

SUPPLEMENTARY SHELF PROSPECTUS

This document is important, and you are advised to carefully read and understand its contents. If you are in doubt about its contents or the action to take, please consult your Stockbroker, Solicitor, Banker or an independent investment adviser for guidance immediately.

For information concerning certain risk factors which should be considered by prospective investors, see "risk factors" beginning on page 40 of the Shelf Prospectus.



ONDO STATE GOVERNMENT OF NIGERIA

Offer for Subscription of

₦14,800,000,000

13% Series 1 Fixed Rate Bonds Due 2027

Under the Ondo State Government of Nigeria ₦50 Billion Medium Term Note Issuance Programme

Offer Price: ₦1,000.00 per unit
[Payable in full on application]

Book Build Opens: December 27, 2019

Book Build Closes: December 30, 2019

This offering of 7 years 13% Fixed Rate Bonds (the "Offer") is being made through a 100% Book Building Process wherein 100% of the Offer shall be offered to Qualified Institutional Investors ("QIIs") and High Net worth Individuals ("HNIs") as defined under Rule 321 of the Rules and Regulations of the Securities & Exchange Commission ("the Commission" or "SEC").

This Supplementary Shelf Prospectus ("SSP") is prepared for the purpose of Part F Rule 279 (3) of the Rules and Regulation of the SEC in connection with the ₦50,000,000,000.00 Medium Term Note Issuance Programme established by Ondo State Government of Nigeria ("the Issuer" or "the State"). This Supplementary Shelf Prospectus is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated January 17, 2020 and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Supplementary Shelf Prospectus. To the extent that there is any conflict or inconsistency between the contents of this SSP and the Shelf Prospectus, the provisions of this SSP shall prevail. This Supplementary Shelf Prospectus 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. Investors are advised to 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.

This SSP contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "Series 1 Bonds" or "Bonds"). The Bonds also qualify as a Government 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.

This Supplementary Shelf Prospectus and the securities that it offers have been approved and registered by the Securities & Exchange Commission. It is a civil wrong and criminal offence under the Investments and Securities Act (No. 29 of 2007) to issue a prospectus which contains false or misleading information. The clearance and registration of this prospectus and the securities which it offers does not relieve the parties from any liability arising under the act for false and misleading statements contained herein or for any omission of a material fact.

The Issuer accepts full responsibility for the accuracy of the information contained in this Supplementary Shelf Prospectus. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this SSP 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 and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Further, 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.

Registration of the Shelf Prospectus and any SSP thereafter does not in any way whatsoever suggest that the SEC endorses or recommends the securities or assumes responsibility for the correctness of any statement made or opinion or report expressed therein.

LEAD ISSUING HOUSE



JOINT ISSUING HOUSES



THIS SUPPLEMENTARY SHELF PROSPECTUS IS DATED JANUARY 17, 2020

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1. ABRIDGED TIMETABLE

Date	Activity	Responsibility
December 27, 2019	Order Book Opens	Issuing Houses
December 30, 2019	Order Book Closes	Issuing Houses
December 31, 2019	File Updated Transaction Documents with SEC	Issuing Houses
January 17, 2020	Hold Signing Ceremony	All Parties
January 21, 2020	File executed Transaction Documents, Allotment Proposal and draft newspaper announcement to the SEC for clearance	Issuing Houses
January 24, 2020	Receive SEC clearance of Allotment and draft Newspaper Announcement	Issuing Houses
January 27, 2020	Remit net issue proceeds to the Issuer	Lead Issuing House
January 28, 2020	Publish Allotment Announcement in two (2) national dailies	Issuing House
January 29, 2020	Credit CSCS Accounts of Subscribers	Registrars
January 31, 2020	Forward Declaration of Compliance to The Exchange	Stockbroker
February 11, 2020	Listing of the Bonds	Listing Agents & Stockbrokers
February 13, 2020	Submission of Summary Reports to SEC	Issuing Houses

2. SUMMARY OF THE OFFER

Issuer:	Ondo State Government of Nigeria ("Ondo State" or "the State")		
Description of the Bonds:	₦14,800,000,000 13% Series 1 Fixed Rate Bonds Due 2027		
Tenor:	7 years		
Issuance:	Series 1		
Aggregate Principal Amount:	₦14,800,000,000 (Fourteen Billion, Eight Hundred Million Naira Only)		
Issue Price:	At Par [₦1,000 per unit]		
Specified Denomination:	₦1,000 per unit subject to a minimum subscription of 10,000 units and multiples of 5,000 units thereafter		
Issue Date:	January 17, 2020		
Maturity Date:	January 17, 2027		
Coupon Rate:	13%		
Coupon Commencement Date:	January 17, 2020		
Coupon Payment Dates:	Semi-annual interest payments, payable in arrears in the 6 th and 12 th month of each year from the Issue date up to and including the Maturity Date		
Redemption Basis:	Amortisation		
Listing:	The Nigerian Stock Exchange		
Method of Distribution:	Offer for Subscription via Book Building		
Ratings:	Datapro Limited		
Utilisation of Proceeds*:	Use of Proceeds	Amount (₦)	% of Proceeds
	Finance ongoing infrastructure projects	14,507,368,225.00	98.02%
	Cost of Offer	292,631,775.00	1.98%
	Total	14,800,000,000	100%
Final Redemption Amount:	₦14,800,000,000		
Status of the Bonds:	Registered and Listed Bonds		
Fee Consideration:	Registration, transfer, coupon interest payments, principal repayment, certifications of transfers of bonds will be made free of any fees, duty, charges, deductions or levy, except to the extent required by law		
Tax Considerations:	<p>The Bonds are exempt from taxation in Nigeria. As such, all payments made to Bondholders shall be free and clear of Withholding, State and Federal Income and Capital Gains taxes with no deductions made at source whatsoever</p> <p>This is by virtue of the provisions of Value Added Tax (Exemptions of Proceeds of the Disposal of Government and Corporate Securities) Order, 2011, the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order, 2011 and the Personal Income Tax (Amendment) Act 2011</p>		

* Full details as to the utilization of proceeds can be found on Page 22 of this Series 1 Pricing Supplement

2. SUMMARY OF THE OFFER

Financial Adviser/Lead Issuing House/Book Runner:	Greenwich Trust Limited ("Greenwich" or "GTL")
Joint Issuing Houses:	Cordros Capital Limited ("Cordros") FBNQuest Merchant Bank Limited ("FBNQuest") MBC Capital Limited ("MBC") Vetiva Capital Management Limited ("Vetiva")
Stockbrokers to the Offer:	Greenwich Securities Limited Global View Capital Limited Icon Stockbrokers Limited Morgan Capital Limited
Receiving Banks:	Access Bank Plc Fidelity Bank Plc Providus Bank Limited
Book Build Opens:	December 27, 2019
Book Build Closes:	December 30, 2019
Delivery:	CSCS Accounts of Investors will be credited by the Registrars upon successful allotment
Bonds Settlement:	Bond purchases will be settled by cheque, bank draft or electronic transfer to the Issue Collection Account
Currency of Payment:	Nigerian Naira
Transaction Documents:	<ul style="list-style-type: none">- Shelf Prospectus- Programme Trust Deed- Series 1 Trust Deed- Vending Agreement- Ratings Report- Reporting Accountants' Report- Solicitors Opinion on Claims and Litigations- Consent of all parties- Executive Council Resolution- House of Assembly Resolution- Letter of Approval from the SEC
Governing Law:	The laws of the Federal republic of Nigeria

3. PARTIES TO THE OFFER

Issuer:

Ondo State Government of Nigeria

Representatives of the State Executive Council:

His Excellency, Oluwarotimi Odunayo Akeredolu
Governor and Chairman State Executive Council

Hon. (Barr) Agboola Alfred Ajayi
Deputy Governor

Chief Joel Olugbenga Ale
Chief of staff

Mr. Oluwatoyin Albert Akinkuotu
Head of Service

Mr. Oluwatimehin Emmanuel
Honourable Commissioner for Commerce & Industry

Mr. Olurimisi Ayodeji Ismaila
Honourable Commissioner for Culture & Tourism

Mr. Igbasan Duyile Emmanuel
Honourable Commissioner for Economic Planning & Budget

