, 2020
 - ii) **Coupon Commencement Date:** January 29, 2020
11. **Tenor:** 10 years
12. **Maturity Date:** January 29, 2030
13. **Principal Redemption/Repayment Basis/Reopening:** Amortised redemption of the Principal Amount from the Payment Date following the expiration of a twenty-four (24) month principal moratorium period on repayment of the Principal Amount; or upon a call, at Par.

The Bond is callable by the Issuer at Par after five (5) years on any Interest Payment Date subject to the Issuer having obtained prior regulatory approval and the requisite notice period.
14. **Principal Moratorium Period:** Twenty-four (24) months from the issue date of the Series III Bond.
15. **Status of the Bond:** The Bonds shall be direct, unsecured, senior and unconditional obligations of the Issuer and shall rank pari-passu among themselves and equally with other existing obligations of the Issuer.
16. **Listing:** FMDQ Securities Exchange and/or The Nigerian Stock Exchange
17. **Method of Distribution:** By way of a Book Build to Qualified Institutional Investors ("QII") and High Net Worth Individuals ("HNIs"), as defined in the Rules and Regulations of the SEC.
18. **Use of Proceeds:** To execute priority projects, per details stated in Schedule I on page 16 hereof.
19. **Security Trust Structure:** The Series III Bond obligations will be serviced from the Consolidated Debt Service Account ("CDSA") and an Irrevocable Standing Payment Order ("ISPO"). The Issuer will appropriate the

¹ Following deduction of the sum of ₦2,236,789,900, being the offer costs which represent 2.24% of the Issue proceeds

SUMMARY OF THE OFFER

sum of ₦50,832,564 from the Consolidated Debt Service Account ("CDSA"), immediately upon the issuance of the Series III Bond for purposes of the repayment of the interest obligations under the Bond. The amount appropriated from the CDSA shall increase to ₦694,396,318, following the expiration of the twenty-four (24) month Principal Moratorium Period on the repayment of the Principal Amount.

The CDSA is a dedicated internally segregated savings account established under the provisions of the Bonds Law, for purposes of servicing all of Lagos State's public debt.

The Bonds Law provides for the creation of the CDSA by the Lagos State Government, into which a minimum of 15% of the State's Internally Generated Revenue (IGR) will be deposited on a monthly basis. The sum of ₦50,832,564 will be transferred monthly from the CDSA to the Sinking Fund managed by the Trustees to the Issue. The sum shall be increased to ₦694,396,318, following the expiration of a twenty-four (24) month Principal Moratorium Period on the repayment of the Principal Amount.

In addition, Lagos State has obtained an Irrevocable Standing Payment Order ("ISPO") in the sum of ₦1,000,000,000 (One Billion Naira) for purposes of servicing the interest and principal repayment obligations under the Bond. The ISPO will become effective immediately upon the issuance of the Series III Bond.

20. Event of Default:

Any of the conditions, events or acts provided in Clause 12 (Events of Default) of the Programme Trust Deed to be events upon the happening of which the Bonds in the relevant Pricing Supplement would be entitled to the remedies specified in Clause 14 (Remedies and Enforcement of Remedies) of the Programme Trust Deed.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

21. Fixed Rate Bond Provisions:

- | | |
|--|---|
| i) Interest Rate: | 12.25% per annum |
| ii) Interest Payment Date(s) : | Semi-annual interest payments, payable in arrears in the 1 st and 7 th month of each year from the Issue Date up to and including the Maturity Date. |
| iii) Interest Amount(s): | Please refer to the Interest and Principal Amortization Payment Schedule (Schedule III on page 22 hereof). |
| iv) Business Day Convention: | Modified Following Business Day: Where a Coupon Payment Date falls on a non-Business Day, such payment shall be postponed to the next day which is a Business Day provided that if such a Business Day falls into the next calendar month, such Coupon Payment Date shall be brought forward to the immediately preceding Business Day. |
| v) Day Count Fraction: | Actual/365 (actual numbers of days in a month/365 days in the year). |
| vii) Other terms relating to method of calculating interest for Fixed Rate Bonds: | Not Applicable |

SUMMARY OF THE OFFER

PROVISIONS RELATING TO REDEMPTION

22. **Optional Early Redemption (Call Option):** The Series III Bonds are callable at par after five (5) years, on any Interest Payment Date, following the sixtieth (60th) month; subject to the Issuer having obtained prior regulatory approval and upon issuance of the requisite notice to Bondholders.
23. **Optional Early Redemption (Put Option):** Not Applicable
24. **Scheduled Amortization:** Applicable
25. **Scheduled Redemption Dates:** Each 1st (First) and 7th (Seventh) month in each year commencing on July 29, 2022 (which is the Interest Payment Date following the twenty-fourth (24th) month of the Issue Date (being the end of the Principal Moratorium Period) until the Maturity Date.
26. **Final Redemption Amount of each note:** ₦1,000.00 (One Thousand Naira)
27. **Redemption Amount(s):** See the Interest and Principal Amortization Payment Schedule (in Schedule III on page 22 hereof)

GENERAL PROVISIONS APPLICABLE TO THE BONDS

28. **Form of Bonds:** Registered, dematerialised, electronic registration on FMDQ Depository Limited's Q-eX securities clearing and settlement platform.
29. **Clearing System:** FMDQ Depository Limited
30. **Record Date:** No Bondholder may require the transfer of a Bond to be registered during the period that is twenty-one (21) days preceding the due date of any payment of the Principal Amount or Coupon on the Bond.
31. **Bonds Settlement:** Bonds purchases will be settled by electronic funds transfers through either the CBN Inter-Bank Funds Transfer System ("CIBFTS"), National Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS").
32. **Oversubscription:** In the event that the number of bidders at the highest acceptable yield exceeds the amount of Bonds available at that yield per tranche, the State may either increase the amount available by up to 15% of the determined size of that particular tranche so that a minimum number of Bonds can be issued on a pro-rata basis to each successful bidder at that yield, or decrease the amount available so that no allocation of Bonds is made at that yield; provided however that, where the State increases the amount available, the oversubscription shall be subject to 15% of the size of the particular tranche (or such amounts as may be permitted by the SEC).
33. **Untraceable Bondholders:** If any registered bond is not presented for payment when the principal thereof becomes due (whether at maturity or call for redemption or otherwise), all liability of the Issuer to the Bondholder thereof for the payment of such Bond shall be completely discharged if funds sufficient to pay the Principal Amount of such Bond and the Coupon thereon shall be held by the Joint Trustees for the benefit of such Bondholder, and thereupon it shall be the duty of the Joint Trustees to hold such funds for up to six (6) years, without liability for Coupon thereon, for the benefit of such Bondholder, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature under this Deed or, on

or with respect to, such Bond.

DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

34. **Issuing House(s)/Bookrunner(s)
(as defined in the Vending Agreement):** Chapel Hill Denham Advisory Limited, Comercio Partners Capital Limited, Coronation Merchant Bank Limited, FBNQuest Merchant Bank Limited, FCMB Capital Markets Limited, Kairos Capital Limited, Lead Capital Limited, Phoenix Global Capital Limited, Quantum Zenith Capital & Investments Limited, Radix Capital Partners Limited, SFS Financial Services Limited, Stanbic IBTC Capital Limited, United Capital Plc, Vetiva Capital Management Limited.

GENERAL

35. **Issuer Rating:** A+ Global Credit Ratings Co.
A+ Agosto & Co.
36. **Issue Rating:** A+ Global Credit Ratings Co.
Aa- Agosto & Co.
37. **Taxation:** The Bonds are exempt from taxation in Nigeria in accordance with the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order 2011, the VAT (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 and the Personal Income Tax (Amendment) Act 2011. The Companies Income Tax and VAT Order 2011 became effective on January 2, 2012 and are valid for a period of ten (10) years therefrom. The exemption under Personal Income Tax is indefinite. Accordingly, all payments made to Bondholders shall be free and clear of withholding or other deductions, in respect of State Governments and Federal Government Income taxes as provided by the relevant Orders and Amendments. The Exemption Orders are due to expire on January 2, 2022 and it may be the case that withholding tax, or other State or Federal income tax are deducted at source from payments made to the Bondholders.
38. **Governing Law:** The Bonds will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria.
39. **Underwriting:** The Bonds will not be underwritten
40. **Indebtedness:** Lagos State Government has an indebtedness of ₦683,537,825,055.69 as at October 31, 2019 which constitutes loan capital, debentures, mortgages, overdrafts, short term loans, charges or similar indebtedness.
41. **Claims and Litigation:** The Lagos State Government has awarded 138 material contracts to its Ministries and Agencies. As at November 20, 2019 the aggregate outstanding monetary obligation on the 138 material contracts are approximately ₦320,201,122,141.19, €443,400.33 and \$2,360,000.00. The Solicitors to the Issue are of the opinion that:
- i. the contracts were entered into in the ordinary course of governance; and

- ii. the terms of the contracts do not affect the ability of the State to discharge its obligations under the Transaction.

As at the date of this Prospectus, the total claim for damages and compensation against the Lagos State Government in the civil and commercial litigations are ₦703,643,582,907.30. As advised by the Solicitors to the Issue, it is unlikely that the actions instituted against Lagos State will impact the Programme adversely. Furthermore, the success of any individual case would not materially impair Lagos State's ability to meet its obligations under the Programme.

42. **Summary of Financials:**
(Full Details on pages 47 to 54 hereof)

₦billions	2016	2017	2018
Total Operating Revenue	449.6	511.3	653.1
Total Operating Expenses	205.1	234.7	279.8
Total Assets	2,297.9	2,213.3	2,516.2
Total Liabilities	839.7	957.3	1,097.1

43. **Material Contracts Available for Inspection:**

- The Shelf Prospectus issued in respect of the Programme;
- Series Trust Deed;
- Series Vending Agreement; and other material contracts (as applicable)

MATERIAL ADVERSE CHANGE STATEMENT



The Managing Director
Chapel Hill Denham Advisory Limited
45 Saka Tinubu Street
Victoria Island
Lagos

October 22, 2019

**SUBMISSION OF MATERIAL ADVERSE CHANGE STATEMENT ON LAGOS STATE
SERIES III - UP TO ₦100 BILLION BOND ISSUANCE**

Except as disclosed in this Pricing Supplement, there has been no material adverse change in the financial position or prospects of the Issuer and no significant change in the financial or trading position of the Issuer.

In addition, during the twelve calendar months immediately preceding the date of filing an application with the Securities & Exchange Commission for the registration of this Pricing Supplement, Lagos State 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.

The Issuer accepts responsibility for the information contained in this Pricing Supplement which, contains all information that is material in the context of the issue of the Bond.

SIGNED for and on behalf of the Issuer, Lagos State Government:

A handwritten signature in green ink, appearing to read "Rabi Olowo".

Dr. Rabi Olowo
Honourable Commissioner for Finance

PARTIES TO THE OFFER

REPRESENTATIVES OF THE STATE EXECUTIVE COUNCIL

Mr. Babajide Olusola Sanwo-Olu
Governor



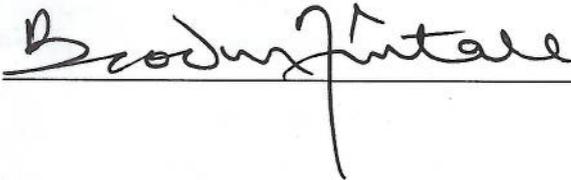
Dr. Rabiu Onaolapo Olowo
Honourable Commissioner for Finance



Mr. Moyosore Onigbanjo (SAN)
Attorney General and Honourable Commissioner for Justice



Dr. Abiodun Muritala
Accountant-General



PARTIES TO THE OFFER

PROFESSIONAL PARTIES TO THE ISSUE

ISSUING HOUSES

Chapel Hill Denham Advisory Limited (Lead)
 45 Saka Tinubu Street (1st Floor)
 Victoria Island
 Lagos

[Signature]
KEMI AWODEIN

Coronation Merchant Bank Limited
 10, Amodu Ojikutu Street
 Victoria Island
 Lagos

[Signature]
Banjo Adegbohunge

FCMB Capital Markets Limited
 First City Plaza (6th Floor), 44 Marina
 Lagos Island
 Lagos

[Signature]
Abimbola Kasim

Lead Capital Plc
 Plot 281 Ajose Adeogun Street
 Victoria Island
 Lagos

[Signature]
TAWO OLASINSI

Quantum Zenith Capital & Investments Limited
 Plot 2 Ajose Adeogun Street (12th Floor)
 Victoria Island
 Lagos

[Signature]
Efe Odeh

SFS Financial Services Limited
 287 Ajose Adeogun Street
 Victoria Island
 Lagos

[Signature]
Yemi C. Odeyemi

United Capital Plc
 UBA House (12th Floor), 57 Marina
 Lagos Island
 Lagos

[Signature]
LED OKAFOR

Comercio Partners Capital Limited
 10B Layi Yusuf Crescent
 Lekki Phase I
 Lagos

[Signature]
STEPHEN OSHO

FBNQuest Merchant Bank Limited
 10 Keffi Street
 South West Ikoyi
 Lagos

[Signature]
OLASINSI ODEYEMI

Kairos Capital Limited
 Elephant House (12th Floor), 214 Broad Street
 Lagos Island
 Lagos

[Signature]
Samuel Chidoka

Phoenix Global Capital Markets Limited
 9A Sir Samuel Manuwa Street
 Victoria Island
 Lagos

[Signature]
Segun Olorundajo

Radix Capital Partners Limited
 AllCO Plaza (3rd Floor), PC 12 Churchgate Street
 Victoria Island
 Lagos

[Signature]
OLASINSI ODEYEMI

Stanbic IBTC Capital Limited
 IBTC Place (Block A), Walter Carrington Crescent
 Victoria Island
 Lagos

ICBC.
[Signature]
Kobby Bentsi-Enchill

Vetiva Capital Management Limited
 266B Kofo Abayomi Street
 Victoria Island
 Lagos

[Signature]
Damilola Ajayi

JOINT TRUSTEES

ARM Trustees Limited
 1 Mekunwen Road
 Ikoyi
 Lagos

[Signature]
Folashade Adedoye

FCMB Trustees Limited
 Primrose Tower, 17A Tinubu Street
 Marina, Lagos Island
 Lagos

[Signature]
SAMUEL ADESANMI

Radix Trustees Limited
 AllCO Plaza (3rd Floor), PC 12 Churchgate Street
 Victoria Island
 Lagos

[Signature]
OLASINSI ODEYEMI

FBNQuest Trustees Limited
 10 Keffi Street
 South-West Ikoyi
 Lagos

[Signature]
Adekunle Awojobi

PAC Trustees Limited
 Plot 8A Elsie Femi Pearse Street
 Victoria Island
 Lagos

[Signature]
YINKA ADEGBOLA

Stanbic IBTC Trustees Limited
 Plot 1678 Olakunle Bakare Close
 Victoria Island
 Lagos

[Signature]
CHARENE OMOGBA

PARTIES TO THE OFFER

Sterling Asset Management and Trustees Limited

62 Adetokunbo Ademola Street
Victoria Island
Lagos
Funmi Ekundayo

STL Trustees Limited

30 Marina
Lagos Island
Lagos
Funmi Ekundayo

UTL Trust Management Services Limited

47 Marina
Lagos Island
Lagos
Olufunke Aiyepola

United Capital Trustees Limited

UBA House (12th Floor), 57 Marina
Lagos Island
Lagos
Tokunbo Ajayi

SOLICITORS TO THE ISSUER

G. Elias & Co.

6 Broad Street
Lagos Island
Lagos
Segun Guregie

Olaniwun Ajayi LP

Plot L2, 401 Close
Banana Island
Lagos
Waleji Esan

SimmonsCooper Partners

Fortune Towers (9th Floor),
27/29 Adeyemo Alakija Street
Victoria Island
Lagos
Funmi Ilola Mesacree

SOLICITORS TO THE ISSUE

Banwo & Ighodalo

48 Awolowo Road
Ikoyi
Lagos
Azeez Musa-Sadiq

M.A. Banire & Associates

18 Mobolaji Bank Anthony Way
Ikeja
Lagos
Kunle Adegoke

REGISTRARS TO THE STATE

First Registrars & Investor Services Limited

2 Abebe Village Road
Iganmu
Lagos
Modupe Agibotafe

REPORTING ACCOUNTANT

Ernst & Young

UBA House (10th Floor), 57 Marina
Lagos Island
Lagos
Okroni Alabi

RATING AGENCIES

Agusto & Co. Limited

UBA House (5th Floor)
57 Marina Rd
Lagos
Olusegun Awadik

Global Credit Rating Co.