Mr. Sunday Agagu Olufemi
Honourable Commissioner for Education, Science and Technology

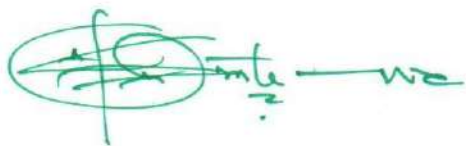
Mr. Adewale Akinterinwa Olumuyiwa
Honourable Commissioner for Finance

Dr. Adegbenro Oluropo Wahab
Honourable Commissioner for Health

Mr. Olawoye Adeyeye Adekola
Honourable Commissioner for Justice

Mrs. Omolola Fagbemi Julianah
Honourable Commissioner for Local Government & Chieftaincy Affairs

Mr. Yemi Olowolabi
Honourable Commissioner for Ministry of Information and Orientation



3. PARTIES TO THE OFFER

Mr. Donaldo Ojogo Kimikanboh
Honourable Commissioner for Ministry of Lands and
Housing

Mr. Kolade Badmus Rasheed
Honourable Commissioner for Natural Resources

Hon. Princess Olatunji Omowumi
Honourable Commissioner for Women Affairs &
Social Development

Mr. Gboyega Adefarati
Honourable Commissioner, Ministry of Agriculture

Mr. Funso Esan
Honourable Commissioner, Ministry of Environment

Mr. Bayorile Ademodi Tolani
Honourable Commissioner, Ministry of Integration
& Special Duties

Rt. Hon. Abdulsalam Olawale Taofiq
Honourable Commissioner, Ministry of Works &
Infrastructure

Mr. Yusuf-Ogunleye Saka Ayowole
Honourable Commissioner, Ministry of Youth &
Sport

Prince Solagbade Amodeni
Honourable Commissioner, Ministry Physical
Planning & Urban Development

Accountant-General to the State:

Herbert Laolu Akindolire
PMB 689, Opposite Government House,
Alagbaka Quarters
Akure
Ondo State

Auditor-General to the State:

Sunday Adegoke
Office of the Auditor-General
Akure
Ondo State

Financial Adviser/Lead House/Book Runner:

Issuing Greenwich Trust Limited
1698A Oyin Jolayemi Street
Victoria Island
Lagos

Joint Issuing Houses:


Cordros Capital Limited
70 Norman Williams Street
Ikoyi
Lagos

Signature
Wale
Adeyemi
7

3. PARTIES TO THE OFFER

FBNQuest Merchant Bank Limited

10 Keffi Street, Off Awolowo Road
S.W. Ikoyi
Lagos


Kayode Akinkugbe

MBC Capital Limited

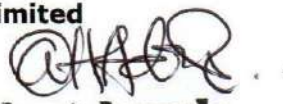
11th Floor, St. Nicholas House
26, Catholic Mission Street
Lagos Island
Lagos

Kobo Mayekodunni

Mayekodunni

Vetiva Capital Management Limited

Plot 266B, Kofo Abayomi Street
Victoria Island
Lagos



Dr Gbadebo Adenrele

Stockbrokers:

Greenwich Securities Limited

1698A Oyin Jolayemi Street
Victoria Island
Lagos

Eniola Osule
Osule

Global View Capital Limited

43, Adeniyi Jones Avenue
Ikeja, Lagos

GABRIEL OWOPE
owopegabriel

Icon Stockbrokers Limited

Medife House (3rd Floor)
58/60, Broad Street
Lagos


E. Oluwalaniran

Morgan Capital Limited

The Pent Floor
3, Biaduo Street, Off Keffi Street
S/West Ikoyi
Lagos

Muyin
Adenrele

Solicitors to the Offer:

Primera Africa Legal

1st Floor, Afri-Investment House
Plot 2669, Aguiyi Ironsi Street
Maitama
Abuja

F. BOMA A. ALABI
Boma

SPA Ajibade & CO.

Suite 301 SPAACO House
27A Macarthy Street
Onikan
Lagos

OLUNWABUKOLA ISI
Isi

Solicitor to the Issuer:

SimmonsCooper Partners

9th Floor, Fortune Towers
27/29 Adeyemo Alakija Street
Victoria Island
Lagos

Dapo Akinosun
Akinosun

3. PARTIES TO THE OFFER

Receiving Banks:

Access Bank Plc

Plot 999c, Danmole Street
Victoria Island
Lagos

John
OLAYINKA YOMI-TOKESI

Fidelity Bank Plc

2 Kofo Abayomi Street
Victoria Island, Lagos

Alfred
NICK OYEDE
- 1/2/20

Providus Bank Limited

724 Adetokunbo Ademola Street
Victoria Island
Lagos

Chunuma
CHUNUMA NWACHUKWU

Joint Trustees:

GTL Trustees Limited

5th Floor, St. Nicholas House
No. 2-10 Hospital Road
Lagos Island
Lagos

Amobola
AMOBOLA MAKINDE

Sterling Asset Management & Trustees Limited

62, Ademola Adetokunbo
Victoria Island
Lagos

Olufunke
OLUFUNKE AYEPOLA

UTL Trust Management Services Limited

ED Building (2nd Floor)
47, Marina
Lagos

Olufunke
OLUFUNKE AYEPOLA

ARM Trustees Limited

1 Mekuwen Road
Off Oyinkan Abayomi Drive
Ikoyi, Lagos

Folashade
Folashade ADELOYE

Custodian Trustees Limited

16A Commercial Avenue
Sabo-Yaba
Lagos

Alfred
ALFRED OYEDE

STL Trustees Limited

30 Marina (3rd Floor)
Lagos

Funmi
Funmi EKUNDAYO

Reporting Accountants:

SIAO Partners

18B, Olu Holloway Road
Ikoyi, Lagos.

Arifun
ARIFUN ARUYIBI

Registrars:

Greenwich Registrars & Data Solution Limited

274 Murtala Muhammed Way
Yaba
Lagos

Iwanefu
IWANEFU OLOKUNYOMI

4. FINANCIAL FORECAST

4.1 REPORTING ACCOUNTANTS' REPORT



Lagos: 18b Olu Holloway Road, Ikoyi, Lagos.
Tel: 01 463 0871-2 Fax: 01-463 0870

Abuja: 1st Floor, Bank of Industry Building
Central District Area, FCT, Abuja.
Tel: 09-291 2462-3
E-mail: enquiries@siao-ng.com
Website: www.siao-ng.com

SIAO/AU/EO/12755/19

27 September 2019

The Executive Council
Ondo State Government of Nigeria
Akure
Ondo State.

The Directors
Greenwich Trust Limited
Plot 1698a Oyin Jolayemi Street
Victoria Island
Lagos.

Gentlemen,

PROPOSED N50BILLION BOND ISSUANCE PROGRAMME BY THE ONDO STATE GOVERNMENT: REPORT ON THE FINANCIAL FORECAST

We have examined the accompanying financial forecast (the consolidated statement of performance and the consolidated statement of cash-flow) of Ondo State Government of Nigeria ("ODSG" or "the State Government") for the five years ending 31 December, 2019 to 31 December 2023 in accordance with the International Standard on Assurance Engagements applicable to the examination of prospective financial information. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the forecast is free of material misstatement. The ODSG Executive Council is solely responsible for the forecast including the bases and assumptions which it is based on.

Based on our examination of the evidence supporting the bases and assumptions, nothing has come to our attention which causes us to believe that these bases and assumptions do not provide a reasonable basis for the forecast. Furthermore in our opinion, the forecast is properly compiled on the basis of the bases and assumptions made by the State Executive Council and it is prepared on a basis consistent with accounting policies normally adopted by the State Government. Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material.

Finally, we emphasize that the forecast information is not intended to, and does not provide all the information and disclosures necessary to give a fair presentation of the results of the activities of ODSG in accordance with the 1999 Constitution of the Federal Republic of Nigeria (as amended); the Finance (Control and Management) Act of 1958 (as amended); and the Financial Regulation and Revenue Allocation Laws applicable in Nigeria.

We have no responsibilities to update this Report for events and circumstances occurring after the date of this Report.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ighodalo Ituah'.

IGHODALO ITUAH
FRC/2013/ICAN/00000003919
For: SIAO (Chartered Accountants)



4. FINANCIAL FORECAST

LETTER FROM THE ISSUING HOUSES

The following is a copy of the letter from the Issuing Houses on the Financial Forecast:

December 31, 2019

The Executive Council

Ondo State Government of Nigeria
Governor's office
Alagbaka
Akure
Ondo State

Dear Honourable Members,

PROFIT FORECASTS

We have discussed respectively with your good selves and Mr. Herbert Laolu Akindolire, the Honourable Accountant-General, the bases and assumptions upon which the forecasts have been made and the accounting bases and calculations upon which the forecast was compiled.

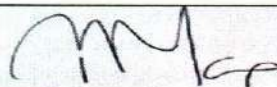
Having considered the assumptions that have been made in preparing the forecasts as well as the accounting bases and calculations reviewed by Siao Partners, we consider that the forecasts (for which you all as members of the State Executive Council are solely responsible) have been made after due care and careful enquiry.

Yours faithfully,

For: The Issuing Houses



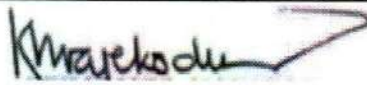
Kayode Falowo
Greenwich Trust Limited



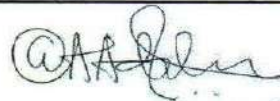
Wale Agbeyangi
Cordros Capital Limited



Oluseun Olatidoye
FBNQuest Merchant Bank
Limited



Kofo Majekodunmi
MBC Financial Services



Dr. Gbadebo Adenrele
Vetiva Capital
Management Limited

4. FINANCIAL FORECAST

4.2 REVENUE AND EXPENDITURE FORECAST

The ODSG Executive Council is of the opinion that subject to unforeseen circumstances and based on the assumptions, the surplus for the years ending 31 December 2019, 2020, 2021, 2022 and 2023 is expected to be in the order of ₦43.27bn, ₦60.14bn, ₦86.44bn, ₦106.04bn, and ₦110.66bn respectively as detailed below:

FIVE YEAR CONSOLIDATED

FINANCIAL PERFORMANCE PROJECTIONS:	2019	2020	2021	2022	2023
REVENUE	₦'000	₦'000	₦'000	₦'000	₦'000
STATUTORY ALLOCATION FROM FAAC:					
STATUTORY ALLOCATION (GROSS)	45,880,198	45,880,198	45,880,198	53,179,737	53,179,737
MINERAL DERIVATION	21,079,257	21,079,257	21,079,257	24,432,966	24,432,966
VALUE ADDED TAX (VAT)	13,236,578	13,236,578	13,236,578	15,342,518	15,342,518
REFUND-FGN (PARIS CLUB)	16,369,276	16,369,276	16,369,276	18,973,628	18,973,628
FOREX STABILIZATION ACCOUNT	2,660,101	2,660,101	2,660,101	3,083,323	3,083,323
EXCHANGE GAIN	8,551	8,551	8,551	9,911	9,911
EXCESS BANK CHARGES	10,411	10,411	10,411	12,067	12,067
Additional Fund (Excess Crude)	281,443	281,443	281,443	326,220	326,220
SUB-TOTAL FAAC	99,525,814	99,525,814	99,525,814	115,360,371	115,360,371
INTERNALLY GENERATED REVENUE:					
CONSOLIDATED IGR	14,734,514	22,101,772	33,152,657	36,467,923	40,114,715
REVENUE RETAINING AGENCIES & OTHERS	22,476,648	33,714,971	50,572,457	55,629,703	61,192,673
SUB-TOTAL FOR IGR	37,211,162	55,816,743	83,725,114	92,097,626	101,307,388
TOTAL REVENUE	136,736,976	155,342,557	183,250,928	207,457,996	216,667,759
Revenue Change (%)	↑23.6%	↑13.6%	↑18.0%	↑13.2%	↑4.4%
EXPENDITURE					
PERSONNEL COSTS	36,232,000	38,044,000	39,945,000	41,943,000	44,040,000
SUBVENTION- PARASTATALS & TERTIARY Inst.	7,555,173	7,555,173	7,555,173	7,555,173	7,555,173
CONSOLIDATED REVENUE FUND CHARGES	19,855,000	18,738,000	15,159,000	17,738,000	19,098,000
GRANTS/LOAN	142,612	142,612	142,612	142,612	142,612
OVERHEAD COST	4,000,000	4,200,000	4,500,000	3,500,026	3,500,026
SPECIAL PROGRAMME	11,172,733	11,172,733	11,172,733	11,172,733	11,172,733
BOND ISSUE EXPENSES	592,000	-	-	-	-
INTEREST ON BOND	488,400	488,400	488,400	488,400	488,400
LEAVE BONUS 10%	3,623,200	3,804,400	3,994,500	4,194,300	4,404,000
SUB-TOTAL FOR RECURRENT	83,661,118	84,145,318	82,957,418	86,734,244	90,400,944
GRANTS TO OSOPADEC	4,976,886	4,976,886	4,976,886	4,976,886	4,976,886
10% IGR TO LG	3,721,116	5,581,674	8,372,511	9,209,763	10,130,739
TOTAL EXPENSES	92,359,121	94,703,879	96,306,816	100,920,893	105,508,569
Expense Change (%)	↑24.1%	↑2.5%	↑1.7%	↑4.8%	↑4.5%
SURPLUS FOR THE YEAR	44,377,855	60,638,678	86,944,112	106,537,104	111,159,190
ACCUMULATED SURPLUS AT JAN. 1	84,922,446	129,300,301	189,938,979	276,883,091	383,420,195
ACCUMULATED SURPLUS AT DEC. 31	129,300,301	189,938,979	276,883,091	383,420,195	494,579,385

4.3 ASSESSMENT OF BOND – RELATED CASHFLOWS

4. FINANCIAL FORECAST

The ODSG Executive Council is of the opinion that subject to unforeseen circumstances and based on the assumptions, the Cash & Cash Equivalent for the years ending 2019, 2020, 2021, 2022 and 2023 is expected

FIVE YEAR CASHFLOW PROJECTIONS:

	2019	2020	2021	2022	2023
	₦'000	₦'000	₦'000	₦'000	₦'000
CASHFLOW FROM OPERATING ACTIVITIES					
STATUTORY ALLOCATION FROM FAAC:					
STATUTORY ALLOCATION (GROSS)	45,880,198	45,880,198	45,880,198	53,179,737	53,179,737
MINERAL DERIVATION	21,079,257	21,079,257	21,079,257	24,432,966	24,432,966
VALUE ADDED TAX (VAT)	13,236,578	13,236,578	13,236,578	15,342,518	15,342,518
REFUND-FGN (PARIS CLUB)	16,369,276	16,369,276	16,369,276	18,973,628	18,973,628
FOREX STABILIZATION ACCOUNT	2,660,101	2,660,101	2,660,101	3,083,323	3,083,323
EXCHANGE GAIN	8,551	8,551	8,551	9,911	9,911
EXCESS BANK CHARGES	10,411	10,411	10,411	12,067	12,067
Additional Fund (Excess Crude)	281,443	281,443	281,443	326,220	326,220
SUB-TOTAL FOR FAAC	99,525,814	99,525,814	99,525,814	115,360,371	115,360,371
INTERNALLY GENERATED REVENUE:					
CONSOLIDATED IGR	14,734,514	22,101,772	33,152,657	36,467,923	40,114,715
REVENUE RETAINING AGENCIES & OTHERS	22,476,648	33,714,971	50,572,457	55,629,703	61,192,673
SUB-TOTAL FOR IGR	37,211,162	55,816,743	83,725,114	92,097,626	101,307,388
TOTAL RECEIPTS	136,736,976	155,342,557	250,928	207,457,996	216,667,759
PAYMENTS:					
PERSONNEL COSTS	(36,232,000)	(38,044,000)	(39,945,000)	(41,943,000)	(44,000)
SUBVENTION- PARASTATALS & TERTIARY Inst.	(7,555,173)	(7,555,173)	(7,555,173)	(7,555,173)	(7,555,173)
CONSOLIDATED REVENUE FUND CHARGES	(19,855,000)	(18,738,000)	(15,159,000)	(17,738,000)	(19,098,000)
OVERHEAD COST	(4,000,000)	(4,200,000)	(4,500,000)	(3,500,026)	(3,500,026)
SPECIAL PROGRAMME	(11,172,733)	(11,172,733)	(11,172,733)	(11,172,733)	(11,172,733)
GRANTS/LOAN	(142,612)	(142,612)	(142,612)	(142,612)	(142,612)
GRANTS TO OSOPADEC	(4,976,886)	(4,976,886)	(4,976,886)	(4,976,886)	(4,976,886)
10% IGR TO LG	(3,721,116)	(5,581,674)	(8,372,511)	(9,209,763)	(10,130,739)
LEAVE BONUS 10%	(3,623,200)	(3,804,400)	(3,994,500)	(4,194,300)	(4,404,000)
TOTAL RECURRENT EXPENSES	(91,278,721)	(94,215,479)	(95,818,416)	(100,432,493)	(105,020,169)
NET CASHFLOW FROM OPERATING ACTIVITIES	45,458,255	61,127,078	87,432,512	107,025,504	111,647,590
CASHFLOW FROM INVESTING ACTIVITIES					
CAPITAL EXPENDITURE	(78,469,600)	(66,061,600)	(81,061,600)	(104,061,600)	(110,061,600)
NET CASHFLOW FROM INVESTING ACTIVITIES	(78,469,600)	(66,061,600)	(81,061,600)	(104,061,600)	(110,061,600)
CASHFLOW FROM FINANCING ACTIVITIES					
BOND ISSUANCE	14,800,000	-	-	-	-
BOND ISSUE EXPENSES	(592,000)	-	-	-	-
BOND REPAYMENT	(2,960,000)	(2,960,000)	(2,960,000)	(2,960,000)	(2,960,000)
INTEREST ON BOND	(488,400)	(488,400)	(488,400)	(488,400)	(488,400)
NET CASHFLOW FROM FINANCING ACTIVITIES	10,759,600	(3,448,400)	(3,448,400)	(3,448,400)	(3,448,400)
NET CASH AND CASH EQUIVALENT					
NET CASH AND CASH EQUIVALENT AT JAN. 1	(22,251,745)	(8,382,922)	2,922,512	(484,496)	(1,862,410)
NET CASH AND CASH EQUIVALENT AT DEC. 31	31,669,638	9,417,893	1,034,971	3,957,483	3,472,987