New Africa House (11th Floor)
31 Marina
Lagos
Suliat Tijaja-Farayola
29/11/2020

SOLICITOR TO THE TRUSTEES

Templars

The Octagon (4th and 5th Floors)
13A A.J. Marinho Drive
Victoria Island
Lagos
Zeha Akwale

PARTIES TO THE OFFER

STOCKBROKERS

MBC Securities Limited (Lead)
 St. Nicholas House (11th Floor)
 26 Catholic Mission Street
 Lagos

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Lead Securities & Investment Limited
 Plot 281 Ajose Adeogun Street
 Victoria Island
 Lagos

Handwritten signature in blue ink: Oluwafemi Olaniran

Chapel Hill Denham Securities Limited
 45 Saka Tinubu Street (2nd Floor)
 Victoria Island
 Lagos

Handwritten signature in blue ink: Akeem Shodare

Greenwich Securities Limited
 1698A Oyin Jolayemi Street
 Victoria Island
 Lagos

Handwritten signature in blue ink: Eniola Osule

Nigerian Stockbrokers Limited
 Knight Frank Building (6th Floor)
 24 Campbell Street
 Lagos

Handwritten signature in blue ink: Bosun Adeniyi

Reading Investment Limited
 24 Keffi Street
 South-West Ikoyi
 Lagos

Handwritten signature in blue ink: Kammi Osoyan

Signet Investments and Securities Limited
 29 Marina
 Lagos Island
 Lagos

Handwritten signature in blue ink: O.A. Aina

Stanbic IBTC Stockbrokers Limited
 IBTC Place (Block A), Walter Carrington Crescent
 Victoria Island
 Lagos

Handwritten signature in blue ink: Titi Ogunbesan

RECEIVING BANKS

First Bank of Nigeria Limited
 Samuel Asabia House, 35 Marina
 Lagos Island
 Lagos

Handwritten signature in blue ink: Rotimi Ojo

First City Monument Bank Limited
 Primrose Tower, 17A Tinubu Street
 Marina, Lagos Island
 Lagos

Handwritten signature in blue ink: Olu Akaramu

Polaris Bank Limited
 3 Akin Adesola Street
 Victoria Island
 Lagos

Handwritten signature in blue ink: Babatunde Onibode

Stanbic IBTC Bank Plc
 IBTC Place, Walter Carrington Crescent
 Victoria Island
 Lagos

Handwritten signature in blue ink: Fawande Aleday

United Bank for Africa Plc
 57 Marina
 Lagos Island
 Lagos

Handwritten signature in blue ink: Ayokunle Liadi

Zenith Bank Plc
 87 Ajose Adeogun Street
 Victoria Island
 Lagos

Handwritten signature in blue ink: Sarah Doku-Awe

INDICATIVE TRANSACTION TIMELINE

Date	Activity	Responsibility
December 6, 2019	File Pricing Supplement with the SEC and FMDQ Securities Exchange and/or NSE	Issuing Houses
December 31, 2019	Obtain SEC's clearance of the Pricing Supplement and approval to commence Book Building	Issuing Houses
December 31, 2019	Commence Book Build	All Parties
January 17, 2020	Conclude Book Build/Determination of Clearing Price and Allocation of Bonds	All Parties
January 20, 2020	Despatch Allotment Confirmation Letters	Issuing Houses
January 21, 2020	Update Issue documents and submit to SEC	Issuing Houses
January 28, 2020	Obtain SEC Clearance of documents and No Objection to Convene Signing Ceremony	Issuing Houses
January 29, 2020	Hold Signing Ceremony/Allotment of Bonds	All Parties
January 30, 2020	Remit Net Bond Proceeds to the Issuer	Receiving Bank
January 31, 2020	File executed Issue documents and Basis of Allotment with SEC	Issuing Houses
February 6, 2020	Obtain SEC Approval of Allotment Announcement	Issuing Houses
February 7, 2020	Publish Allotment Announcement in at least 2 national dailies	Issuing Houses
February 7, 2020	Credit BPID Account of Bondholders on the FMDQ Depository platform (Q-eX)	Registrars
February 13, 2020	Listing of Bonds on FMDQ/NSE	Issuing Houses/ Stockbrokers
March 9, 2020	File Post-Offer Compliance Report with SEC	Issuing Houses

**NB: These dates are indicative and are subject to change.*

DECLARATION BY LAGOS STATE GOVERNMENT



October 22, 2019

The Director-General
Securities & Exchange Commission
272/273 Samuel Adesujo Ademulegun Street
Central Business District
Abuja

DECLARATION OF ISSUER - UP TO ₦100 BILLION SERIES III BOND

This Pricing Supplement has been prepared by the Issuing Houses on behalf of the Lagos State Government ("the State") for the purpose of providing a description to investors, of the relevant aspects of the State in connection with the Bond Issuances under the Programme.

In that regard, and on behalf of the Lagos State Executive Council, we hereby make the following declarations:

1. The information contained in this Pricing Supplement is, to the best of our knowledge, in accordance with the material facts and contains no omission likely to affect its import nor which will render any statement herein misleading or untrue.
2. There has been no significant change in the financial condition or material adverse change in the financial prospects of the State since the date of the registration of the ₦500 Billion Bond Issuance Programme; and
3. Lagos State is not in breach of any terms and conditions in respect of any borrowed funds which has 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 Shelf Prospectus.

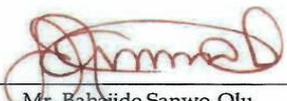
Signed for and on behalf of
Lagos State Government
by its duly authorized representatives:



Dr. Rabiu Olowo
Honourable Commissioner for Finance



Mr. Moyosore Onigbanjo SAN
Attorney-General and Honourable
Commissioner for Justice



Mr. Babajide Sanwo-Olu
Governor of Lagos State



THE ₦500 BILLION DEBT ISSUANCE PROGRAMME

The Lagos State Government established its third Debt Issuance Programme on December 30, 2016 ("the 3rd Programme"). Under the 3rd Programme, the State was empowered to issue Bonds, Notes and Other Securities with an aggregate value of ₦500 Billion. Pursuant to the ₦500 Billion Programme, the State successfully completed the following issuances:

- ~~₦50bn~~ 5-year 13% Fixed Rate Bond redeemed in 2014
- ~~₦57.5bn~~ 5-year 10% Fixed Rate Bond redeemed in 2015
- ~~₦80bn~~ 7-year 14.5% Fixed Rate Bond redeemed in 2019
- ~~₦87.5bn~~ 7-year 13.5% Fixed Rate Bond due 2020
- ~~₦47bn~~ 7-year 16.5% Fixed Rate Bond due 2023
- ~~₦46.37bn~~ 7-year 16.75% Fixed Rate Bond due 2024
- ~~₦38.77bn~~ 7-year 17.25% Fixed Rate Bond due 2027
- ~~₦6.911bn~~ 7-year 15.60% Fixed Rate Bond due 2024
- ~~₦5.336bn~~ 7-year 15.85% Fixed Rate Bond due 2027

The total outstanding on the Lagos State Government ~~₦87.5bn~~ 7-year 13.5% Fixed Rate Bond due 2020 is ~~₦12.8bn~~. No principal repayments have been made on the other Lagos State Government Bonds in issue, given the moratorium periods.

DESCRIPTION OF THE ISSUE

Lagos State registered a 3rd Bond Issuance Programme of ₦500 Billion by way of a Shelf Prospectus dated December 30, 2016. Further to this Programme, the State is embarking on the issuance of a ₦100 Billion Series III 10-Year 12.25% Fixed Rate Bonds due 2030. The Bonds shall be constituted by the Series III Trust Deed.

SCHEDULE I – USE OF PROCEEDS

The estimated net issue proceeds of the Series III Bonds - being ₦97,763,210,100 following the deduction of the offer costs of ₦2,236,789,900 representing 2.24% of the gross issue proceeds - will be utilized for purposes of financing the commencement and/or completion of the projects listed below:

S/N	Project Description	Total Value of Projects (₦)	Amount to be Funded from Bond Proceeds (₦)	Source of Balance of Funding
1	Ministry of Works & Infrastructure	262,589,283,622.29	41,445,166,809.83	IGR/ Bond
2	Ministry of Environment and Water Resources	19,845,663,921.84	10,075,371,650.17	IGR/ Bond
3	Lagos Water Corporation	25,232,321,614.28	8,890,691,109.23	IGR/ Bond
4	Ministry of Waterfront Infrastructure Development	13,500,000,000.00	4,594,870,874.70	IGR/ Bond
5	Lagos State Ferry Services Company	5,000,000,000.00	4,888,160,505.00	IGR/ Bond
6	LAMATA	10,025,000,000.00	9,776,321,010.00	IGR/ Bond
7	Ministry of Housing	12,152,851,819.81	4,582,161,657.39	IGR/ Bond
8	Ministry of Health	16,448,369,844.80	5,689,409,675.69	IGR/ Bond
9	LAWMA	6,000,000,000.00	5,865,792,606.00	IGR/ Bond
10	Ministry of Education	2,000,000,000.00	1,955,264,202.00	IGR/ Bond
	TOTAL	372,793,490,823.02	97,763,210,100.00	

SCHEDULE II – USE OF PROCEEDS (DETAILED DESCRIPTION)

S/N	MDA	Project Description	Project Cost	Payment by Bond (₦) (Net Proceeds)	Duration
1	Min. of Works & Infrastructure	Rehabilitation, Reconstructuon, Completion of Various Road Projects:			
		Thompson Avenue	1,750,000,000	1,710,856,176.75	10 Months
		Milverton, Ikoyi	750,000,000	733,224,075.75	9 Months
		Adeola Hopewell	1,000,000,000	977,632,101.00	9 Months
		Idowu Taylor	1,000,000,000	977,632,101.00	9 Months
		Reconstruction/Rehabilitation of Agric-Isawo-Konu-Arepo Road	27,533,229,585.53	7,674,411,992.85	14 Months
		Pen Cinema Flyover: reinforced concrete works	24,143,801,789.39	7,821,056,808.00	9 Months
		GRA Ikeja: Sobo Arobiodu	1,500,000,000	1,466,448,151.50	8 Months
		GRA Ikeja: Oba Dosumu	750,000,000	733,224,075.75	6 Months
		Reconstruction/Upgrading of Igbogbo Bola Ahmed Tinubu Igbe Road, Ikorodu	31,120,380,110.92	2,549,799,937.74	24 Months
		Completion of Reconstruction of Babs Animashaun, Surulere which includes Drains Construction	2,000,000,000	1,368,684,941.40	8 Months
		Church Street Kosofe	1,000,000,000	977,632,101.00	8 Months
		Reconstruction of Lagos Badagry Dual Carriage Expressway	141,194,264,433.46	2,932,896,303.00	24 Months
		Lagos-Ogun Boundary Road (PHASE II) in Alimosho L.G.A.	16,362,938,958.78	1,846,318,330.62	12 Months
		Reconstruction/Upgrading of Ijede Road, Ikorodu	5,200,000,000	4,787,189,208.47	14 months
		Substantial completion of Isuti Road, Alimosho	2,000,000,000	1,955,264,202.00	16 Months
		Substantial completion of Mba Cardoso Street, Ajegunle (Ajeromi-Ifelodun LCDA)	3,070,911,682	1,955,264,202.00	18 Months
Part construction of Oregun road Network Bridge Link, Ikeja	2,213,757,063	977,632,101.00	12 Months		
2	Drainage Services and Water Resources	Lining of Ketu Alapere and Network of drains, Koosfe	4,792,767,479	2,433,222,379.05	24Months
		Concrete Lining of Akinola River/Aboru channel Alimosho	5,327,572,507	2,704,735,563.94	24Months
		Lining of System 1 drainage channel Ikeja	8,957,878,324	4,547,792,085.34	24Months
		Erosion control of Fagbohun Community Ifako Ijaye	767,445,612	389,621,621.84	12Months

S/N	MDA	Project Description	Project Cost	Payment by Bond (₦) (Net Proceeds)	Duration
3	Lagos Water Corporation	Stage Completion of Adiyen Phase II 70MGD Treatment Plant Construction:			
		Compensation (For re-acquisition of raw water pipeline Right-of-way (ROW) from Ogun State Government, release of Right of way, relocation of existing utility lines and other obstructions.	627,381,203	613,348,003.14	12 Months
		Civil Works (Construction of Intake station at Akute, Completion of Civil Works at Adiyen Headworks, Laying of Pipework between the Water Treatment Plant (WTP) and Laying of 8km 1200ND (Nominal Diameter) Raw Water Pipeline from Intake Station to Headworks, Sheet piling and flow channels at Intakes)	11,428,320,359	5,808,922,416.13	12 Months
		Electro- Mechanical Equipment (Supply of outstanding and installations of electro-mechanical works for various treatment units of operation (raw water chamber, flash mixing, flocculation, thickening, overflow pumping pit, sand filtration, carbon filtration, lamellar, 1&2 settler, IPS, weir gate, electro-magnetic flow meter, transmission systems, lamellar packs, submersible pumps to raw water chambers, bins for dried sludge, granular activated carbon, sand filters, installation of screens & strainers at Intakes, clear water line between Intermediate Pumping Stations (IPS) & Clear Water Tank (CWT), CWT cover, fittings installations, etc.)	8,666,850,422	1,490,788,588.96	12 Months
		Electrical (Installation of electrical works (1600KVA, 33KVA/0.4KV Transformers of various sizes, electrical modular boards, MT boards, leveler boards, three phases 33KV/50hz, field drive bands, Motor Control Center (MCC) panels for central control, SCADA System, etc)	4,509,769,631	977,632,101.00	12 Months
4	Ministry of Waterfront Infrastructure Development	Channelization/Dredging of two(2) Waterways Routes and Provision of Navigation Buoys And Installation of Waterway Furniture- a. Ikorodu to Falomo (17km), b. Mile2 to Marina (4.25km)	6,000,000,000	1,661,974,571.70	6 months
		Provision of 1.2Km Shoreline Protection for Lekki Axis (from Alpha Beach to Okun Alfa) using 3 Groynes	7,500,000,000	2,932,896,303.00	6 months