4.4 BASES AND ASSUMPTIONS FOR REVENUE AND EXPENDITURE FORECAST

4. FINANCIAL FORECAST

The Financial Forecast has been arrived at on the following bases and assumptions:

Bases

- (i) Previous year's actual performances have been reviewed as the basis for measuring the reasonableness of the financial forecasts for the financial years ending 31 December 2019, 2020, 2021, 2022 and 2023.
- (ii) The financial forecast for the years ending 31 December 2019, 2020, 2021, 2022 and 2023 have been prepared on the basis consistent with the accounting policies normally adopted by the Ondo State Government.

Assumptions

1. There will be no significant changes in Federal and State Government monetary and fiscal policies during the forecast period that will adversely affect the State Government;
2. The Federation Account and Value Added Tax sharing formula would not alter significantly from those used in June 2018;
3. The Federal Government fiscal policies will not have a negative impact on income realizable from VAT allocation;
4. Gross Revenue is expected to be ₦136.7bn, ₦155.3bn, ₦183.3bn, ₦207.5bn, and ₦216.7bn in 2019, 2020, 2021, 2022, and 2023 respectively representing a growth rate of 23.6%, (with 2018 as the base year), 13.6%, 18%, 13%, and 4% over the forecast five year period respectively.
5. Statutory Allocation (FAAC) contribution to the State Government's gross revenue projection is projected to be ₦100bn over 2019 to 2021 and increase to ₦115bn for 2012 and 2023; this will represent 73%, 64%, 54%, 56%, and 53% of the projected gross revenue respectively over the forecast period.
6. Internally generated revenues are expected to contribute 27% to gross revenue in 2019 and grow to 36%, 46%, 44%, and 47% over 2020 to 2013 representing ₦37bn, ₦56bn, ₦34bn, ₦92bn, and ₦101bn over the forecast period;
7. Total revenue expenses for the five-year forecast period is forecast at ₦92bn, ₦95bn, ₦97bn, ₦101bn, and ₦106bn respectively.
8. A Sinking Fund Account will be established to accumulate monies towards the payment of interest and repayment of the principal over the 7 years redemption period. The sums accreted to the Sinking Fund Account will be a direct charge to the federal allocations due the State.
9. It is assumed that the bond will be fully subscribed;
10. Bond issue expenses is projected to be 2.293% of the gross proceed and will be paid in the first year 2019.
11. Redemption of the Bond is projected to be by amortization over five years commencing 2019;
12. The coupon rate for the Bond is forecast at 16.5%
13. The bond proceeds shall be used to finance social projects which are expected to improve the social infrastructure and also stimulate economic activities in the State. These projects have been identified and their respective business plans will be submitted to the Securities and Exchange Commission as part of the approval process;

4. FINANCIAL FORECAST

- 14.** There will be no litigation or other contingent liabilities that will adversely affect the operations of the State.
- 15.** The economic and political climate of Nigeria will remain relatively stable.

5. FINANCIAL SUMMARY

5.1 LETTER FROM THE REPORTING ACCOUNTANTS



SIAO/AU/EQ/12754/19

27 September 2019

The Executive Council
Ondo State Government of Nigeria
Akure
Ondo State.

The Directors
Greenwich Trust Limited
Plot 1698a Oyin Jolayemi Street
Victoria Island
Lagos.

Gentlemen,

PROPOSED N50BILLION BOND ISSUANCE PROGRAMME BY THE ONDO STATE GOVERNMENT: REPORT ON THE HISTORICAL GENERAL PURPOSE FINANCIAL STATEMENTS

We have examined the audited General Purpose Financial Statements of Ondo State Government ("ODGS" or "the State") for the 5 years ended 31 December 2014 to 31 December 2018.

The financial statement which have been prepared under the accrual basis (for years 2017 and 2018) and under the cash basis (for years 2014 to 2016), were reported upon by the Auditor-General of the State in line with Section 125 (5) of the 1999 Constitution of the Federal Republic of Nigeria (as amended). The audit reports as at 31 December 2014 to 31 December 2018 were unqualified.

The financial statements on which the financial information is based are the responsibility of the State Executive Council who approves the issue. Our responsibility is to issue a report on the financial information based on our review. The State Executive Council is also responsible for the contents of the prospectus in which this report is included.

Our review was conducted in accordance with International Standard on Assurance Engagements applicable to the examination of prospective financial information. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. The review was limited primarily to inquiries from the representatives of the State Executive Council, analytical procedures applied to financial data and review of evidence obtained by the Auditor-General of those financial statements, and therefore provides less assurance than an audit. We have not performed an audit, and accordingly we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information, prepared on the basis of accounting policies normally adopted by the State Government, does not give a true and fair view of the state of affairs of ODSG for each of the years ended 31 December 2014 to 2018, and in accordance with the 1999 Constitution of the Federal Republic of Nigeria (as amended); the Finance (Control and Management) Act of 1958 (as amended); and the Financial Regulation and Revenue Allocation Laws applicable in Nigeria.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours faithfully,

IGHODALO ITUAH
FRC/2013/ICAN/00000003919
For: SIAO (Chartered Accountants)

Lagos: 18b Olu Holloway Road, Ikoyi, Lagos.
Tel: 01 463 0871-2 Fax: 01-463 0870

Abuja: 1st Floor, Bank of Industry Building
Central District Area, FCT, Abuja.
Tel: 09-291 2462-3
E-mail: enquiries@siao-ng.com
Website: www.siao-ng.com



5. FINANCIAL SUMMARY

5.2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The summary of the Accounting Policy adopted by Ondo State Government in the preparation of the year Financial Statement, addresses the following fundamental accounting issues:

- a. Definition of Accounting Terminologies;
- b. Recognition of Accounting Items;
- c. Measurement of Accounting Items; and
- d. Accounting treatment of Items.

1. Basis of Accounting

The accounts are prepared on Accrual Basis of Accounting. Accrual basis of accounting under which transactions and other events are recognised when they occur and not only when cash or its equivalent is received or paid.

2. Accounting Period

The accounting year (fiscal year) is from 1st January to 31st December. Each accounting year is divided into 12 calendar months (periods) and is set up as such in the accounting system.

3. Reporting Currency

The GPFS shall be prepared in the Nigerian Naira (₦ or NGN)

4. Foreign Currency Transaction

Foreign Currency transactions throughout the year is converted into Nigerian Naira at the prevailing (Central Bank of Nigeria CBN) rate of exchange at the dates of the transactions.

Foreign currency balances, as at year end, are valued at the exchange rates prevailing on 31st December. Foreign Exchange gains/losses are recognized in the Statement of Financial Performance.

5. Cash Flows

These are cash inflows or receipts and outflows or payments:

- a. Cash comprises of cash on hand, demand deposits, and cash equivalent.
- b. Cash equivalent are short terms, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

6. Investment

Investments represent shares held under Ministry of Finance Incorporated (MOFI) and are stated at cost under the supervision of the Honourable Commissioner of Finance.

7. Capital Cost

The Capital cost are recognizable in the year of occurrences only.

8. Assets and Liability

Assets are stated at their net value while liabilities are recognized in full as Notes to the Accounts.

9. Principal Statements in the GPFS

- a. The Consolidated Statement of Financial Performance
- b. The Consolidated Statement of Financial Position
- c. The Consolidated Cash Flow Statement
- d. The Consolidated Statement of Changes in Net Assets/Equity
- e. The Notes to the GPFS

5. FINANCIAL SUMMARY

5.3 STATEMENT OF ADJUSTED ASSETS & LIABILITIES

ASSETS	Note	2018			2017		
		AFS	ADJ	Accountant's report	AFS	ADJ	Accountant's report
		N'000	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	5	31,669,638	-	31,669,638	34,754,883	-	34,754,883
Receivables	6	2,144,630	-	2,144,630	26,765,314	-	26,765,314
Inventories		34,940	-	34,940	658,904	-	658,904
Prepayments		-	-	-	382,763	-	382,763
Current Assets		33,849,208	-	33,849,208	62,561,864	-	62,561,864
Investments	7	8,974,385	-	8,974,385	3,741,032	-	3,741,032
Property, Plants and Equipment	8	183,420,793	(4,136,376)	179,284,417	114,925,703	-	114,925,703
Investment property	9	86,091	-	86,091	86,092	-	86,092
Intangible Assets	10	27,649	-	27,649	27,649	-	27,649
Non-Current Assets		192,508,918	(4,136,376)	188,372,542	118,780,475	-	118,780,475
Total Assets		226,358,126	(4,136,376)	222,221,750	181,342,339	-	181,342,339
Deposits	11	-	-	-	17,470	-	17,470
Short Term Loans and Debts	12	32,555,102	-	32,555,102	55,367,236	-	55,367,236
Unremitted Deductions	13	-	-	-	332,027	-	332,027
Payables	14	-	-	-	4,134,644	-	4,134,644
Short Term Provisions		778,262	-	778,262	778,262	-	778,262
Current Liabilities		33,333,364	-	33,333,364	60,629,639	-	60,629,639
Public Funds	15	11,109,568	-	11,109,568	13,166,699	-	13,166,699
Long Term Provisions	16	23,999	-	23,999	23,999	-	23,999
Long Term Borrowings	17	18,881,627	-	18,881,627	33,571,256	-	33,571,256
Non-Current Liabilities		30,015,193	-	30,015,193	46,761,954	-	46,761,954
Total Liabilities		63,348,557	-	63,348,557	107,391,593	-	107,391,593
Net Assets		163,009,569	(4,136,376)	158,873,193	73,950,746	-	73,950,746
Capitals and Reserves		73,950,747	-	73,950,747	53,672,964	-	53,672,964
Accumulated Surpluses/(Deficits)		89,058,822	(4,136,376)	84,922,446	20,277,782	-	20,277,782
		163,009,569	(4,136,376)	158,873,193	73,950,746	-	73,950,746

5. FINANCIAL SUMMARY

5.4 STATEMENT OF CONSOLIDATED FINANCIAL POSITION

AS AT DECEMBER 31, 2018

		Audited Account 2018 N'000	Audited Account 2017 N'000
ASSETS	Note		
Cash and Cash Equivalents	5	31,669,638	34,754,883
Receivables	6	2,144,630	26,765,314
Inventories		34,940	658,904
Prepayments		-	382,763
Current Assets		33,849,208	62,561,864
Investments	7	8,974,385	3,741,033
Property, Plants and Equipment	8	179,284,417	114,925,703
Investment Property	9	86,091	86,091
Intangible Assets	10	27,649	27,649
Non-Current Assets		188,372,542	118,780,476
Total Assets		222,221,750	181,342,340
Deposits	11	-	17,470
Short Term Loans and Debts	12	32,555,102	55,367,236
Unremitted Deductions	13	-	332,027
Payables	14	-	4,134,645
Short Term Provisions		778,262	778,262
Current Liabilities		33,333,364	60,629,640
Public Funds	16	11,109,567	13,166,699
Long Term Provisions	17	23,999	23,999
Long Term Borrowings	18	18,881,627	33,571,256
Non-Current Liabilities		30,015,193	46,761,954
Total Liabilities		63,348,557	107,391,594
Net Assets		158,873,193	73,950,746
Capitals and Reserves		73,950,747	51,337,064
Accumulated Surpluses		84,922,446	22,613,682
Net Assets/Equity		158,873,193	73,950,746

5. FINANCIAL SUMMARY

5.5 STATEMENT OF CONSOLIDATED CASH FLOW

AS AT DECEMBER 31, 2018:

	Note	Audited Account 2018 N'000	Audited Account 2017 N'000
Cash flows from operating activities			
Inflows			
Statutory Allocations	1A	57,768,489	61,504,877
Value Added Tax Allocation	1B	11,419,703	10,174,458
Internally Generated Revenue	2	119,664,963	17,708,067
Total Receipts		<u>188,853,155</u>	<u>89,387,402</u>
Outflows			
Personnel Costs		51,553,824	45,769,466
Overhead Charges	4	14,687,770	8,735,137
Consolidated revenue Fund Charges	3	25,905,759	12,227,016
Amortization Charges	5	7,646,982	-
Total Payments		<u>99,794,335</u>	<u>66,731,619</u>
Net cash provided by operating activities		<u>89,058,820</u>	<u>22,655,783</u>
Cash flows from investing activities			
Investments		(5,233,352)	(61,359)
Property, plant and Equipment		(68,495,091)	(2,820,723)
Investment Property		-	(58,881)
Net cash provided by investing activities		<u>(73,728,443)</u>	<u>(2,940,963)</u>
Cash flows from financing activities			
Capital & Reserves		-	(5,922,572)
Long term Borrowings (Proceeds)		2,592,628	13,166,699
Long term Borrowings (Repayment)		(21,008,252)	(22,641,058)
Net cash provided by financing activities		<u>(18,415,624)</u>	<u>(15,396,932)</u>
Net increase/(decrease) in cash and cash equivalents		(3,085,244)	4,317,889
Cash and cash equivalents at 1 January		<u>34,754,883</u>	<u>30,436,994</u>
Cash and cash equivalents at December 31, 2018	5	<u>31,669,638</u>	<u>34,754,883</u>

6. USE OF PROCEEDS

The costs and expenses of the Offer, which are estimated at approximately ₦292,631,775.00 million or 1.98% of gross proceeds, are payable from the Gross Offer proceeds. The net proceeds of the Offer will be utilised as follows:

Use of Proceeds	Contractor Sum	Amount (₦)	% of proceeds	Completion Time
Dualisation of Ikare Township Road (4.16KM) Phase 2	6,323,353,918.42	6,323,353,918.42	42.73%	24 months
Building of Hospital Facilities at the Akure and Ondo Complexes of University of Medical Sciences Teaching Hospital	5,041,387,301.71	4,136,768,108.80	27.95%	24 months
Construction of Fly Over Bridge across Benin – Lagos Express road	5,047,246,197.78	4,047,246,197.78	27.35%	12 months
Cost of Offer		292,631,775.00	1.98%	
TOTAL	16,411,987,417.91	14,800,000,000	100%	