S/N	MDA	Project Description	Project Cost	Payment by Bond (₦) (Net Proceeds)	Duration
5	Lagos State Ferry Services Company	Purchase of 7 units 10M 23 Passenger CATAMARAN FERRY (24 Knots)	1,023,750,000	1,023,750,000.00	6 months
		Purchase of 3 units 36PAX CATAMARAN FERRY (42 Knots)	754,400,000	754,400,000.00	6 months
		Purchase of 1 unit 80 PAX CATAMARAN FERRY (24 Knots)	310,000,000	310,000,000.00	6 months
		Purchase of 1 unit BARGE 5000 TONS 2016 REF C3947	282,500,000	282,500,000.00	6 months
		Purchase of 1 unit BARGE 7000 TONS 2015 REF C3987	558,000,000	558,000,000.00	6 months
		Purchase of 1 unit 2150 hp Model Bow Tug Boat- 13040	202,000,000	202,000,000.00	6 months
		Purchase of 6 units 300Hp YAMAHA Outboard Engines	93,120,000	93,120,000.00	1 month
		Construction of Jetty at Marina, Badagry	480,000,000	449,777,023.47	12 Months
		Construction of Jetty at Ijede, Ikorodu	410,000,000	384,184,540.88	12 Months
		Construction of Jetty at Oke-Ira, Eti-Osa	370,000,000	346,703,122.26	12 Months
		Upgrading of Mile 2 Jetty, Amuwo – Odofin	180,000,000	168,666,383.80	12 Months
		Upgrading of Liverpool Jetty, Apapa	120,000,000	112,444,255.87	9 Months
		Upgrading of Ebute-Ero Jetty, Lagos Island	216,230,000	202,615,178.72	9 Months
6	LAMATA	Survey and Design from Oyingbo to Agbado	1,000,000,000.00	977,632,101.00	3 Months
		Supervision Consultancy Services	300,000,000.00	293,289,630.30	24 Months
		Land acquisition @ Ikeja Station Area	525,000,000.00	488,816,050.50	6 Months
		Relocation of underground utilities and stakeholder management for the construction of Ikeja Train station	50,000,000.00	48,881,605.05	6 Months
		The construction of a 4-suspended floor integrated rail station at Ikeja	5,000,000,000.00	4,888,160,505.00	24 Months
		Agege Station (The construction of at-grade station)	1,650,000,000.00	1,613,092,966.65	18 Months
		Civil/Track Infrastructure works from Oyingbo through Yaba to main line	1,500,000,000.00	1,466,448,151.50	6 Months
7	Min. of Housing	Egan-Igando Housing Scheme is la 684 unit estate ocated in Egan, Alimosho L.G.A.. The Scheme has been under construction since 2001 having been initiated by the Ministry of Housing before a transfer to Lagos Building Investment Company (LBIC) for completion through a Joint Venture due to paucity of funds. The estate is only 52% completed although the units have bene allocated to the owners. The funds being raised will enable the completion of the project, to enable the homeowners take possession of their houses.	2,311,051,286.85	1,486,631,398.37	12 Months

S/N	MDA	Project Description	Project Cost	Payment by Bond (₦) (Net Proceeds)	Duration
7	Min. of Housing	Odo-Onosa/Ayandelu Mixed Development Scheme in Epe Local Government Area (Ikosi/Ejirin LCDA) is one of the schemes earmarked for the implementation of the State's Rent-to-Own/ Rental Housing Policies. The scheme comprises seventy (70) blocks of residential buildings, providing a total of 660 units of 1, 2, 3 bedroom flats and 3 bedroom terraces. The funds being raised will enable the completion of the project, to enable the homeowners take possession of their houses.	3,200,346,209.08	2,058,688,695.98	9 Months
		The LagosHOMS Sangotedo II is located in the Eti-Osa Local Government Area of the State. The Project commenced in 2014 and comprises of 37 blocks of 1,2c& 3 bedroom flats; a total of 444 units. The funds being raised will enable the completion of the project, to enable the homeowners take possession of their houses.	6,641,454,323.88	1,036,841,563.04	9 Months
8	Ministry of Health	Construction and Equipping of Psychiatry Hospital, Majidun	1,500,000,000.00	1,026,513,706.05	30 months
		Construction of General Hospital Ojo and Spinal Neurology Centre	9,243,591,336.80	1,026,513,706.05	30 months
		Procurement and Installation of Second Tranche of Medical Equipment For all Secondary and Tertiary Hospitals in the state.	2,500,000,000.00	1,710,856,176.75	12 months
		Rehabilitation of Three (3) Secondary Health Facility	1,953,687,838.00	1,336,991,562.03	12 months
		Completion of Psychiatric Ward in LASUTH	85,000,000.00	58,169,110.01	12 months
		Equipping and Furnishing of MCC Badagry	545,545,335.00	239,519,864.75	6 months
		Equipping and Furnishing of MCC Epe	545,545,335.00	239,519,864.75	6 months
9	Lagos State Waste Mgt. Authority (LAWMA)	Procurement of 100 Compactor Trucks	4,000,000,000	3,910,528,404.00	12 Months
		Construction of Material Recovery Facility inclusive of Three (3) Transfer Loading Stations at Olushosun, Solous and Abule Egba Landfills	1,000,000,000	977,632,101.00	12 Months
		Landfill Rehabilitation at Olushosun, Solous and Abule Egba Landfills	1,000,000,000	977,632,101.00	12 Months
10	Ministry of Education	Badagry Grammar School - Construction of Watch Tower, Installation of Flood Lights, security doors and panic alarm systems, repair/height increase of security fence and clearing of bush	108,796,618.10	106,363,066.33	11 Months
		Epe Grammar School - Construction of Watch Tower, Installation of Flood Lights, security doors and panic alarm systems, repair/height increase of security fence and clearing of bush.	103,769,523.49	101,448,417.27	10 Months

S/N	MDA	Project Description	Project Cost	Payment by Bond (₦) (Net Proceeds)	Duration
10	Ministry of Education	L.S. Girls Model Colleger, Agunfoye - Construction of Watch Tower, Installation of Flood Lights, security doors and panic alarm systems, repair/height increase of security fence and clearing of bush	24,312,388.43	23,768,571.38	10 Months
		Lagos State Civil Service Model College, Igbogbo, Ikorodu LGA - Construction of Watch Tower, Installation of Flood Lights, security doors and panic alarm systems, repair/height increase of security fence and clearing of bush	62,045,371.89	60,657,547.28	10 Months
		Oriwu College, Ikorodu, LGA - Construction of Watch Tower, Installation of Flood Lights, security doors and panic alarm systems, repair/height increase of security fence and clearing of bush	79,827,650.49	78,042,073.67	11 Months
		Lagos State Model College, Ojo LGA - Construction of Watch Tower, Installation of Flood Lights, security doors and panic alarm systems, repair/height increase of security fence and clearing of bush	61,596,588.97	60,218,802.69	11 Months
		Repair/increase in height of perimeter fence to 2.8m and introduction of concertina fence wire 2400mtrs.Bush clearing.	24,121,507.15	23,581,959.71	11 Months
		Lagos State Model Junior College, Meiran, Alimoso LGA	141,654,519.42	138,486,005.44	11 Months
		Construction of hostel block(raft fdn):- Badagry Grammar School, Badagry LGA	149,566,115.00	146,220,635.25	9 Months
		Construction of hostel block(pad fdn):- Lagos State Model College Agbowo Ikosi, Epe LGA	141,654,519.42	138,486,005.44	10 Months
		Construction of hostel block(raft fdn):- Lagos State Model College, Badore, Eti-Osa LGA	149,566,115.00	146,220,635.25	10 Months
		Construction of hostel block(pad fdn):- LS Girls Model College, Agunfoye, Ikorodu lga	141,654,519.42	138,486,005.44	10 Months
		Construction of hostel block(pad fdn):- LS Model College, Igbokuta, Ikorodu LGA	141,654,519.42	138,486,005.44	11 Months
		Construction of hostel block(pad fdn):- Eva Adelaja Memorial Girls Grammar School, Somolu LGA	141,654,519.42	138,486,005.44	15 months
		Construction of 18 classroom block(raft fdn):- Araromi Ilogbo Junior Secondary School	180,055,022.65	176,027,570.09	11 Months
		Construction of 18 classroom block(raft fdn):- Muslim Senior College, Oworo, Kosofe LGA	180,055,022.65	176,027,570.09	11 Months
		Construction of 18 classroom block(pad fdn):- Alagbado Junior Grammar School, Alimoso LGA	168,015,479.08	164,257,325.81	10 Months
Total				97,763,210,100.00	
Transaction Cost			2.24%	2,236,789,900.00	
			372,793,490,823	100,000,000,000	

SCHEDULE III – INTEREST AND PRINCIPAL AMORTISATION PAYMENT SCHEDULE

Period	Bond Obligation Repayment Dates	Semi-annual Interest Payment (₦'000)	Principal Repayment (₦'000)	Total Repayment (₦'000)	Principal Obligation Outstanding (₦'000)
Payment 1	29/07/2020	6,125,000,000.00	-	6,125,000,000.00	100,000,000,000.00
Payment 2	29/01/2021	6,125,000,000.00	-	6,125,000,000.00	100,000,000,000.00
Payment 3	29/07/2021	6,125,000,000.00	-	6,125,000,000.00	100,000,000,000.00
Payment 4	29/01/2022	6,125,000,000.00	-	6,125,000,000.00	100,000,000,000.00
Payment 5	29/07/2022	6,125,000,000.00	3,855,331,326.45	9,980,331,326.45	96,144,668,673.55
Payment 6	29/01/2023	5,888,860,956.25	4,091,470,370.20	9,980,331,326.45	92,053,198,303.35
Payment 7	29/07/2023	5,638,258,396.08	4,342,072,930.37	9,980,331,326.45	87,711,125,372.98
Payment 8	29/01/2024	5,372,306,429.09	4,608,024,897.36	9,980,331,326.45	83,103,100,475.62
Payment 9	29/07/2024	5,090,064,904.13	4,890,266,422.32	9,980,331,326.45	78,212,834,053.29
Payment 10	29/01/2025	4,790,536,085.76	5,189,795,240.69	9,980,331,326.45	73,023,038,812.60
Payment 11	29/07/2025	4,472,661,127.27	5,507,670,199.18	9,980,331,326.45	67,515,368,613.42
Payment 12	29/01/2026	4,135,316,327.57	5,845,014,998.88	9,980,331,326.45	61,670,353,614.54
Payment 13	29/07/2026	3,777,309,158.89	6,203,022,167.56	9,980,331,326.45	55,467,331,446.98
Payment 14	29/01/2027	3,397,374,051.13	6,582,957,275.32	9,980,331,326.45	48,884,374,171.66
Payment 15	29/07/2027	2,994,167,918.01	6,986,163,408.44	9,980,331,326.45	41,898,210,763.22
Payment 16	29/01/2028	2,566,265,409.25	7,414,065,917.20	9,980,331,326.45	34,484,144,846.02
Payment 17	29/07/2028	2,112,153,871.82	7,868,177,454.63	9,980,331,326.45	26,615,967,391.39
Payment 18	29/01/2029	1,630,228,002.72	8,350,103,323.73	9,980,331,326.45	18,265,864,067.65
Payment 19	29/07/2029	1,118,784,174.14	8,861,547,152.31	9,980,331,326.45	9,404,316,915.34
Payment 20	29/01/2030	576,014,411.06	9,404,316,915.34	9,980,331,326.45	0.00

The table above indicates the semi-annual payments due to Bondholders during the tenor of the issue, reflecting the coupon of 12.25% per annum. During the moratorium period, coupon payments of ₦6,125,000,000 will be made semi-annually on each Coupon Payment Date.

Following the expiration of the twenty-four (24) month Principal Moratorium Period, the sum of ₦9,980,331,326.45 representing both the amortized Principal and accruing interest, will be paid semi-annually on each Coupon Payment Date.

The Issuer will appropriate the sum of ₦50,832,564 from the CDSA, immediately upon the issuance of the Series III Bonds for purposes of the repayment of the interest obligations under the Series III Bonds. The amount appropriated from the CDSA shall be increased to ₦694,396,318 following the expiration of a twenty-four (24) month Principal Moratorium period on repayment of the Principal Amount

In addition, Lagos State has obtained an ISPO in the sum of ₦1,000,000,000 (One Billion Naira) for purposes of servicing the interest and principal repayment obligations under the Bond. The ISPO will be effective immediately upon the issuance of the Series III Bonds.

Thus, the total monthly appropriation into the Sinking Fund (from CDSA and ISPO) will be ₦1,050,832,564, which shall be increased to ₦1,694,396,318, following the expiration of a twenty-four (24) month principal moratorium period on repayment of the Principal Amount.

APPENDIX I: DETAILS OF LAGOS STATE EXECUTIVE COUNCIL

Lagos State has an Executive Council, which comprises of the State Governor, the Deputy Governor, the Secretary to the State Government, Commissioners, Special Advisers, the Head of Service, Chief of Staff and the Deputy Chief of Staff. Special Assistants are also occasionally in attendance at the meetings of the Council.

Following the gubernatorial elections that held in Nigeria on March 2, 2019 a new executive governor was elected for Lagos State. The successful gubernatorial candidate, Mr. Babajide Olusola Sanwo-Olu, was thereafter sworn-in on May 29, 2019. The Governor constituted his cabinet on August 20, 2019, when twenty-one (21) Commissioners and fourteen (14) Special Advisers were sworn-in. The State Accountant-General – Dr. Abiodun Muritala - was sworn in on November 4, 2019.

The profiles of some representatives of the State Executive Council are set out below:

Mr. Babajide Olusola Sanwo-Olu is the Governor of Lagos State and the Chairman of the Lagos State Executive Council. Mr. Babajide Olusola Sanwo-Olu has had extensive experience in both the public service and the private sector, especially the Nigerian banking sector from where he retired as a General Manager. He was an Associate in the Corporate Finance Department of Kenneth Michael & Company Nigeria Limited (January-December 1993), a Senior Banking Officer with Lead Merchant Bank Plc (January 1994-December 1995) and an Assistant Manager and Treasurer of the same institution (January 1996-May 1997). He was also at various times a Senior Manager and an Assistant General Manager with United Bank for Africa Plc (1997-1999) and also Deputy General Manager with First Atlantic Bank Plc (now FinBank Plc) (July 2000-February 2003). In 2003, he was appointed Special Adviser to the Deputy Governor on Corporate Matters and then Special Adviser to the Executive Governor on Corporate Matters (2004). Mr. Sanwo-Olu was appointed acting Commissioner for Economic Planning & Budget (2004 to 2005) and became substantive Commissioner for Commerce and Industry in 2007. He was sworn in as Governor of Lagos State on May 29, 2019. He attended University of Lagos and obtained a B.Sc. (Hons) in Surveying & Geo-Informatics (1988) and an MBA (Management) from the same University (2001). Mr. Sanwo-Olu is also an alumni of the prestigious Harvard Kennedy School of Government (2003), London Business School (2005) and the Lagos Business School (2000). He is a member of Nigerian Institute of Directors (IOD), Chartered Institute of Personnel Management (CIPM) and a Fellow of Nigeria Institute of Training and Development (NITAD).

Dr. Kadiri Obafemi Hamzat is the Deputy Governor of Lagos State. He attended University of Ibadan and graduated with a B.Sc. (Agricultural Engineering) (1986) and M.Sc. (Crop Processing Engineering) (1988). He also earned a Ph.D. (1992) in System Process Engineering from Cranfield University. Dr. Hamzat's career has spanned both the private and public sectors including College of New Rochelle, City of New York (1995-1997), Adjunct Professor (CTA Programme) Columbia University (1998-2000), Vice-President (Core Technology Support Group) Merrill Lynch Inc (1999-2002), Senior Associate, PC Engineering Morgan Stanley Inc. (2002-2005), Oando Plc (Chief Information Officer and Group Head, IT Strategy (2005). He served as Commissioner for Science and Technology (2005- 2011). In 2011, Dr. Hamzat was appointed Commissioner for Works and Infrastructure, a position he held until May 2015. He was Special Adviser Technical to Babatunde Raji Fashola, (Minister for Power, Works and Housing) on roads and other infrastructure assets (2016 to 2018).

Mrs. Sherifat Folashade Jaji is the Secretary to the State Government. She holds a B.Sc. (Hons) in Chemistry from University of Ibadan (1979), a Post Graduate Diploma (Public Administration) (1985) and MBA (1989) from the University of Lagos. She commenced her career at Nigerian Breweries Plc (1980) and joined the Lagos State Civil Service in 1980. Following a 24 year career in public service, she was appointed Permanent Secretary, Ministry of Women Affairs and Poverty Alleviation in 2005. She retired from the Lagos State public service in 2015 as the 18th Head of Service. She was sworn in as Secretary to the State Government in June 2019.