INTEREST AND PRINCIPAL AMORTIZATION SCHEDULE

Period	Bond Obligation Repayment Dates	Principal Obligation (N'000)	Semi-Annual Interest Payment (N'000)	Principal Repayment (N'000)	Principal Obligation Outstanding (N'000)
Payment 1	17-Jul-20	14,800,000,000.00	962,000,000.00	679,919,112.59	14,120,080,887.41
Payment 2	17-Jan-21	14,120,080,887.41	917,805,257.68	724,113,854.91	13,395,967,032.50
Payment 3	17-Jul-21	13,395,967,032.50	870,737,857.11	771,181,255.48	12,624,785,777.02
Payment 4	17-Jan-22	12,624,785,777.02	820,611,075.51	821,308,037.09	11,803,477,739.93
Payment 5	17-Jul-22	11,803,477,739.93	767,226,053.10	874,693,059.50	10,928,784,680.43
Payment 6	17-Jan-23	10,928,784,680.43	710,371,004.23	931,548,108.36	9,997,236,572.07
Payment 7	17-Jul-23	9,997,236,572.07	649,820,377.18	992,098,735.41	9,005,137,836.66
Payment 8	17-Jan-24	9,005,137,836.66	585,333,959.38	1,056,585,153.21	7,948,552,683.45
Payment 9	17-Jul-24	7,948,552,683.45	516,655,924.42	1,125,263,188.17	6,823,289,495.29
Payment 10	17-Jan-25	6,823,289,495.29	443,513,817.19	1,198,405,295.40	5,624,884,199.89
Payment 11	17-Jul-25	5,624,884,199.89	365,617,472.99	1,276,301,639.60	4,348,582,560.29
Payment 12	17-Jan-26	4,348,582,560.29	282,657,866.42	1,359,261,246.17	2,989,321,314.12
Payment 13	17-Jul-26	2,989,321,314.12	194,305,885.42	1,447,613,227.17	1,541,708,086.94
Payment 14	17-Jan-27	1,541,708,086.94	100,211,025.65	1,541,708,086.94	0.00

7. OTHER GENERAL INFORMATION

7.1 STATEMENT OF INDEBTEDNESS

As at December 31, 2018, Ondo State Government had outstanding local loans totalling about ₦63.34 billion and foreign commercial loans totalling about \$79.85 million. Other than as stated above, the State had no outstanding debentures, mortgages, loans, charges or similar indebtedness or material contingent liabilities or other similar indebtedness, other than in the ordinary course of governance.

7.2 CLAIMS, LITIGATIONS AND DISPUTES

The Ondo State Government in its ordinary course of governance and administration is involved in [64] civil and criminal cases pending in the Court of first instance and in the Appellate Courts. The claims against Ondo State have an estimated monetary value of ₦5,479,993,947.50 (Five Billion, Four Hundred and Seventy-Nine Million, Nine Hundred and Ninety-Three Thousand, Nine Hundred and Forty-Seven Naira, Fifty Kobo Only).

7.3 MATERIAL CONTRACTS

The Agreements that are specifically material to this transaction are:

- A Programme Trust Deed dated January 17, 2020 between the Ondo State Government on the one part and Joint Trustees on the other part by which the latter have agreed to act as Joint Trustees to the sinking fund to be established in connection with the ₦50 Billion Ondo State Bond Issuance Programme.
- A Series 1 Trust Deed dated January 17, 2020 between the Ondo State Government on the one part and Joint Trustees on the other part by which the latter have agreed to act as Joint Trustees to the sinking fund to be established in connection with the Ondo State ₦14.8 Billion Series 1 Bond Issuance.
- A Series 1 Vending Agreement dated January 17, 2020 between the Ondo State Government on the one part and the Joint Issuing Houses on the other part by which the latter have agreed to act as Joint Issuing Houses to the Ondo State Series 1 ₦14.8 Billion Bond Issuance.

Save as disclosed above, the Issuer has not entered into any contract which may be deemed material in connection with the Series 1 issuance.

7.4 COSTS AND EXPENSES

The costs, charges and other expenses and incidentals to this Offer including fees payable to the regulatory authorities, professional parties, brokerage commission, printing, distribution, publicity and advertising expenses are estimated at ₦292,631,775.00 million representing approximately 1.98% of the proceeds and are payable from the Gross Offer proceeds.

7.5 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection during the Offer period at the principal offices of the Issuing Houses and from the Ondo State Ministry of Finance, Ondo State Secretariat Complex Independence Way, Akure, Ondo State:

- The Shelf Prospectus dated January 17, 2020 issued in respect of the ₦50,000,000,000 Ondo State Bond Issuance Programme;
- The Supplementary Shelf Prospectus dated January 17, 2020 issued in respect of the ₦14,800,000,000 Ondo State Series 1 Bond Issuance;
- Ondo State's published accounts (including its annual Statement of revenue and expenditure) for each of the 5 years ended December 31, 2014, 2015, 2016, 2017 & 2018;
- Ondo State's Annual Budget for the 2018/2019 financial year, as presented to the Ondo State House Assembly of Ondo State;
- The Ondo State Government Gazette containing the Ondo State Issuance of Debt & Other Securities Law 2011 and the Ondo State Debt Management Office (Establishment) Law 2011;
- The Resolution from the State EXCO authorizing the Bond Issuance;
- The Resolution from the House of Assembly authorizing the Bond Issuance;
- Reporting Accountants Report on the State's financials for the 5 years ended December 31, 2014, 2015, 2016, 2017 & 2018;
- The Issuer Ratings Report issued by DataPro Limited;
- Letter from the Joint Solicitors to the Offer on the outstanding claims, litigations and material contracts involving the State;
- Programme Trust Deed dated January 17, 2020 between the Ondo State Government on the one part and Joint Trustees on the other part by which the latter have agreed to act as Joint Trustees to the sinking fund to be established in connection with the ₦50 Billion Ondo State Bond Issuance Programme;
- Series 1 Trust Deed dated January 17, 2020 between the Ondo State Government on the one part and Joint Trustees on the other part by which the latter have agreed to act as Joint Trustees to the sinking fund to be established in connection with the Ondo State ₦14.8 Billion Series 1 Bond Issuance; and
- Series 1 Vending Agreement dated January 17, 2020 between the Ondo State Government on the one part and the Joint Issuing Houses on the other part by which the latter have agreed to act as Joint Issuing Houses to the Ondo State Series 1 ₦14.8 Billion Bond Issuance.

7. OTHER GENERAL INFORMATION

7.6 EXTRACT OF THE ISSUE AND ISSUER'S RATING REPORT

The following information is an extract from the Ratings Report prepared by DataPro Limited:



DataPro
2019 Bond

Ondo State Government

ONDO STATE GOVERNMENT

BOND AND ISSUER RATING

₦14,800,000,000 Series 1 Fixed Rate Bonds

References

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

EVALUATION

Expires November, 2020

Bond Rating: A
Issuer Rating: BBB
Rating Watch: Applicable
Rating Outlook: Stable
Instrument: ₦14.8billion Series 1
Fixed Rate Bond
Currency: Naira
Maturity Profile: 7 years

EXECUTIVE SUMMARY

	2018 N'M	2017 N'M	2016 N'M	2015 N'M	2014 N'M
Total Revenue	188,853	89,386	64,520	73,830	96,140
Statutory Rev. Allocation	57,768	61,504	47,826	56,014	68,306
Internally Gen. Revenue	119,665	17,708	8,181	9,582	19,521
Personnel Cost	51,554	45,769	25,797	28,163	32,553
Capital Expenditure	73,728	2,941	19,226	30,337	18,521
Recurrent Expenditure	103,930	66,773	33,767	35,502	42,256
Total Debt	63,349	107,391	20,773	16,177	40,084

RATING EXPLANATION

The **Issue** rating of **A** indicates Low Risk and **Issuer** rating of **BBB** indicates Slight Risk. It shows very good financial strength when compared with the standard established by DataPro. This **Issue/Issuer**, in our opinion, has a strong ability to meet their ongoing obligation.

Rating issued subject to ratification of document presented to us for review.

This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever.

Ondo State Bond Rating

DataPro @ 2019

8. MATERIAL ADVERSE CHANGE STATEMENT

DECLARATION BY THE ISSUER



ONDO STATE GOVERNMENT Office of the Commissioner


ONDO STATE GOVERNMENT ₦50,000,000,000 BOND ISSUANCE PROGRAMME ("THE PROGRAMME")

This Prospectus has been prepared on behalf of the Ondo State Government by the Issuing Houses for the purpose of providing information to prospective investors on relevant aspect of the State, the Bond Issue and the investment therein.


On behalf of the State Executive Council, we hereby make the following declarations:

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

SIGNED for and on behalf of the Issuer, Ondo State Government


Ifedayo Abegunde
Secretary to the State Government,
Ondo State


Wale Akinterinwa
Commissioner for Finance
Ondo State


Arakunrin Oluwarotimi O. Akeredolu, SAN
Governor, Ondo State



Ministry of Finance

1st Floor, Block A, State Secretariat Complex, Akure, Ondo State, Nigeria. www.ondostate.gov.ng.

9. PROCEDURE FOR APPLICATION AND ALLOTMENT

9.1 APPLICATION

1. Qualified Investors are hereby invited to apply for Units of the Bond through the Book Runners.
2. Applications for the Bonds being offered must be made in accordance with the instructions set out at the back of the Commitment form. Care must be taken to follow these instructions, as applications that do not comply will be rejected.
3. The Application List for the Bonds now being offered will be open from December 27, 2019 and close on December 30, 2019. Applications must be for a minimum of 10,000 Units and in multiples of 5,000 units thereafter. The number of Units for which an application is made, and the value of the cheque or bank draft attached should be entered in the boxes provided.
4. Each Applicant should make only one application, whether in his name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
5. A single applicant should sign the declaration and write his/her full name, address, daytime telephone number and occupation on the application form. Joint applicants must all sign the application form. A corporate applicant should affix its seal in the box and state its Incorporation (RC) Number or in the case of a corporate foreign subscriber its appropriate identification number in the jurisdiction in which it was constituted.
6. Each application should be forwarded together with the cheque/bank draft or confirmation of electronic transfer (Real Time Gross Settlement) for the full amount of the purchase price to any of the Receiving Agents listed on Pages 27 to 29. The cheque/draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "ONDO STATE BOND ISSUE [SERIES 1] - 2020/2027" with the name, address and daytime telephone number of the applicant written on the back. All transfer charges to Ondo, if any, must be paid by the applicant and no application will be accepted unless this has been done. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post at the applicant's risk.
7. Upon the completion and submission of the Commitment Form, the Participant is deemed to have authorised the Issuer and the Issuing Houses/Book Runners to effect the necessary changes in the Prospectus as would be required for the purposes of filing an application for the clearance and registration of the Final Prospectus with the SEC. The Commitment Form shall be considered as the Application Form for the purposes of registration of the Final Prospectus with the SEC.
8. Participants may not submit an Order on another Commitment Form after the submission of a Commitment Form to any Book Runner. Submission of a second or more Form(s) of Commitment to either the same or to another member of the Selling Group will be treated as multiple applications and will be rejected.
9. Participants shall have the option to make a maximum of three Orders on a Commitment Form and such options shall not be considered as multiple applications.
10. 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.

11. 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.
12. The Issuer in consultation with the Book Runners reserve the right not to proceed with the Offer at any time including after the Book Building Opening Date but before the Allotment Date without assigning any reason thereof.

9.2 ALLOCATION/ALLOTMENT

- 9.2.1 On the Pricing Date, the Issuing Houses/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.
- 9.2.2 The Issuer 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.
- 9.2.3 The allotment proposal will be subject to the clearance of the Securities & Exchange Commission.
- 9.2.4 Upon clearance of the Final Prospectus by the SEC, Allotment shall be effected by means of the following:

- a) **Allotment of Bonds in Dematerialised (Uncertificated) Form**
Participants who elect to receive the Bonds in dematerialised form are mandatorily required to specify their CSCS Account Number, the name of their Stock-broking Firm and the Clearing House Number (CHN) in the spaces provided on the Commitment Form. Allotment of Bonds in dematerialised form shall be effected not later than 15 (fifteen) Business Days from the Allotment Date.

Participants must ensure that the name specified in the Commitment Form is exactly the same as the name in which the CSCS Account is held. In case the application is submitted in joint names, it should be ensured that the beneficiary CSCS Account is also held in the same joint names and are in the same sequence in which they appear in the Commitment Form.

- 9.2.5 All irregular or suspected multiple applications will be rejected.

9.3 APPLICATION MONIES

All application monies will be retained in a separate interest-bearing bank account by the Receiving Banks pending allotment. If any application is not accepted or is accepted for fewer Units of the Bond than the number applied for, a crossed cheque for the full amount, accrued interest or the balance of the amount paid (as the case may be) will be returned by registered post within 5 working days of allotment. A Bond certificate will be sent by registered post to the applicants' address not later than 15 working days from the date of approval of the allotment.

10. RECEIVING AGENTS

Application Forms may be obtained free of charge from any of the following Receiving Agents registered as market operators by SEC, to whom brokerage will be paid in respect of Bonds allotted on applications bearing their official stamps.

The Joint Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own independent enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by any of the Joint Issuing Houses, cannot give rise to a liability on the part of the Joint Issuing Houses under any circumstances

BANKS		
First Bank of Nigeria Plc Zenith Bank Plc United Bank for Africa Plc Access Bank Plc Guaranty Trust Bank Plc	Ecobank Nigeria Plc First City Monument Bank Plc Fidelity Bank Plc Union Bank of Nigeria Plc Stanbic IBTC Bank PLC	Sterling Bank Plc Standard Chartered Bank Ltd Unity Bank Plc Citi Bank Nigeria Limited Wema Bank Plc
STOCKBROKERS		
Afrinvest Securities Ltd. Anchoria Investment & Securities Ltd Apel Asset Limited (Formerly Apel Asset & Trust Limited) APT Securities & Funds Limited ARM Securities Ltd Arthur Stevens Asset Mgt Ltd Associated Asset Managers Limited Atlass Portfolio Limited Barclays Stockbrokers Nigeria Limited Bauchi Investment Corporation Securities Ltd Belfry Investment & Securities Limited Bestworth Assets & Trust Limited Calyx Securities Limited Camry Securities Limited Capital Assets Limited Capital Bancorp Plc Capital Express Securities Limited Capital Trust Brokers Limited CardinalStone Securities Limited (Formerly Plural Securities Limited) Cashcraft Securities Limited Cashville Investments & Securities Ltd CDL Capital Markets Limited	Foresight Securities & Investment Limited Forte Financial Limited Forthright Securities & Investments Limited Fortress Capital Limited FSDH Securities Limited FSL Securities Limited Funds Matrix & Asset Management Limited Fundvine Capital & Securities Limited Futureview Securities Limited Gidauniya Invest & Sec Ltd Global Asset Management (Nig) Ltd Globalview Capital Limited Golden Securities Limited Greenwich Securities Limited Growth & Development Asset Management Limited Gruene Capital Limited (Formerly Mc-Finenco Investment Limited) GTI Securities Limited Harmony Investment & Securities Limited Heartbeat Investments Limited Hedge Securities & Investment Ltd Helix Securities Limited Heritage Capital Markets Limited ICMG Securities Limited Icon Stockbrokers Limited	Nigerian Stockbrokers Limited Nova Finance & Securities Limited Osborne Capital Markets Limited PAC Securities Limited Peace Capital Markets Limited Pilot Securities Limited Pinefields Investment Services Limited PIPC Securities Limited Pivot Capital Limited Planet Capital Limited (Merger between Emerging Capital and Strategy & Arbitrage Limited Portfolio Advisers Limited Premium Capital and Stockbrokers Limited Primewealth Capital Limited Prominent Securities Limited PSI Securities Limited Pyramid Securities Limited Qualinvest Capital Limited (formerly Independent Securities Limited) Quantum Zenith Securities & Investments Limited Rainbow Securities Limited Readings Investment Limited Regency Assets Management Limited Rencap Securities (Nig) Limited Resort Securities Limited Reward Investment & Sec. Ltd