Dr. Rabiu Onaolapo Olowo is the Honourable Commissioner for Finance. Dr. Rabiu Onaolapo Olowo is the Honourable Commissioner for Finance. He holds a B.Sc. (Hons) (Accounting) (2006) from Kogi State University, MBA (Accounting) (2012) from the University of Lagos and a PhD (Forensic Accounting) (2019) from Charisma University, British West Indies, TCI. He is a Chartered Accountant, Certified Internal Control Auditor, Certified Fraud Examiners and ACCA Certified in International Financial Reporting Standards (IFRS) and International Public Sector Accounting Standards (IPSAS). He is a member, Institute of Internal Auditors. He began his professional career with Zenith Bank Plc as a Senior Supervisor, Internal Audit (2007-2010) and later moved to GlaxoSmithKline (GSK) where he worked in various capacities as Senior Finance Officer, Corporate Reporting Manager, Business Finance Unit Controller, Internal Audit Manager, Head of Internal Audit, Head of Independent Business Monitoring etc with project immersion across Africa, Middle East & Europe (2010-2018). He joined FrieslandCampina WAMCO Nigeria Plc as Chief Audit Executive (2018-2019). Dr. Rabiu Olowo is an

Adjunct Faculty of many Professional Association teaching Financial, Management and Forensic Accounting Courses. He served as Chair of UK-Based Chartered Institute of Management Accountants (CIMA) in Nigeria (2018 - 2019).

Mr. Moyosore Jubril Onigbanjo SAN is the Honourable Commissioner for Justice and Attorney-General. He holds a Bachelor of Law (LL.B) (Hons) from Obafemi Awolowo University (1988) and was called to the Bar in 1989. Mr. Onigbanjo was conferred with the rank of Senior Advocate of Nigeria in September 2013. He commenced his career with Akin Delano & Co. as Managing Associate (1989-1990) and has also worked at Prof. A.B. Kasunmu's Chambers (1991-1995), L.A. Adeniji & Co as a Managing Partner (1996-1999), and M.J. Onigbanjo & Co. as a Founding Partner (1999-2019).

Mr. Samuel Avwerosuo Egube is the Honourable Commissioner for Economic Planning and Budget. He holds a Bachelor of Engineering (Civil Engineering) from the University of Benin (1989), and an MBA (Business Administration) from the International School of Management (IESE), University of Navarra, Barcelona (2000). Samuel has over twenty-nine years post qualification experience, twenty of which were in senior management roles in various sectors of the economy including banking, financial advisory, business consulting and engineering acquired in institutions including Arthur Andersen (1992-1995) (now KPMG Professionals in Nigeria), United Bank for Africa Plc (1997-2000), NNB International Bank Plc (2000-2004), First Bank of Nigeria Limited (2004-2011) and Diamond Bank Plc (2011-2015) where he was the Corporate Banking Director and Head of Directorate. He is a fellow of the Institute of Credit Administration (FICA), an Associate member of the Nigerian Institute of Management (AMNIN), a member of the Nigerian Society of Engineers (MNSE), a member of the Council for the Regulation of Engineering of Nigeria (COREN) and the Chartered Institute of Bankers.

Prince Gbolahan Wasiu Lawal is the Honourable Commissioner for Agriculture. He holds a B.Sc. (Botany) from the University of Port Harcourt (1992) and M.Sc. (Violence, Conflicts and Development) from the School of Oriental and African Studies, University of London (2008). Prince Lawal also attended the Nigeria Police Academy (1998) and was commissioned as an Assistant Superintendent of Police. He started his working career as a Scientific Officer/Deputy Liaison Officer, Raw Materials Research and Development Council (1994 to 1996); was a Traffic Officer, Kebbi State Police Command (May to December 1998) and Divisional Crime Officer, Birnin Kebbi (Divisional Headquarters) (January to May 1999). He served as Escort/Guard Commander, Governor of Lagos State (1999 to 2001); Aide de Camp, Governor of Lagos State (2001 to 2007) and Senior Special Assistant (Special Projects), Governor of Lagos State (2008 to 2011). He was Honourable Commissioner, Agriculture & Co-operatives (2011 to 2015) and Commissioner for Housing (October 2015 to 2019).

Dr. (Mrs). Sulola Fibisola Akande is the Honourable Commissioner for Commerce, Industry and Cooperatives. Dr. (Mrs). Sulola Fibisola Akande is the Honourable Commissioner for Commerce, Industry and Cooperatives. She holds a B.Sc. (Botany) (1983) from the University of Ife (now Obafemi Awolowo University), a Post Graduate Diploma (Education) (1991) and Master's Degree (Public Administration) (2006) both from the University of Lagos. She had a Special Executive MBA from Metropolitan School of Business, UK (2019). She served in the Lagos State House of Assembly (2007-2011) and was Deputy Chief Whip in the Legislature. Dr. Akande was re-elected to the State House of Assembly (2011-2015), where she was the Deputy Majority Leader of the House prior to her appointment as Commissioner for Women Affairs and Poverty Alleviation (2015-2019).

Mrs. Folasade Omobola Adefisayo is the Honourable Commissioner for Education. She holds a B.Sc. (Zoology) (1977) and an MBA (Business Administration) (1980) both from University of Lagos; and a MA (Education) from the University of Nottingham (2015). Prior to being appointed a Commissioner in Lagos State in August 2019, she was the Principal Consultant/CEO of Leading Learning Limited from 2014. Mrs Adefisayo was previously a Director at Corona Schools Trust Council (2010-2014), Executive Director, Corona Schools Trust Council (2002-2010) and Finance and Admin. Manager at Tetra Pak (West Africa) Ltd (1997-2002).

Engineer Olalere Odusote is the Honourable Commissioner for Energy and Natural Resources. Mr. Olalere Odusote is a seasoned energy expert, with 23 years' experience working across the energy value chain in Nigeria, the UK and the USA. He was appointed Commissioner for Energy and Mineral Resources in Lagos State in 2019. He previously worked at Schlumberger (1997-1999), General Electric (2001-2004) (Contract Performance Manager), Oando Plc (2005-2017) as Business Development Manager and then Head, Business Development; and the Structured Ventures Executive at Axxela Limited (2017-2019). He holds a MPSA (Strategy) from INSEAD (2010), earned his MBA (Investment Management) from Pace University, New York (2001) and a B.Sc. (Mechanical Engineering) (1995) from University of Ibadan (1995). Mr Odusote has benefitted from leadership and professional trainings at GE Management Development Institute (2002), Wharton Business School (2014) and Lagos Business School (2016).

Mrs Ajibola Yewande Ponnle is the Honourable Commissioner for Establishment, Training and Pensions. She holds a B.Sc. (Economics) (1993) and M.Sc. Psychology (2012) both from University of London, UK. She worked as the Registrar at the Chartered Institute of Personal Management of Nigeria and is a founding board member of the Africa Executive Coaching Council. Mrs. Ponnle is a certified behavioural analyst, an energy leadership master practitioner and a British Psychological Society Levels A and B certified psychometrics assessor; and is a member of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation.

Professor Emmanuel Akinola Abayomi is the Honourable Commissioner for Health. He holds an MBBS from University of London, UK (1983) and a Master of Philosophy (Ecology and Environmental Health Management) from the University of Pretoria, South Africa (2006). Prior to obtaining his MPhil (2006), Dr. Akinola Abayomi was a Consultant Haematologist and Lecturer at the University of Zimbabwe Medical School (1994-1997) and Harare Group of Teaching Hospitals, Zimbabwe (1994 to 1998). He was also Chief Physician at the Princess Marina Hospital, Gaborone, Botswana (1998). A Fellow of the Royal College of Physicians of Edinburgh (2010) and the Royal College of Pathologists, UK (2013), Dr. Abayomi was the Consultant Haematologist, Faculty of Medicine & Research, Queen Elizabeth Hospital, University of West Indies, Bridgetown, Barbados (1998-2006). He was a Bone Marrow Transplant Research Fellow at the University of Stellenbosch, South Africa (2006-2008) and Head of Division, Department of Pathology, Faculty of Medicine and Health Sciences, Stellenbosch University (2009-2017). Dr. Abayomi was a Professor of Medicine at the Nigerian Institute of Medical Research, Yaba prior to his appointment as Commissioner for Health in June 2019.

Mrs. Uzamat Akinbile-Yussuf is the Honourable Commissioner for Home Affairs. She is a graduate of Pharmacy from the University of Lagos (2006) and owner of a pharmaceutical company, Musarog Pharmaceuticals. She is a member of the Association of Lady Pharmacists, National Association of Social Workers of Nigeria and Pharmacists Society of Nigeria. She served on the State Executive Council as Honourable Commissioner for Youth and Social Development (2015-2017). She was the Supervisory Councillor for Agriculture, Rural and Social Development, Agbado-Okeodo Local Council Development Area (LCDA), Alimosho (2012-2014).

Honourable Moruf Akinderu Fatai is the Honourable Commissioner for Housing. Honourable Moruf Fatai Akinderu is the Honourable Commissioner for Housing. Mr. Akinderu was Special Assistant to the Governor of Lagos State from 2003 to 2007. He holds a B.A. (Hons) in Archaeology in 1989. He was a member of the House of Representatives from 2007 to 2015. He has served as an Operation and Sales Manager at Medilot Limited between 1991 and 1999 and Senior Operation Executive at Novelle Pharmaceutical Limited between 1999 and 2001. He was Personal Assistant-Governor's Office, political and Legislative Power Bureau, Alausa between 2001 and 2003. Mr. Akinderu Fatai is a member of the Chartered Institute of Management and an Associate Member of Institute of Chartered Secretaries and Administrators in Nigeria.

Mr. Gbenga Omotoso is the Honourable Commissioner for Information and Strategy. He holds a B.A (Hons.) (English in Literature) (1984) and a Master of Public and International Affairs (MPIA) (2007) both from the University of Lagos. Mr. Omotoso is a multiple award winning journalist, columnist, media strategist, social critic and Member, Nigeria Guild of Editors and Member of Nigeria Union of Journalists. He began his media career as a trainee sub-Editor at The Guardian (1985-1999), where he later became the Deputy Chief Editor. He was also Editor of the Comet (1999-2006) and Editor at the Nation (2006-2019).

Mrs. Yetunde Arobieke is the Honourable Commissioner for Local Government and Community Affairs. Mrs Yetunde Arobieke is the Honourable Commissioner for Local Government and Community Affairs, she has a B.Sc (Political Science) 1970-1983 and a Masters in Public Administration 2006-2008. She has worked as Chief Executive Officer, Data Point Nigeria Limited (1986 to date) Compu -Point Nigeria limited 1992- to date Taseto Nigeria Limited 2010- to date and Ipod Properties 2008- to date. Mrs Arobieko served as the first Executive Secretary of Agboyi- ketu LCDA (2003-2094), following which she became the First Executive Chairman of Agboyi -Ketu LCDA (2004-2007).

Dr. Idris Okanla Salako is the Honourable Commissioner for Physical Planning and Urban Development. He obtained a National Diploma (Town and Regional Planning) from The Federal Polytechnic, Nasarawa (1989), holds a B.Tech. (Urban and Regional Planning) from the Federal University of Technology, Akure (1997), a MSc. (Urban and Regional Planning) from the University of Lagos (2009) and a Ph.D (Urban and Regional Planning) from the University of Lagos (2018). He commenced his career in the public service as a Town Planning Officer and moved to private practice in the firm of Adesanya, Salako and Associates (a town planning firm). He is a fellow of the Nigerian Institute of Town Planning (NITP) and the President, Association of Town Planning Consultants of Nigeria (ATOPCON).

Mr. Hakeem Fahm is the Honourable Commissioner for Science and Technology. He holds a B.A. (Hons) in Industrial Technology (1981) from Ohio University, Athens and obtained an MBA in Computer Information and Systems Science from the University of the District of Columbia, Washington DC (2008). Mr. Fahm worked as a Computer Lab Technician (1987-2012) and later became the Chief Information Officer of the University in 2012. He worked at Accenture Federal Services (2013 to 2018), a management and IT consulting firm as a Cloud Computing Architect. Hakeem was appointed as the Honourable Commissioner of Science and Technology in February 2018.

Dr. Adewale Ahmed is the Honourable Commissioner for Special Duties and Inter-Governmental Relations. He holds a Bachelor of Medicine, Bachelor of Surgery from Uthman Dan Fodio University (1991), Masters in International Law and Diplomacy and Masters in Humanitarian and Refugee Studies (MHRS) from University of Lagos (2002). Dr. Ahmed served as House Officer at the Ahmadu Bello University Teaching Hospital, Kaduna (1992-1993) and was Medical Director at Noble Medical Centre, Agege (1995-1998). Dr. Ahmed served as the Honourable Commissioner for Special Duties (2011-2015).

Dr. Frederic Abimbola Oladeinde is the Honourable Commissioner for Transportation. He holds a B.Sc. (Mathematics) from the University of Ibadan (1988), a MSc. (Applied Statistics and Operational Research) from Birkbeck, University of London (1992), a Ph.D (Transport Planning and Modelling) from Imperial College London (2000) a He is a Fellow of the Chartered Institute of Logistics and Transport. Prior to being appointed a Commissioner in Lagos State in August 2019, he was a Director in LAMATA's Corporate and Investment Planning Team where he led the planning strategy on the future transport need of Lagos State coordinating the implementation of transport scheme initiatives and securing investment for the provision of transport infrastructure (2008-2019).

Mrs. Olufunke Adebolu Shulamite is the Honourable Commissioner for Tourism, Arts and Culture. She holds an LL.B from the University of Hertfordshire (1995) and attended the legal practice course at the College of Law in Guilford, Surrey, UK (1996). Prior to being appointed a Commissioner in Lagos State in August 2019, she was an Associate Director in PwC's Advisory Services where she led the West Market Area Country Management Unit, supporting the Office of the Regional Senior Partner. She is also a subject matter expert in the formation, implementation and execution of the Government Delivery Unit (GDU) where she led the first Lagos State Governor's Delivery Unit.

Mr. Olatunji Bello is the Honourable Commissioner for Water Resources and the Environment. He holds a B.Sc. in Political Science from University of Ibadan (1984); a Master's degree (ML.D) in International Law & Diplomacy (1987) and LL.B from University of Lagos (2000) and was called to the Nigerian Bar in 2001. He commenced his career at First Bank of Nigeria Limited (1978 - 1980). At various times, he was the Editor, National Concord (1999 - 2000); the Editor, Sunday Concord (1995 - 1999) and Chairman of the Editorial Board, ThisDay Newspapers (2001 – 2003). He served as Commissioner for the Environment (2003-2007 and 2011-2015), Managing Director/Chief Executive Officer of Lagos State Signage and Advertisement Agency (LASSAA) (2007-2011) and Secretary to the State Government (2015 to 2019).

Mrs. Cecilia Bolaji Dada is the Honourable Commissioner for Women Affairs and Poverty Alleviation. She holds a B.Sc. (Hons.) (Industrial Chemistry) (1991) and an M.Sc (Corporate Governance) (2009) from Leeds Metropolitan University (xxxx) and has worked extensively in the public service for over 15 years in an Executive capacity. She is a former member of the Lagos State Sports Commission (2011-2015) and the former Executive Secretary, Apapa Local Government (2015-2016).

Mr. Ganiyu Olusegun Dawodu is the Honourable Commissioner for Youth and Social Development. He obtained an LL.B from the University of Buckingham, England (1988) and was called to the Bar in 1990. A Legal Practitioner for a number of years and a managerial professional, Mr Dawodu was as an Associate and later, Managing Solicitor with the firm of Johnson & Johnson (1991-1997). He was also Principal Partner at Dawodu & Co. (Legal Practitioners) from (1997-1999 and 2003-2019). From 1999 to 2003, he was the Commissioner for Sports in Lagos State (1999-2003).