Centre Point Investment Limited
 Century Securities Limited
 Chapel Hill Denham Securities Limited
 Chartwell Securities Limited
 Citi Investment Capital Limited
 City Code Trust & Invest Company Ltd
 Compass Investments & Sec. Ltd
 Cordros Securities Limited
 Core Securities Limited
 Coronation Securities Limited
 Cowry Securities Ltd
 Crane Securities Limited
 Crossworld Securities Limited
 Crown Capital Limited
 CSL Stockbrokers Limited
 Deep Trust & Investment Limited
 De-Lords Securities Limited
 Dominion Trust Limited
 DSU Brokerage Services Limited
 Dunbell Securities Limited
 Dunn Loren Merrifield Securities Limited
 Dynamic Portfolio Limited
 EDC Securities Limited
 Edgefield Capital Management Limited
 EFCP Limited
 EFG Hermes Nigeria Limited
 El-Elyon Alliance and Securities Ltd
 Elixir Securities Limited
 Enterprise Stockbrokers Limited
 Equity Capital Solutions Limited
 Eurocomm Securities Limited
 Express Portfolio Services Limited
 Falcon Securities Limited
 FBC Trust & Securities Limited
 FBNQuest Securities Limited
 FCSL Asset Management Company Limited
 Fidelity Finance Company Limited
 Financial & Analytics Capital Limited

Imperial Assets Managers Limited
 Integrated Trust & Investments Limited
 Interstate Securities Limited
 Investment One Stockbrokers Int'l Ltd (formerly GTB Securities Limited)
 Investors & Trust Company Limited
 Kapital Care Trust & Securities Limited
 Kedari Capital Limited (Formerly kedari Securities Ltd)
 Kinley Securities Limited
 Kofana Securities & Investment Limited
 Kundila Finance Services Limited
 Lambeth Capital Limited
 Lead Securities & Invests Ltd
 Lighthouse Asset Management Limited
 Magnartis Finance & Investment Limited
 Mainstreet Bank Securities Limited
 Maxifund Investment & Securities Plc
 Mayfield Investment Limited
 MBC Securities Limited
 MBL Financial Services Limited
 Mega Equities Limited
 Meristem Stockbrokers Limited
 Midas Stockbrokers Limited
 Milestone Capital Management Limited (formerly Ocean Securities & Stockbrokers Ltd)
 Mission Securities Limited
 Molten Trust Limited
 Morgan Capital Securities Limited
 Mountain Investment & Securities Ltd
 Network Capital Limited (formerly Crescent Capital Limited)
 Networth Securities & Finance Ltd
 Newdevco Invests & Sec. Co. Ltd
 Nigerian International Securities Ltd

RMB Nigeria Stockbrokers Limited
 Rostrum Investment & Sec. Ltd
 Rowet Capital Mgt Limited
 Royal Crest Finance Limited
 Royal Trust Securities Limited
 Sankore Securities Limited
 Santrust Securities Limited
 Securities & Capital Management Company Limited (formerly Fountain Securities Limited)
 Securities Africa Financial Limited (formerly Skye Stockbrokers Limited)
 Security Swaps Limited
 Shalom Investment Limited
 Shelong Investment Limited
 Sigma Securities Limited
 Signet Investment & Securities Ltd
 Skyview Capital Limited
 Smadac Securities Limited
 Solid Rock Securities & Investment Limited
 Spring Board Trust & Investment Limited
 Spring Trust & Securities Limited
 Stanbic IBTC Stockbrokers Limited
 Standard Union Securities Ltd
 TFS Securities & Investment Co. Ltd
 The Bridge Securities Limited
 Tiddo Securities Limited
 Tomil Trust Limited
 Topmost Sec. Ltd
 Tower Securities & Invest Co. Ltd
 Trade link Securities Limited
 Traders Trust & Investment Co. Limited
 Transworld Investment & Securities Limited
 Trust Yields Securities Limited
 Trustbanc Capital Management Limited (formerly IMTL Securities Limited)
 Trusthouse Investment Limited
 TRW Stockbrokers Limited

Financial Trust Company Nigeria Limited Finmal Securities Limited First Integrated Capital Mgt Ltd First Stockbrokers Limited FIS Securities Limited		Tyndale Securities Limited (formerly Truebond Capital & Asset Mgt Ltd) UIDC Securities Limited UNEX Capital Limited Union Capital Markets Limited United Capital Securities Limited (formerly UBA Securities Limited) Valmon Securities Limited Valueline Securities & Investments Limited Vetiva Securities Limited WCM Capital Limited WSTC Securities Limited Zion Stockbrokers & Securities Limited
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11. COMMITMENT FORM

COMMITMENT FORM

FOR ELIGIBLE INVESTORS ONLY



ONDO STATE GOVERNMENT OF NIGERIA

₦14,800,000,000 [13%] SERIES 1 FIXED RATE BOND DUE 2027

LEAD ISSUING HOUSE



JOINT ISSUING HOUSES



OFFERING BY WAY OF BOOK BUILD

Orders must be made in accordance with the instructions set out in this Shelf Prospectus. 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 <input type="checkbox"/> Fund Managers <input type="checkbox"/> Pension Fund Administrators <input type="checkbox"/> Insurance Companies <input type="checkbox"/> Investment/Unit Trusts <input type="checkbox"/> Market Makers <input type="checkbox"/> Staff Schemes <input type="checkbox"/> Trustees/Custodians <input type="checkbox"/> Stockbroking Firms <input type="checkbox"/> Resident Corporate Investors <input type="checkbox"/> Non-Resident Investors <input type="checkbox"/> Hedge Funds	/ / 2 0 1 9	
DECLARATION <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 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 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 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 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.		

PARTICIPATION DETAILS (The Participation Amount(s) and the Bid Coupon Rate(s) being offered must be indicated out 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 Million (Ten Million Naira) and in multiples of ₦5 Million (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

FORM OF COMMITMENT (REVERSE SIDE)
INVESTOR DETAILS (INDIVIDUAL/CORPORATE/JOINT) (Please use one box for one alphabet leaving one box blank between first word and second)
 SURNAME (CORPORATE NAME)

[illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible]

E-MAIL

Please tick ☒ to indicate an allotment preference – **CERTIFICATE** ☐ / **ELECTRONIC (BOOK ENTRY)** ☐

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

[illegible]

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BANK NAME												BRANCH						
ACCOUNT NO:															CITY/STATE			

2ND SIGNATURE (CORPORATE/JOINT)

NAME OF AUTHORISED SIGNATORY
(Corporates/Joint):

DESIGNATION *(Corporate only)*:**(BOOK RUNNERS/ISSUING HOUSES/STOCKBROKERS TO THE ISSUE ONLY)**

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12. INSTRUCTIONS FOR COMPLETING THE COMMITMENT FORM

1. All applications must be made on the official Commitment Form or photocopy, downloaded or scanned copy of the Commitment Form.
2. Applications must not be for less than the minimum number of Units and in the quantity stated on the Commitment Form. Applications for more than the minimum number of Units must be in the multiples stated on the Commitment Form. The number of Units for which an application is made and the amount of the cheque or bank draft enclosed should be entered in the boxes provided.
3. The Commitment Form when completed should be lodged with any of the receiving agents listed on pages 27 to 29. Application must be accompanied by a cheque or bank draft made payable to the receiving agent to whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the receiving agent is located and crossed "ONDO STATE BOND ISSUE [SERIES 1] - 2020/2027" with the name, address and day time telephone number of the applicant written on the back. All bank commissions and transfer charges must be pre-paid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post.
4. Each Applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
5. Joint Applicants must all sign the Commitment Form.
6. An application from a group of individuals should be made in the names of those individuals with no mention of the name of the group. An application by a company that is not registered in compliance with the Companies and Allied Matters Act, Cap C20 LFN 2004 should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the company be mentioned.
7. A Commitment Form submitted from a corporate entity must bear the seal and be completed under the hands of a duly authorised official.
8. Applications by illiterates should bear their right thumbprints on the Application Form and be witnessed by an official of the company or stockbroker with whom the application is lodged who must first have explained the meaning and effect of the application form to the illiterate. The witness must record in writing that he has given this explanation to the illiterate in a language understandable to them and that the illiterate appeared to have understood the same before affixing their thumb impression.
9. The Applicant should not print his signature. If he is unable to sign in the normal manner, he should be treated for the purpose of this Offer as an illiterate and his right thumb print should be clearly impressed on the Commitment Form.