APPENDIX II: EXTRACT FROM THE STATE EXECUTIVE COUNCIL RESOLUTION



LAGOS STATE GOVERNMENT - FUNDING RESOLUTION

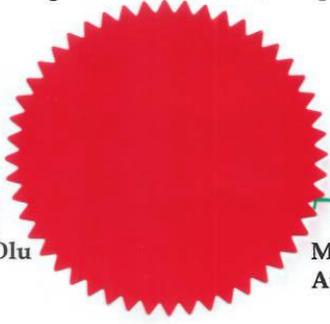
RESTRUCTURING OF BANK OBLIGATIONS, SYNDICATED FACILITY AND UP TO ₦100 FIXED RATE BOND ISSUANCE UNDER THE LAGOS STATE GOVERNMENT ₦500 BILLION DEBT ISSUANCE PROGRAMME

RESOLUTION OF THE STATE EXECUTIVE COUNCIL

At a meeting of the Lagos State Executive Council ("the EXCO") held at The Council Chambers, Lagos House, Alausa on the 8th day of October, 2019, the following were duly passed as resolutions of the EXCO:

1. Pursuant to Section 9 of the Bonds, Notes and other Securities Law 2008 of Lagos State ("the Law"), Lagos State through the Debt Management Department of the State be and is hereby authorised to issue a Fixed Rate Bond of up to ₦100,000,000,000 (One Hundred Billion Naira) ("the Bond Issuance") under the ₦500,000,000,000 Debt Issuance Programme; the Bond Issuance being executed either by way of a public offering, book build, private placement or such other method(s) as may be approved by the relevant regulatory authorities.
2. Chapel Hill Denham and FBNQuest are also appointed as Joint Lead Issuing Houses to Lagos State in respect of the Bond Issuance; and Chapel Hill Denham is hereby designated the Lead Issuing House on the Bond Issuance in accordance with the Rules of the Securities & Exchange Commission.
3. The Bond Issuance is to be undertaken either in a single issuance or a series of issuances to a maximum aggregate of ₦100,000,000,000 (One Hundred Billion naira) and at such coupon rates, within such maturity periods (not exceeding 25 years from the date of issuance) and such other terms and conditions as may be determined by the Honourable Commissioner for Finance and the State's Financial Adviser/Issuing Houses and approved by the relevant regulatory authorities.
4. Pursuant to paragraph 2 of this resolution, the price/coupon of any bonds issued through the Bond Issuance is to be determined by way of a Book Build process or such other similar processes as may be determined by the State's Financial Advisers/Issuing Houses and approved by the relevant regulatory authorities.
5. The Lead Financial Adviser/Issuing House – Chapel Hill Denham - be and are hereby designated as being primarily responsible for the Bond Issuance and the building of the Book, in the event that a Book Build is undertaken.
6. The Governor; the Honourable Commissioner for Finance, the Honourable Commissioner for Justice/Attorney-General be and are hereby authorised to approve, sign and/or execute all documents, appoint such professional parties and advisers, as may be necessary to give effect to

the above resolutions, including without limitation, complying with the directives of any regulatory authority.



Babajide Olusola Sanwo-Olu
Governor


Moyo Onigbanjo (SAN)
Attorney-General

Dated this 8TH day of OCTOBER, 2019

APPENDIX III: EXTRACT FROM THE LAGOS STATE HOUSE OF ASSEMBLY RESOLUTION



LAGOS STATE GOVERNMENT



LAGOS STATE
HOUSE OF ASSEMBLY

LSHA/LM/C/14/23

22nd November, 2019

The Commissioner,
Ministry of Finance,
The Secretariat,
Alausa,
Ikeja,
Lagos.

LAGOS STATE GOVERNMENT - FUNDING RESOLUTION:

RESOLUTION OF THE HOUSE.

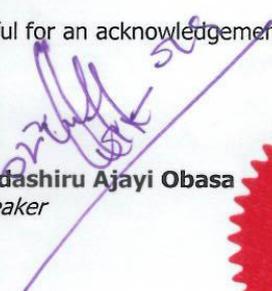
The Lagos State House of Assembly at its sitting of **Friday, 22nd of November, 2019** duly considered the request of the Lagos State Government on the re-ordering of the 2019 Appropriation Law, to include a provision for a Bond Issuance of up to **₦100,000,000,000 (One Hundred Billion Naira)** under the existing **₦500,000,000,000 (Five Hundred Billion Naira)** Bond Issuance Programme previously approved by the State House of Assembly and unanimously passed the underlisted **Resolutions** to the effect that:

- a. *the 2019 Appropriation Law is hereby amended to include a provision for a Bond Issuance of up to **₦100,000,000,000 (One Hundred Billion Naira)** under the existing **₦500,000,000,000 (Five Hundred Billion Naira)** Bond Issuance Programme;*
- b. *the State House of Assembly approves the issuance of a Bond of up to **₦100,000,000,000 (One Hundred Billion Naira)** under the existing **₦500,000,000,000 (Five Hundred Billion Naira)** Bond Issuance Programme as authorised by the State Executive Council EXCO) either by way of a public offering, book build, private placement or such other method(s) as may be approved by the relevant regulatory authorities; and at such time and subject to such other terms and conditions as may be determined by the Honourable Commissioner for Finance and the State's Issuing Houses and approved by the relevant regulatory authorities;*
- c. *the Governor should direct the appropriate Commissioner(s) to approve, sign and/or execute all documents, appoint professional parties and advisers (as may be necessary) and to give effect to the above resolutions, including without limitation, complying with the directives of any regulatory authority;*

Office of the Clerk to the House, House of Assembly Complex, Alausa, Ikeja.

Tel: 07053939165, 07068799881 E-mail: clerk.lsha@lagoshouseofassembly.gov.ng Website: www.lagoshouseofassembly.gov.ng

- d. *the EXCO be and is hereby authorised to submit the requisite application for an Irrevocable Standing Payment Order (ISPO) - as may be required and deemed appropriate - under the **₦500,000,000,000 (Five Hundred Billion Naira)** Bond Issuance Programme for purposes of the issuance of the Bonds thereunder and to further secure the State's repayment of the proceeds from a Bond Issuance;*
- e. *the EXCO shall have the power to delegate such functions and duties as deemed appropriate to qualified persons, for purposes of the Bond Issuances, subject to such supervision and review as may be prescribed by the EXCO; and*
- f. *the foregoing resolutions be transmitted to any relevant regulatory authority, including the Securities & Exchange Commission.*
2. The foregoing Resolutions are forwarded for your information and further necessary action, please.
3. Grateful for an acknowledgement of receipt.


Rt. Hon. Mudashiru Ajayi Obasa
Speaker



A.A. Sanni
Clerk of the House

Lagos State Government of Nigeria

Up to ₦100 billion Series III 10-Year Fixed Rate Bond Under the N500 Billion Bond Issuance Programme

Issue Rating:

Aa-*

High quality debt issue with very low credit risk; very strong capacity to pay returns and principal on local currency debt in a timely manner.

Issue Date: 24 January 2020

Expiry Date: 30 September 2020

"This Issue rating is indicative subject to change at any time. However, a final rating will be based on receipt of all duly executed contractual agreements."

The final Issue rating will be subject to annual monitoring and review on the anniversary of the Bond.

Lagos State Rating: A+

Expiry Date: 30 September 2020

INSIDE THIS REPORT	
Rating Rationale	1
The Issuer Profile	4
Bond Structure	7
Financial Condition & Forecast	10
Outlook	14
Financial Summary	15
Appendix	17
Rating Definition	20

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RATING RATIONALE

- Agusto & Co. hereby assigns an indicative "Aa-" rating to the Lagos State Government's ("Lagos State", "LASG", "the Issuer" of "the State") up to ₦100 billion Series III 10-Year Fixed Rate Bond Due 2029 ("Series III", "the Issue" or "the Bond") under the LASG registered ₦500 billion Bond Issuance Programme ("BIP" or "the Programme"). The assigned Issue rating reflects our opinion on the Issuer's strong capacity to service the Series III Bond obligations (coupon and principal) jointly from the Lagos State's Consolidated Debt Service Account ("CDSA") as well as the issuance of an Irrevocable Standing Payment Order ("ISPO") approved by the Federal Ministry of Finance.
- In the financial year ended 31 December 2018, Lagos State continued to make laudable efforts at improving tax compliance and streamlining levies and fees in the State. These among other initiatives resulted in a 17% increase in IGR to ₦429 billion (representing 66% of total revenue) from the prior year. In addition, the State enjoys a diversified pool of income consisting of a good share of centrally distributed revenue in the form of statutory allocation (circa 9% of total revenue) and value added tax (15% of total revenue) as well as grants from Development Finance Institutions. In the same vein, the Issuer has demonstrated commitment to developing the State given the significant investments in infrastructure over the last decade in order to boost economic activities and thereby increase income generation through taxes.
- Furthermore, the State boasts of a peaceful and stable political environment which is conducive for business activities and remains one of the most attractive commercial and investment destinations in Nigeria in spite of the weakened macroeconomic conditions in the country. One of the major drawbacks is the State's rising debt level coupled with its continuous breach of the terms and conditions (delay in remitting funds on a monthly basis from its CDSA into the respective sinking fund accounts) in accordance with the Trust Deeds on its existing bonds in issue. However, LASG provides lump-sum payments to meet maturing Bond obligations as and when due.

This Series III Bond Rating Report should be read in conjunction with Agusto & Co's 2019 Rating Review Report for Lagos State Government

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APPENDIX V: EXTRACT OF THE SERIES III TRUST DEED

2. FORM OF BONDS

2.1 Amount, Tenor and Status

2.1.1 **Series III Amount:** The Aggregate Principal Amount of Bonds for this Series III is ~~₦~~100,000,000,000 (One Hundred Billion Naira) Such Bonds shall be designated and distinguished from any other Bonds of all other Series by the title "Series III Bonds"

2.1.2 **Type of Bonds:** Fixed Rate Bonds.

2.1.3 **Status of Bonds:** The Bonds constitute senior, direct and irrevocable obligations of the State. The Bonds are not guaranteed by the Federal Government of Nigeria. The Series III Bonds qualify as securities in which the Joint Trustees and pension fund administrators may invest under the Trustee Investments Act Cap T22 LFN 2004 and the Pension Reform Act Chapter 2014 respectively.

2.1.4 **Minimum Subscription:** The minimum subscription amount for the Bonds is ~~₦~~10,000,000.00 (Ten Million Naira) and multiples of ~~₦~~5,000,000.00 (Five Million Naira) thereafter.

2.1.5 **Tenor:** 10 years.

2.1.6 **Source of Payment/Repayment:** Pursuant to the Enabling Law and the ISA, the source of payment of the Coupons, repayment of the Principal Amount and other monies (if any) due and payable by the Issuer on the Series III Bonds shall be the contributions from the CDSA and an ISPO paid into the Series III Sinking Fund. If the balance in the Sinking Fund is insufficient to pay the bond obligations, the provisions of clause 9 hereof shall be applicable.

2.1.7 **Tax Considerations:** The Bonds are exempt from taxation in Nigeria in accordance with the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order 2011, the VAT (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 (the "Exemptions") and the Personal Income Tax (Amendment) Act 2011 (the **PIT Act**). The Exemptions became effective on January 2, 2012 and are valid for a period of ten (10) years therefrom. The exemption under the PIT Act is indefinite.

Accordingly, payments made to Bondholders shall be free and clear of withholding or other deductions, in respect of State Governments and Federal Government Income taxes, for as long as the Exemptions are subsisting.

2.2 Coupon

2.2.1 Coupon shall be payable semi-annually in arrears in equal payments on each Coupon Payment Date up to and including the Maturity Date.

2.2.2 The coupon payable on the Series III Bonds shall be 12.25% per annum.

2.2.3 The Joint Trustees shall apply the monies in the Series III Sinking Fund for coupon payments to the Bondholders on the Coupon Payment Dates by transferring same to the Registrar. Payment of the principal and coupon shall be made through the offices of the Registrar.

2.3 Scheduled Redemption

The Aggregate Principal Amount shall be amortised over the life of the Series III Bonds commencing after the second anniversary of issuance of the Series III Bonds in accordance with Schedule 2 hereof. Each Series III Bonds

shall bear interest from the Issue Date. The Coupon is payable semi-annually in arrears in the 1st (first) and 7th (seventh) month of each year that the Bonds remain outstanding.

2.4 Early Redemption and Prepayment (Call Option)

2.4.1 Early Redemption

- a. Notwithstanding the provisions of Clause 2.3 above, the Issuer may, on any Coupon Payment Date following the 5th (fifth) anniversary of the Issue Date of the Series III Bonds, where it gives not less than 30 days irrevocable notice to the Series III Bondholders, prepay in whole or in part, all outstanding obligation under the Bonds PROVIDED however that such prepayment shall fall on a Coupon Payment Date.
- b. An early redemption exercise must relate to Bonds of a nominal amount at least equal to the Minimum Subscription Amount to be specified in the notice. All Bonds in respect of which any such notice (specified in clause 2.4.1) is given shall be redeemed on the date specified in such notice in accordance with this Clause 2.4.
- c. In the case of a partial redemption, the Bonds that are to be redeemed will be computed on a pro-rata basis of all the Bonds outstanding.
- d. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Joint Trustees a resolution by the State's Executive Council stating that the requirement referred to in (a) above will apply on the next Coupon Payment Date.

2.5 Utilisation of Bond Proceeds

- 2.5.1 The Issuer shall apply the net proceeds of the Series III Bonds to finance the Projects set out in the Pricing Supplement.
- 2.5.2 The Joint Trustees shall not be bound to enquire as to the application by the Issuer of the proceeds of the Series III Bonds, nor shall it be responsible for such application, or for the consequence of such application.

2.6 Creation of Series III Sinking Fund

- 2.6.1 The Issuer hereby establishes a Series III Sinking Fund, to be held by the Joint Trustees. The amount standing to the credit of the Series III Sinking Fund from time to time shall be applied to meet the obligations of the Issuer as follows:
 - (i) Coupon payments;
 - (ii) Semi-annual Principal payment commencing upon the expiry of the Principal Moratorium Period and/or early redemption prepayments;
 - (iii) Joint Trustees' fees and Expenses;
 - (iv) Annual ratings agencies' fees;
 - (v) Registrar's fees;
 - (vi) Project Monitoring Consultants' Fees;
 - (vii) FMDQ and NSE Annual Listing fees;
 - (viii) Other expenses related to the management of the Bond; and
 - (ix) Any excess left over at the end of the Programme and after due discharge of all the Issuer's obligations aforesaid shall be paid over to the Issuer.
- 2.6.2 The Issuer shall credit the sum of ~~₦~~50,832,564 into the Series III Sinking Fund on a monthly basis from the CDSA for the purpose of payment of the principal, coupon, Joint Trustees' fees and expenses including other monies (if any) due and payable by the Issuer in respect of the Series III Bonds.
- 2.6.3 In addition to clause 2.6.2 above, immediately upon the issuance of the series III Bond, the sum of ~~₦~~1,000,000,000 shall be credited into the Series III Sinking Fund on a monthly basis in accordance with

the ISPO issued by the Issuer and duly approved by the Honourable Minister of Finance by the letter dated December 23, 2019.

- 2.6.4 Further to Clause 2.6.2 above, the amount appropriated from the CDSA shall be increased to ~~₦694,396,318~~ following the expiration of the twenty-four (24) month Principal Moratorium Period.

2.7 Listing

The Series III Bonds shall upon issue, be admitted to the Daily Official List (Bonds) of The Nigerian Stock Exchange and/or the FMDQ and such quotation shall be maintained until the Maturity Date.

2.8 Trading and Settlement

The Series III Bonds shall be traded on the secondary market and settled through the FMDQ Depository.

3. REPRESENTATIONS AND UNDERTAKINGS

3.1 Representations and Warranties of the Issuer

- 3.1.1 The Issuer hereby certifies that neither the execution of the Programme Trust Deed or this Deed nor the creation of the charge hereunder contravenes the provisions of any laws of the State.
- 3.1.2 The Issuer warrants that no event of default as defined under Clause 12 (*Events of Default*) of the Programme Trust Deed has occurred and/or is continuing.
- 3.1.3 The Issuer also warrants that no amalgamation, reconstruction or other change in the status of the State shall be interpreted to avoid obligations herein imposed on the Issuer, and in the event of any change in the status of the State, the successor(s)-in-title of the State shall be held and deemed responsible for the performance of the obligations imposed hereunder.
- 3.1.4 The Issuer represents and warrants to the Joint Trustees and Bondholders that each of the representations and warranties set out in Clause 16 of the Programme Trust Deed is valid and of effect as at the date of this Deed.

3.2 Undertakings of the Issuer

- 3.2.1 The Issuer undertakes to the Bondholders and the Joint Trustees that it shall deposit the sum of ~~₦50,832,564~~ from the CDSA to the Series III Sinking Fund at least 15 Business Days prior to the end of every month during each year in which the Bonds remain outstanding and cause same to be deposited into the Series III Sinking Fund towards the accumulation of monies for principal and coupon payment or early redemption prepayment, in accordance with Schedule 2 hereto. This amount shall be increased to ~~₦694,396,318~~ following the expiration of the twenty-four (24) month Principal Moratorium Period.
- 3.2.2 The Issuer irrevocably undertakes not to revoke or modify the terms under which sums from the CDSA are deposited in the Series III Sinking Fund throughout the tenor of the Series III Bonds without the prior written consent of the Joint Trustees and the prior approval of SEC.
- 3.2.3 The Issuer undertakes to punctually comply with all its undertakings and obligations, the non-compliance which is likely to materially adversely affect the general interests of Bondholders.
- 3.2.4 The Issuer undertakes to use its best endeavours to secure the approval from the House of Assembly to approve payment into the Series III Sinking Fund from the State Consolidated Revenue Fund and assets of the State where the balance in the CDSA is insufficient to discharge the Issuer's debt service obligation.

3.3 Representations and Warranties of the Joint Trustees

- 3.3.1 Each of the Joint Trustees hereby warrants to comply with its fiduciary duties owed to the Bondholders in accordance with the Programme Trust Deed, this Deed and the provisions of the Enabling Law and the ISA including but not limited to acting solely for the benefit and in the best interest of Bondholders.
- 3.3.2 Each of the Joint Trustees hereby warrants to the Issuer and the Bondholders that each of the representations and warranties stated in clause 15 of the Programme Trust Deed is valid and of effect as at the date of this Deed.
- 3.3.3 The Joint Trustees warrant that they shall, at any time, concur with the Issuer in making any modification to this Deed, which shall be expedient with a view to obtaining permission to deal in or seek quotation of the Series III Bonds on the Nigerian Stock Exchange and/or the FMDQ; provided that the Joint Trustees shall be of the opinion that such modification shall not be prejudicial to the interest of the Bondholders.

4. TRANSFER AND SECURITY

4.1 Transfer

- 4.1.1 The Series III Bonds shall be transferable in accordance with the provisions of the Deed, provided that a Bondholder may only transfer Series III Bonds in multiples of ₦5,000,000.00 (Five Million Naira) ("**Minimum Transfer Amount**").
- 4.1.2 The title of any Bondholder to a Series III Bond, shall not be deemed to be transferred to any other person except upon the execution of an approved instrument of transfer to the other person and upon the registration by the Registrar of the transferee as the Bondholder in the Register.
- 4.1.3 Coupon which is due in respect of a Series III Bonds, but which has not been paid to a Bondholder for the time being shall not be deemed to be payable to a transferee of that Series III Bonds unless the instrument of transfer expressly provides for the payment of that coupon to the transferee.

4.2 Registration

- 4.2.1 Notwithstanding the provisions of sub-clause 4.1.1, no transfer may be effected:
 - a. if such transfer would result in the transferor or transferee holding or continuing to hold Series III Bonds with a value less than the Minimum Subscription Amount;
 - b. except on submission, to the Registrar, of instrument of transfer relating to the Bonds and on the payment of the prescribed fees;
- 4.2.2 The Register shall be closed for a period of Twenty - One (21) days preceding each Coupon Payment Date and no transfer of Series III Bonds shall be registered in the Register during this period.

4.3 Security

Every Bondholder shall have the right to pledge, charge, and mortgage or otherwise use its Series III Bonds to secure a debt, a loan or an obligation and in any such case, shall notify the Joint Trustees of the pledge, charge, mortgage or obligation. Upon being notified by the Joint Trustees, the Registrar shall register in the Register, every such pledge, charge, mortgage or obligation on or in respect of any Series III Bond.

5. ACCOUNTING AND AUDITING

- 5.1 The Joint Trustees shall cause proper books of account to be kept and furnished to the Issuer on a monthly and quarterly basis. Annual accounts of the trust in respect of the Series III Bonds shall also be prepared to give a fair and true view of the affairs of the trust during each year covered by the accounts.

5.2 The financial statements shall be laid before the Bondholders at a meetings of Bondholders in line with the provision on Meetings in the Programme Trust Deed.

6. CONTINUITY

For as long as the Series III Bonds remain outstanding, the obligations as set forth in the Deed shall be a binding and continuing obligation on the Issuer.

7. NEGATIVE PLEDGE

The Issuer hereby covenants that it shall not without the express written consent of the Joint Trustees, at any time during the subsistence of this Deed, create or permit to subsist any encumbrance, or agree or purport to permit to subsist any encumbrances on the Pledged Revenues and the Series III Sinking Fund, whether ranking in priority or *pari passu* with the interest of the Bondholders, without providing such other security for the Bonds as may be approved by holders of not less than three quarters of the aggregate nominal amount of the Debt Securities for the time being outstanding at a duly convened meeting of the Bondholders.

8. NOTICES

All notices regarding the Series III Bonds will be deemed to be validly given –

8.1 on the seventh day after posting the notices by registered post or reputable courier or (if posted to an address overseas) by reputable courier to the Bondholders (or the first named of Joint Holders) at the respective addresses recorded in the Register; and

8.2 upon the publication of the notices in at least two (2) newspapers of national circulation in Nigeria. Any such newspaper notice will be deemed to have been given on the date of the first publication

Provided that the date of the publication of the notice shall take precedence over date in clause 8.1 above.

9. REMEDIES AND ENFORCEMENT OF REMEDIES

In the event that the amount standing to the credit of the Series III Sinking Fund is not sufficient to discharge the Issuer's debt service obligations under the Series III Trust Deed, the outstanding amount in the CDSA shall first be used to fund the shortfall and if same is insufficient to pay the deficiency, the outstanding balance shall be paid from the State Consolidated Revenue Fund and assets of the State with the approval of the House of Assembly.

10. COUNTERPARTS

This Deed may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

11. SEVERABILITY

Any term or provision of this Deed or the application thereof to any circumstance that is prohibited or unenforceable (to any extent) in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity, prohibition or unenforceability without invalidating or rendering unenforceable the remaining terms or provisions hereof or the application of such term or provision to circumstances other than those to which it is held invalid or unenforceable. Any such illegality, invalidity, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable laws, the parties hereto waive any provision of law that renders any term or provision of this Deed illegal, invalid, prohibited or unenforceable in any respect.

12. BENEFIT OF THE TRUST DEED

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

13. GOVERNING LAW

This Deed shall be governed by and construed in all respects in accordance with the laws of the Federal Republic of Nigeria.

SCHEDULE 1

TERMS OF THE BONDS

The following are the Terms and Conditions of the Bonds.

1. THE BONDS

The ₦100,000,000 12.25% Fixed Rate Bonds due 2030 (Series III) (the "**Bonds**") issued by the Lagos State Government of Nigeria (the "**Government**" or "**Issuer**") pursuant to the provisions of the Lagos State Bond, Notes and Other Securities Issuance Law, 2008 (the "**Enabling Law**") and the resolutions duly and properly adopted by the House of Assembly on 22nd day of November, 2019 as well as the resolution duly and properly adopted by the Lagos State executive council on 8th October 2019 (the "**Resolution**"). The Bonds are being issued to finance various infrastructure projects of the State.

The Bonds are constituted by a Series III Trust Deed dated January 29, 2020 (the "**Trust Deed**") between the Issuer and Joint Trustees (which expression shall include all persons who for the time being are joint trustees under the Trust Deed), as Joint Trustees for the purpose of acting for the benefit of the Bondholders. The statements set out in these Terms and Conditions (the "**Conditions**") and in the relevant extracts from the Trust Deed on pages 32 to 40 of the Supplementary Shelf Prospectus, include summaries of, and are subject to the detailed provisions of the Series III Trust Deed and the Programme Trust Deed dated 30th December, 2016 between the State and the Joint Trustees.

2. FORM, DENOMINATION AND TITLE

(a) *Denomination*

The Bonds will be in fully registered form, in denominations of ₦1,000 (One Thousand Naira) each. The minimum subscription amount for the Bonds is ₦10,000,000.00 (Ten Million Naira). The Issuer, the Joint Trustees and any agent will (except as otherwise required by law and the Trust Deed) deem and treat the registered Bondholder of the Bonds as the absolute owner thereof for all purposes.

(b) *Title*

Issue of Bonds in Dematerialised Form

Bondholders may hold the Bonds in dematerialised form and deal in the same in accordance with FMDQ Depository procedures and guidelines. Subscribers desirous of receiving Bonds in dematerialised form should indicate to their FMDQ Depository Participant; their BPID Number and other relevant details in the appropriate space on the application form attached to the Supplementary Shelf Prospectus. Upon clearance of the basis of allotment by the SEC, the Registrar shall take necessary steps to credit the designated BPID accounts of the allottee(s) with the number of allotted Bonds. In case of incorrect details provided by the Bondholders and inability of the Registrar to credit the BPID account, the Bonds will be issued in physical form to such Bondholders.

Statements issued by FMDQ Depository as to the aggregate number of such Bonds standing to the credit of the account of any person 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 Joint Trustees and the Registrar as the beneficial owner of such aggregate number of Bonds for all purposes.

3. TRANSFER OF THE BONDS

(a) *Transfers*

The Bonds may be transferred in whole or in part in multiples of ₦5,000,000 (Five Million Naira) ("Minimum Transfer Amount") or integral multiples of that amount by instrument in writing in the usual common form of transfer or in any form approved by the Issuer and the Joint Trustees. Every instrument of transfer must be signed by both the transferor and the transferee and title to the Bonds will pass upon registration of the instrument of transfer in accordance with the provisions of the Trust Deed. All transfers of Series III Bonds and entries in the Register will be made subject to the prevailing SEC Rules and Regulations.

(b) *Delivery of new Certificates*

The transfer of Series III Bonds in dematerialized or immobilized (book entry) form shall be regulated by FMDQ Depository procedures and guidelines.

Where a Bondholder has elected to receive a Certificate, on registration of a transfer of Series III Bonds, the Certificate evidencing that holding will be cancelled and replaced. Each new Certificate to be issued upon a transfer of the Bonds will, within 5 (five) Business Days of receipt by the Registrar of the duly completed form of transfer, be mailed by registered post to the new Bondholder entitled to the Bonds at the address specified in the form of transfer.

Where some but not all of the Bonds in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Bonds not so transferred will, within 5 (five) Business Days of receipt by the Registrar of the original Certificate, be mailed by registered post to the address of such Bondholder appearing on the Register or as specified in the form of transfer.

(c) *Transmission by operation of law*

Any person becoming entitled to any Series III Bonds by operation of law (including the death, liquidation or bankruptcy of any Bondholder) may, upon producing evidence of such entitlement as shall be reasonably acceptable to the Issuer, obtain registration as the holder of such Series III Bonds or may execute a transfer of such Series III Bonds. This provision includes any case where a person becomes entitled as a survivor of persons registered as Joint Holders.

4. REPAYMENT STRUCTURE

- 4.1 The Bonds shall be paid as a first line charge on the CDSA which shall enable the deduction of such amounts as would be required to discharge the payment obligation of the Issuer obligations under the Series III Bonds. The deducted amount shall be paid into the Series III Sinking Fund, commencing from the first month of issuance, as specified in Schedule 2.
- 4.2 In addition to deductions from the CDSA, the Series III Sinking Fund will be credited on a monthly basis, commencing from the first month of issuance, with such amounts as would be required pursuant to the ISPO issued by the Issuer and duly approved by the Honourable Minister of Finance.
- 4.3 Payment of the principal, coupon for Bonds, Joint Trustees' fees and Expenses including other monies (if any) due and payable by the Issuer under this Series will be made from the Series III Sinking Fund to be managed by the Joint Trustees for the benefit of the Bondholders in accordance with the Joint Trustees Investment Principles. The Investment Principles for the Lagos State Bond are specifically indicated in the Enabling Law. Accordingly, the Enabling Law provides that the Sinking Fund should be invested in Federal Government Bonds and Stocks; Lagos State Government securities; and any other instrument listed on any Stock Exchange; subject to the approval of

the Governor. Furthermore, the dividends, interest, bonus and other profits of any investment of any part of the Sinking Fund shall also be invested by the Joint Trustees so as to form part of that Sinking Fund; as monies appropriated as contributions to the Sinking Fund.

5. COUPON PAYMENTS

(a) *Period of Accrual of Coupon*

The Bonds shall accrue coupon from (and including) the Allotment Date. Coupon will cease to accrue on the Bonds on the due date for redemption thereof unless thereof, payment of principal is improperly withheld or refused. Any overdue principal of the Bonds will continue to bear interest at rates determined by the Issuer in conjunction with the Joint Trustees acting on behalf of Bondholders.

(b) *Coupon Payment Dates*

Coupon is payable semi-annually in arrears in the 1st (First) and 7th (seventh) month of each year that the Bonds remain outstanding and shall not be subject to a moratorium period. The period from and including a Coupon Payment Date (or, in the case of the first period, the Allotment Date) to but excluding the next Coupon Payment Date is referred to as the "Coupon Period." If the Coupon is required to be calculated for a period of less than one year (other than a semi-annual period), it will be calculated on the basis of the actual number of days in the month divided by 365 days in the year and in the case of an incomplete month, the number of days elapsed.

(c) *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations, and decisions given, expressed, made or obtained by the Registrar shall (in the absence of wilful default, negligence, bad faith or manifest error) be binding on the Issuer, the Registrar and all Bondholders and (subject as aforesaid) no liability to the Bondholders shall attach to the Registrar in connection with the exercise by it of its powers, duties and discretions.

6. REDEMPTION

The Aggregate Principal Amount shall be amortised over the life of the Series III Bonds commencing after the second anniversary of issuance of the Series III Bonds in accordance with Schedule 2 hereof. Each Series III Bonds shall bear interest from the Issue Date. The Coupon is payable semi-annually in arrears in the 1st (First) and 7th (seventh) month of each year that the Bonds remain outstanding.

Notwithstanding the above, the Bond is callable by the Issuer at Par Value on any Coupon Payment Date after five years, subject to a notice period.

7. PAYMENTS

(a) Coupon on the Bond shall accrue from the Allotment Date and payments will be made to those persons whose names appear (or to the first named in the case of joint holders) in the Register of Bondholders at the close of business on the date being the 21st (Twenty-First) day before the relevant Coupon Payment Date (Record Date).

(b) Principal payments in respect of the Series III Bonds shall commence on the first Coupon Payment Date following the second anniversary of the issuance of the Series III Bonds and will be made to those persons whose names appear (or to the first named in the case of joint holders) in the Register as on the Record Date.

(c) In the event of the Issuer exercising the call option on the Bonds, subject to obtaining prior regulatory approval, the principal outstanding on the Bonds shall become due in part or in whole, provided that such call option may be exercised on any Coupon Payment Date following the Sixtieth (60th) month from the Issue Date of the Bonds.

- (d) All payments shall be made in Nigerian Naira and by credit to the bank account of the Bondholder as specified on the application form attached to the Supplementary Shelf Prospectus by the Registrar. If a bank account is not provided for this purpose, all applicable payments will be withheld until the relevant bank account details have been provided. No additional amounts will be paid on any Coupon withheld. The Bondholder or his legal representative shall be the only person entitled to receive payments in respect of Bonds and the Issuer will be discharged by payment to, or to the order of, the Bondholder in respect of each amount so paid.
- (e) If the due date for payment of any amount in respect of the Bonds is not a Business Day, then the Bondholder thereof shall not be entitled to payment of the amount due until the next following Business 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 Bondholder shall not be entitled to any further amount or other payment in respect of any such delay. For the purpose of this Condition, "**Business Day**" means any day on which banks are open for business in the Federal Republic of 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.
- (f) Any monies paid by the Issuer in respect of any Bonds and remaining unclaimed at the end of **12** years after the principal of all the Bonds shall have become due and payable (whether at maturity or otherwise) and monies sufficient therefore shall have been duly made available for payment thereon, shall be repaid to the Issuer. Upon such repayment all liabilities of the Registrar with respect to such funds shall cease.
- (g) The Bonds will be subject to the six-year statute of limitations period relating to claims for principal and interest as provided by Section 262 of the ISA.

APPENDIX VI: EXTRACT FROM REPORTING ACCOUNTANT'S REPORT

LAGOS STATE GOVERNMENT: FINANCIAL INFORMATION FY 2016 - FY 2018



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ACCOUNTANTS' REPORT ON THE AUDITED FINANCIAL STATEMENTS

The Lagos State Government
The Secretariat,
Obafemi Awolowo way,
Ikeja,
Lagos State,
Nigeria

Sir,

ACCOUNTANTS' REPORT ON THE AUDITED FINANCIAL STATEMENTS OF THE LAGOS STATE GOVERNMENT FOR THE THREE YEARS ENDED 31 DECEMBER 2018, 2017 AND 2016 REGARDING THE STATE'S BOND ISSUE OF N100 BILLION

We have reviewed the audited financial statements of the Lagos State Government that comprises of the statement of financial position as at 31 December 2016, 2017 and 2018, the statement of financial performance and the statement of cash flows for each of the three years for the proposed N100 billion bond issue ("The Offer"). The office of the auditor general expressed a true and fair view on the financial statements of the Lagos State Government for the years ended 31 December 2016, 2017 and 2018.

State's Responsibility for the Financial Statements

Lagos State Government ("LASG", or "The State") is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) and for such internal control as the State determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with the International Standard on Review Engagement (ISRE) 2400, Engagements to Review Historical Financial Statements, ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements taken as a whole, are not prepared in all material respects in accordance with the International Public Sector Accounting Standards (IPSAS). This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 is a limited assurance engagement. The accountant performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates 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 these financial statements.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not give a true and fair view of the financial position of Lagos State Government as at 31 December 2018, 2017 and 2016, and their financial performance and cash flows for each of the three years, in accordance with the International Public Sector Accounting Standards (IPSAS).

This report is solely for the use of the Executive of Lagos State Government and other relevant parties to the Offer. No part of this report may be quoted or circulated outside these parties without the prior written approval of Ernst & young.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'O. Alabi', is written over a faint circular stamp.

Olufemi Alabi,
For: Ernst & Young
Lagos, Nigeria
28 November 2019

LAGOS STATE GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE THREE YEARS ENDED 2018, 2017 AND 2016

In Nigerian Naira thousands	Notes	2018	2017	2016
Revenue				
Revenue from Non-Exchange Transactions				
Taxation Income	9	315,058,302	294,228,541	244,660,568
Levies, Fees and Fines	10	56,696,075	31,102,702	29,524,314
Statutory Allocation	11	223,055,445	141,779,984	123,534,554
Grants	12	906,136	1,541,792	199,684
Other Revenue from Non-exchange Transactions	13	4,771,419	4,425,874	6,916,845
Sub-Total		600,487,377	473,078,893	404,835,965
Revenue from Exchange Transactions				
Income from Other Services	14	29,762,979	18,064,268	20,337,477
Capital Receipts	15	18,226,434	10,020,357	15,769,768
Investment Income	16	3,997,434	8,618,701	7,924,449
Interest Income	17	626,729	1,503,257	740,901
Sub Total		52,613,576	38,206,583	44,772,595
Total Operating Revenue		653,100,953	511,285,476	449,608,560
Expenses				
Wages, Salaries and Employee Benefits	18	101,901,147	92,238,735	87,323,808
Grants and Other Transfers	19	13,263,284	13,754,039	10,975,900
Subvention to Parastatals	20	48,203,055	46,987,881	36,745,113
General and Administrative Expenses	21	116,463,388	81,689,452	70,096,144
Total Operating Expenses		279,830,874	234,670,107	205,140,965
Surplus for the Period, before Capital Items, Foreign Exchange Losses and Public Debt Charges				
		373,270,079	276,615,369	244,467,595
Capital Expenditure	22	209,955,639	278,170,966	215,228,212
Public Debt Charges	23	72,453,612	65,613,231	55,572,669
Net Gain/Loss on Foreign Exchange Transactions	24	(9,512,243)	36,816,477	138,311,069
Depreciation	25	103,798,136	92,992,223	84,607,489
Sub Total		376,695,144	473,592,897	493,719,439
Deficit for the period		(3,425,065)	(196,977,528)	(249,251,844)

LAGOS STATE GOVERNMENT
STATEMENT OF FINANCIAL POSITION FOR THE THREE YEARS ENDED 2018, 2017 AND 2016

In Nigerian Naira thousands	Notes	2018	2017	2016
Assets				
Current Assets				
Cash and Cash Equivalents	26	63,802,820	26,507,574	37,464,041
Receivables from Exchange Transactions	27	326,317	328,310	349,875
Recoverable from Non-Exchange Transactions	28	29,444,014	10,063,445	2,770,567
Inventory	29	1,662,266	3,891,143	1,037,590
Sub Total		95,235,417	40,790,472	41,622,073
Non-current Assets				
Available-for-sale Investments	30	78,162,126	76,194,201	76,733,407
Other Financial Assets	31	16,878,439	31,347,239	108,345,018
Property, Plant and Equipment	25	2,325,962,624	2,064,995,625	2,071,169,715
Sub Total		2,421,003,189	2,172,537,065	2,256,248,140
Total Assets		2,516,238,606	2,213,327,537	2,297,870,213
Liabilities				
Current Liabilities				
Payables and Other Liabilities	32	251,528,522	60,915,062	6,029,801
Public Funds	33	222,367	498,832	221,798
Public Debt (Borrowings)	34	98,580,250	75,911,450	130,329,948
Finance Lease Obligations	35	3,195,005	3,109,967	3,175,376
Sub Total		353,526,144	140,435,311	139,756,923
Non-current Liabilities				
Public Debt (Borrowings)	34	701,682,995	772,505,434	649,537,244
Finance Lease Obligations	35	4,803,526	6,626,927	7,983,691
Retirement Benefit Obligations	36	37,067,229	37,805,586	42,393,173
Sub Total		743,553,750	816,937,947	699,914,108
Total Liabilities		1,097,079,894	957,373,258	839,671,031
Net Assets				
Accumulated Surplus	37	1,341,996,586	1,179,760,078	1,381,465,775
Available-for-sale Reserve		77,162,126	76,194,201	76,733,407
Sub Total		1,419,158,712	1,255,954,279	1,458,199,182
Total Net Assets and Liabilities		2,516,238,606	2,213,327,537	2,297,870,213

LAGOS STATE GOVERNMENT
STATEMENT OF CASHFLOW FOR THE THREE YEARS ENDED 2018, 2017 AND 2016

In Nigerian Naira thousands	Notes	2018	2017	2016
Cash Flows from Operating Activities				
Receipts				
<i>Revenue from Non-exchange Transactions:</i>				
Net Tax Receipts	9	316,920,461	291,360,448	244,688,733
Levies, Fees and Fines	10	56,696,075	31,102,702	29,524,314
Statutory Allocation	11	223,055,445	141,779,984	123,534,554
Grants	12	906,136	1,541,792	199,684
Other Revenue from Non-exchange Transactions	13	4,675,400	4,138,056	6,916,845
Exchange Gain (Realized)		29,106	373,916	3,473,755
Sub Total		602,282,623	470,296,898	408,337,885
<i>Revenue from Exchange Transactions:</i>				
Income from Other Services	14	29,762,979	18,064,268	20,337,477
Capital Receipts	15	18,226,434	10,020,357	15,769,768
Investment Income	16	3,997,434	8,618,701	7,924,449
Interest Income	17	626,729	1,503,257	740,901
Changes in Other Receivables	27	(27,229,232)	(282,071)	(38,363)
Sub Total		25,384,344	37,924,512	44,734,232
Total Receipts		627,666,967	508,221,410	453,072,117
Payments				
Wages, Salaries and Employee Benefits	18	97,232,735	86,519,150	81,401,952
Contribution to Gratuity and Pension Fund	36	11,219,291	15,035,339	17,163,738
Grants and Other Transfer Payments	19	13,263,284	13,754,039	10,975,900
Subvention to Parastatals	20	48,203,055	46,987,881	36,745,113
Lease Rental Payments	35	3,512,794	3,490,585	-
General and Administrative Expenses	21	109,579,674	81,689,452	70,096,144
Payment to Suppliers		(561,484)	3,622,504	(375,595)
Exchange difference on Foreign Exchange Transactions		27,977	-	3,861,604
Payment of Public Debt Charges		69,852,466	58,147,065	54,271,291
Total Payments		352,329,792	309,246,015	274,140,147
I. Net Cash Flows from Operating Activities		275,337,175	198,975,395	178,931,970
Cash Flows from Investing Activities				
Purchase and Construction of Assets	39	(213,765,023)	(309,334,886)	(236,657,422)
Decrease in Bond Sinking Fund	31	14,468,801	76,997,778	12,125,157
Increase in receivables		-	-	-
Movement in payables		-	-	-
Revaluation loss on special deposit		-	(506,249)	-
II. Net Cash Flows used in Investing Activities		(199,296,222)	(232,843,357)	(224,532,265)
Cash Flows from Financing Activities				
Proceeds from Borrowings	40	45,000,000	151,227,720	106,147,403
Repayment of Borrowings	41	(83,469,243)	(128,593,260)	(49,820,979)
Movement in Public Funds	33	(276,464)	277,035	10,702
III. Net Cash Flows used in Financing Activities		(38,745,707)	22,911,495	56,337,126
Net Cash Flow [I]+[II]+[III]		37,295,246	(10,956,467)	10,736,831
Increase/decrease in Cash and its Equivalent				
Closing Cash and its Equivalent	26	63,802,820	26,507,574	37,464,041
Less: Opening Cash and its Equivalent	26	26,507,574	37,464,041	26,727,210
Increase/(decrease) in Cash and its Equivalent		37,295,246	(10,956,467)	10,736,831

APPENDIX VII: FINANCIAL SUMMARY

OPINION OF THE AUDITOR GENERAL OF THE STATE ON THE AUDITED ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2018



LAGOS STATE GOVERNMENT

REPORT OF THE STATE AUDITOR-GENERAL

TO THE MEMBERS OF THE LAGOS STATE HOUSE OF ASSEMBLY

The financial statements of the Lagos State Government for the year ended 31st December 2018 set out on pages 10 to 81 of this report, which have been prepared on the basis of accounting policies set up on pages 15 to 25 have been audited under my supervision, as required by section 125 of the 1999 Constitution of the Federal Republic of Nigeria and Lagos State Public Finance Management Law, 2011.

ACCOUNTANT GENERAL'S RESPONSIBILITIES

The Accountant General is responsible for the preparation and presentation of the financial statements based on section 125 (5) of the 1999 Constitution of the Federal Republic of Nigeria. She is to ensure that there are no material misstatements in the financial statements.

AUDITOR GENERAL'S RESPONSIBILITIES

It is my statutory responsibility to form an independent opinion based on my audit of the financial statements and to report my opinion thereon.

BASIS OF OPINION

The audit was conducted in accordance with Nigerian Standards on Auditing as applicable to the public sector and the provisions of section 125 of the constitution of the Federal Republic of Nigeria. It includes examination on a test basis, of evidence relevant to the figures disclosed in the financial statements.

The audit was planned and performed to obtain all information and explanations considered necessary for reasonable assurance, that the financial statements are free from material misstatements. I have obtained all the information and explanations that I required.

OPINION

In my opinion, the financial statements of Lagos State Government for the year ended 31st December 2018, show a true and fair view of the State's financial affairs, the cash flow and the financial position available as at that date; Lagos State Government initiated accrual basis IPSAS on 1 January 2016 and elected to adopt the transitional exemptions in IPSAS 33 that allows it to apply deemed cost and a transitional period of up to three years; this being the Third Transitional Accrual-based LASG Financial Statements for the financial year ended, 31st December, 2018. As a result of adopting the transitional exemptions and provisions, the Lagos State Government is not able to make an explicit and unreserved statement about its full compliance with accrual basis IPSASs. These financial statements are therefore referred to as the Third Transitional IPSAS Financial Statements of Lagos State Government for the financial year ended 31st December, 2018.

A handwritten signature in black ink, appearing to read 'H.M. Deile'.

H.M Deile (Mrs.)
State Auditor General
May 22, 2019

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies, adopted by the State Government in preparation of its financial statements:

1 Basis of Accounting

2018, 2017, 2016

The accounting framework of Lagos State Government (LASG) focuses on reporting the budgetary activities of the government for the financial year as laid down in the Appropriation Law.

The transitional financial statements of the LASG have been prepared using the accrual basis in accordance with the requirements of International Public Sector Accounting Standards (IPSAS) 33 – 'First time adoption of accrual IPSAS' and in accordance with Sections 13 and 14 of Lagos State Public Finance Law 2011 while the office of the Accountant General of Lagos State is empowered to choose the basis of reporting.

2015, 2014

The financial statements have been prepared using the cash basis of accounting which recognises transaction and events only when cash is received or paid by the entity. Assets and Liabilities in the disclosed notes are on historical basis.

The financial statements have been prepared in line with international best practices and in compliance with Cash Basis IPSAS except for consolidation of State Owned Enterprises. The Financial Statements and notes forming parts thereof have been prepared using the National format of Cash Basis IPSAS

2 Presentation of the financial Statements

Details of general and specific funds are disclosed by the way of notes in the financial statements of the State Government.

3 Property, Plant and Equipment (PPE)

2018, 2017, 2016

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses.

2015, 2014

The Financial Statements are prepared on a cash basis as such there are no provisions for depreciation of assets which are not capitalised but written off in the year of purchase.

4 Inventory

2018, 2017, 2016

Inventories are stated at the lower of cost, current replacement cost and net realizable value.

5 Financial Instrument

LASG classifies financial assets in the following categories: at fair value through surplus or deficit, held to maturity, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired.

LASG classifies its financial liabilities at fair value through surplus or deficit and at amortised cost. Classification of financial liabilities is based on the nature or characteristic of the instrument. The office of the Accountant General determines the classification of its financial assets and liabilities at initial recognition.

6 Foreign Currency Transactions

Foreign currency transactions throughout the year are converted into Nigerian Naira at the ruling Central Bank of Nigeria (CBN) rate of exchange at the date of the transactions. Foreign currency balances as at the year-end are valued at the exchange rates prevailing at that date.

STATEMENT OF FINANCIAL PERFORMANCE

	FY2018 N'm	FY2017 N'm	FY2016 N'm
Revenue from non-exchange transactions:			
Taxation Income	315,058	294,229	244,661
Levies, fees and fines	56,696	31,103	29,524
Statutory allocation	223,055	141,780	123,535
Grants	906	1,542	200
Other revenue from non-exchange transactions	4,675	4,138	6,917
Revenue from exchange transactions:			
Income from other services	29,763	18,064	20,337
Capital receipts	18,226	10,020	15,770
Investment income	3,997	8,619	7,924
Interest income	627	1,503	741
Total Operating Revenue	653,005	510,998	449,609
Expenses			
Wages, salaries and employee benefits	101,901	92,239	104,488
Grants and other transfers	13,263	13,754	10,976
Subvention to Parastatals	48,203	46,988	36,745
General and administrative expenses	109,580	81,689	70,096
Total operating expenses	272,947	234,670	222,305
Surplus for the period before capital items, foreign exchange losses and public debt charges	380,058	276,328	227,304
Capital expenditure	209,956	278,171	215,228
Public debt charges	72,454	65,613	55,573
Net loss on foreign exchange transactions	(9,512)	36,310	84,607
Depreciation	103,798	92,992	138,311
	376,695	473,087	493,719
Surplus/(Deficit) for the period	3,363	(196,759)	(266,416)

STATEMENT OF FINANCIAL POSITION

	FY2018 N'm	FY2017 N'm	FY2016 N'm
Assets			
Current Assets			
Cash and cash equivalents	64,429	27,014	37,464
Receivables from exchange transactions	326	328	350
Recoverables from non-exchange transactions	31,311	5,942	2,771
Inventory	1,662	3,891	-
	97,729	37,176	40,584
Non-current Assets			
Available-for-sale investments	78,162	76,194	76,733
Other financial assets	16,878	31,347	108,345
Property, plant and equipment	2,325,963	2,064,996	1,678,260
	2,421,003	2,172,537	1,863,338
Total assets	2,518,732	2,209,713	1,903,922
Liabilities			
Current liabilities			
Payables and other liabilities	249,850	60,915	6,030
Public funds	222,368	499	222
Public debt (Borrowings)	98,580	75,911	130,330
Finance Lease Obligations	3,195	3,110	-
	351,848	140,435	136,582
Non-current liabilities			
Public Debt (Borrowings)	698,850	768,672	649,537
Finance Lease Obligations	4,804	6,627	-
Retirement Benefit Obligations	37,067	37,806	42,393
	740,720	813,105	691,930
Total liabilities	1,092,568	953,540	823,512
Net Assets			
Accumulated Surplus	1,349,003	1,179,979	-
Available-for-sale Reserve	77,162	76,194	1,075,410
	1,426,165	1,256,173	1,075,410
Total Net Assets and Liabilities	2,518,733	2,209,713	1,903,922

STATEMENT OF CASH FLOWS

	FY2018 N'm	FY2017 N'm	FY2016 N'm
Cash Flows from Operating Activities			
Receipts			
Revenue from Non-exchange Transactions:			
Net Tax Receipts	316,920	291,360	244,689
Levies, Fees and Fines	56,696	31,102	29,524
Statutory Allocation	223,055	141,780	123,535
Grants	906	1,542	200
Other Revenue from Non-exchange Transactions	4,675	4,138	6,917
Exchange Gain (Realised)	29	374	3,474
Revenue from Exchange Transaction:			
Revenue from Other Services	29,763	18,064	20,338
Capital Receipts	18,226	10,020	15,770
Investment Income	3,997	8,619	7,924
Interest Income	627	1,503	741
Changes in Other receivables	(27,229)	(282)	-
Total Receipts	627,667	508,221	453,110
Payments			
Wages, Salaries and Employee Benefits	97,233	86,519	98,566
Contribution to Gratuity and Pension Fund	11,219	15,035	-
Grants and Other Transfer Payments	13,263	13,754	10,976
Subvention to Parastatals	48,203	46,988	36,745
Lease Rental Payments	3,513	3,491	-
General and Administrative Expenses	109,580	81,689	70,096
Payment to Suppliers	(682)	3,623	-
Exchange differences on Foreign Exchange Transactions	28	-	3,862
Payment of Public Debt Charge	69,852	58,147	54,271
Total Payments	352,209	309,246	274,516
i. Net Cash Flows from Operating Activities	275,458	198,975	178,595
Cash Flows from Investing Activities			
Purchase and Construction of Assets	(213,765)	(309,335)	(236,657)
Decrease in Bond Sinking Fund	14,469	76,998	12,125)
(Increase)/decrease in receivables			(38)
Movement in payables			(376)
ii. Net cash Flow used in Investing Activities	(199,296)	(232,337)	224,195
Cash Flows from Financing Activities			
Proceeds from Borrowing	45,000	151,228	106,147
Repayment of Borrowing	(83,469)	(128,593)	49,821
Movement in Public Funds	(276)	277	11
iii. Net Cash Flows used in Financing Activities	(38,746)	22,911	56,337
Net Cash Flow (i)+(ii)+(iii)	37,416	(10,450)	10,737
Increase / decrease in Cash and its Equivalent			
Closing Cash and its Equivalent	64,430	27,014	37,464
Less: Opening Cash and its Equivalent	27,014	37,464	26,727
Increase/(decrease) in cash and its Equivalent	37,416	(10,450)	10,737

STATEMENT OF CONSOLIDATED REVENUE FUND

	2015 N'm	2014 N'm
Opening Balance	124,288	124,060
Add:		
Statutory Transfers	116,829	131,002
Internally Generated Revenue	267,582	277,120
Total Revenue	384,411	408,123
Total Available Fund	508,699	532,183
LESS:		
Personnel Cost	86,375	76,835
Pensions and Gratuity	4,644	1,980
Consolidated Revenue Fund Charges	197	254
Overhead Charges	65,643	73,516
Grants and Contributions	2,801	3,087
Subvention to Parastatals	31,245	30,621
Loan Charges	19,756	22,955
Bond Charges	29,977	33,646
Total Charges/Expenditure	240,639	242,895
Operating Balance	268,060	289,288
Appropriations/ Transfers		
Transfer to Capital Development Fund	160,000	165,000
Closing Balance	108,060	124,288

STATEMENT OF ASSETS AND LIABILITIES

	2015	2014
	N'm	N'm
ASSETS		
Liquid Assets		
Treasury Banks	16,301	28,979
Cash in MDAs	3,249	2,718
Special Deposits with Banks	3,703	14,065
Debt Repayment Trust Fund	120,470	82,264
Deposit in J.C.F	42	38
Personal Advances Fund	311	312
	144,078	128,376
Investments and Other Non-cash Assets		
Stocks, Shares and Others	28,779	14,313
TOTAL ASSETS	172,857	142,690
LIABILITIES		
Public Fund		
Consolidated Revenue Fund	108,060	124,288
Capital Development Fund	35,807	3,982
	143,867	128,270
Other Funds		
Scholarship Fund	57	61
Special Funds		
Government Staff Housing Fund	62	9
TEPO Staff Housing Fund	4	9
TEPO Vehicle Advances Fund	22	14
Staff Vehicle Refurbishment Revolving Fund	67	14
Vehicle Refurbish. Revolving Fund -Law Officers	0.24	0.55
Share & Stocks Purchase Fund	28,779	14,314
	28,933	14,360
TOTAL LIABILITIES	172,857	142,690

STATEMENT OF CAPITAL DEVELOPMENT FUND

	2015	2014
	N'm	N'm
Opening Balance	3,982	7,950
ADD:		
Transfer from Consolidated Revenue Fund	160,000	165,000
Capital Receipts	179,866	133,222
Total Receipts	339,866	298,222
Total Available Fund	343,847	306,173
LESS:		
Facility Repayment	134,053	89,051
Purchase and Construction of Assets	173,987	213,140
Total Capital Expenditure	308,040	302,191
Closing Balance	35,807	3,982

APPENDIX VIII: PROCEDURE FOR APPLICATION AND ALLOTMENT

1. Invitation for Participation

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

- 1.1. The Book Building Period commences on December 31, 2019 and concludes on January 17, 2020. Orders must be for a minimum of ₦10,000,000.00 (Ten million) and in integral multiples of ₦5,000,000.00 (Five million) thereafter.
- 1.2. The amount indicated on the Commitment Form ("Commitment Form") by a Participant ("Participation Amount") and the rate within the Price Range indicated in the Commitment Form by a Participant ("Bid Coupon Rate") should be entered in the space provided in the prescribed Commitment Form attached to this Pricing Supplement. Photocopies or scanned copies of the Commitment Form will not be accepted.
- 1.3. By completing the Commitment Form, each Participant hereby agrees that the Order is irrevocable and, to the fullest extent permitted by law, the obligations in respect thereof shall not be capable of rescission or termination by any Participant.
- 1.4. Participants may place an order for the Bonds at any price within the Price Range subject to the Minimum Participation Amount and the terms and conditions stated on the Commitment Form.
- 1.5. A corporate Participant should affix its official seal in the box provided and state its incorporation (RC) Number or, in the case of a corporate foreign subscriber, its appropriate identification/incorporation number in the jurisdiction in which it is constituted.
- 1.6. Upon the completion and submission of the Commitment Form, the Participant is deemed to have authorised the Issuer and the Issuing Houses/Book Runners to effect the necessary changes in the Prospectus as would be required for the purposes of filing an application for the clearance and registration of the final Pricing Supplement with the SEC. The Commitment Form shall be considered as the Application Form for the purposes of registration of the final Pricing Supplement with the SEC.
- 1.7. Participants shall have the option to make a maximum of three orders on a single Commitment Form and such options shall not be considered as multiple applications.
- 1.8. The Commitment Form presents the Participant with the choice to bid for up to three optional Bid Coupon Rates within the Price Range and to specify the Participation Amount in each option. The Bid Coupon Rates and the Participation Amounts submitted by the Participant in the Commitment Form will be treated as optional demands from the Participant and will not be cumulated.
- 1.9. After determination of the Coupon Rate, the maximum Participation Amount specified by a Participant at or below the Clearing Price will be considered for allocation and the rest of the order(s), irrespective of the corresponding Bid Coupon Rate(s), will become automatically invalid.
- 1.10. The Issuer, in consultation with the Book Runners, reserves the right not to proceed with the Issue at any time including after the Book Building Opening Date but before the Allotment Date without assigning any reason therefore but subject to obtaining clearance from the SEC.
- 1.11. All application monies will be retained in a separate interest yielding account with the Receiving Bank pending allotment.

APPENDIX V: PROCEDURE FOR APPLICATION AND ALLOTMENT

2. Payment Instructions

Successful Participants should ensure that payment of the Participation Amount is received on the Signing Ceremony Date via RTGS into the following designated Issue Proceeds Accounts domiciled with the Receiving Bank:

Bank	Account Name	Account No.
United Bank for Africa	CHDA/Lagos State Series III Bonds (Offer Proceeds Account)	1022531929
Stanbic IBTC Bank	CHDA/Lagos State Series III Bonds Offer Proceeds Account	0034778088
Zenith Bank	CHDA/LASG Series III Bonds (Offer Proceeds)	1016947602
First City Monument Bank	CHDA/Lagos State Series III Bonds (Offer Proceeds Account)	6588988010
Polaris Bank	CHDA/Lagos State Series III Bonds (Offer Proceeds Account)	1790294379
First Bank	CHDA/Lagos State Series III Bonds (Offer Proceeds Account)	2035018993

3. Allocation/Allotment

- 3.1 On the Pricing Date², the Issuing House/Book Runner will analyse the demand generated at various price levels and, in consultation with the Issuer, finalise the Coupon Rate and the allocations to each Participant. Allocation Confirmation Notices will be sent to successful Participants thereafter.
- 3.1 The Representatives of the Lagos State Government Executive Council and the Issuing Houses/Book Runners reserve the right to accept or reject any application in whole or in part for not complying with the terms and conditions of the Issue.
- 3.2 Upon clearance of the Final Pricing Supplement by the SEC, allotment of Bonds shall be effected in a dematerialised (uncertificated) form. **Participants are mandatorily required to specify their Bank Verification Number, FMDQ Client Business Partners Identification Number and the name of their FMDQ Depository Participant³ in the spaces provided on the Commitment Form. Allotment of Bonds in dematerialized form shall be effected not later than 15 (fifteen) Business Days from the Allotment Date.**

4 Bank Account Details

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

² Being the date on which the book build closes and the price at which the Bonds will be issued is determined

³ An institution that is a duly registered member of FMDQ Depository Limited

FORM OF COMMITMENT

FORM OF COMMITMENT

FOR ELIGIBLE INVESTORS ONLY

BOOK BUILD PERIOD	
OPENS	CLOSES
31/12/2019	17/1/2020

Lagos State Government

₦100,000,000,000 10-Year 12.25% Fixed Rate Bond Series III (2020/2030)
Under the ₦500,000,000,000 Debt Issuance Programme

Lead Issuing House/Book Runner

CHAPEL HILL  DENHAM

ADVISORY LIMITED RC 1381308

Joint Issuing House/Book Runner:



OFFERING BY WAY OF BOOK BUILD

Orders must be made in accordance with the instructions set out in this Pricing Supplement. Investors must carefully follow all instructions as applications which do not comply with the instruction may be rejected. If in any doubt, consult your Stockbroker, Accountant, Banker, Solicitor or any professional adviser for guidance

All Sections of this Form must be completed (as applicable) PLEASE USE BLOCK LETTERS

QUALIFIED INVESTOR (PLEASE TICK ✓)	DATE (DD/MM/YYYY)	CONTROL NO. (FOR REGISTRARS' USE ONLY)
<input type="checkbox"/> High Net Worth Investors	/ / 2 0 1 9	
<input type="checkbox"/> Fund Managers	DECLARATION	
<input type="checkbox"/> Pension Fund Administrators	<input checked="" type="checkbox"/> I/We hereby confirm that I am/we are eligible persons to participate in this Bond Issue in accordance with applicable SEC Rules and Regulations.	<input checked="" type="checkbox"/> I/We note that the Issuer and the Issuing Houses/Book Runners are entitled in their absolute discretion to accept or reject this Order.
<input type="checkbox"/> Insurance Companies	<input checked="" type="checkbox"/> I/We hereby irrevocably undertake and confirm my/our Order(s) for the Bonds equivalent to my/our Participation Amount(s) set out below at the Coupon Rate to be discovered through the Book Building Process.	<input checked="" type="checkbox"/> I/We agree to accept the Participation Amount as may be allocated to me/us subject to the terms of this Red Herring Prospectus.
<input type="checkbox"/> Investment/Unit Trusts	<input checked="" type="checkbox"/> I/We authorise you to enter my/our name on the Register of Holders as holders of the Bonds that may be allotted to me/us and to register my/our address as given below.	
<input type="checkbox"/> Market Makers		
<input type="checkbox"/> Staff Schemes		
<input type="checkbox"/> Trustees/Custodians		
<input type="checkbox"/> Multilateral and Bilateral Institutions		
<input type="checkbox"/> Hedge Funds		

PARTICIPATION DETAILS (The Participation Amount(s) and the Bid Coupon Rate(s) being offered must be indicated in the boxes below).

Participants have the option to make a maximum of three orders on the Commitment Form. Each option shall be regarded as a separate application and will be not be considered as multiple applications. All orders must be for a minimum amount of ₦10,000,000.00 (Ten Million Naira) and in multiples of ₦5,000,000.00 (Five Million Naira) thereafter.

ORDER 1

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦5 MILLION THEREAFTER)													BID COUPON RATE
IN FIGURES	₦												
IN WORDS													

ORDER 2

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦5 MILLION THEREAFTER)													BID COUPON RATE
IN FIGURES	₦												
IN WORDS													

ORDER 3

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦5 MILLION THEREAFTER)													BID COUPON RATE
IN FIGURES	₦												
IN WORDS													



PLEASE TURN OVER TO COMPLETE THIS FORM

