

Pricing Supplement
To the Base Shelf Prospectus dated 29 July 2015 amended 21st May 2018



NIGERIA MORTGAGE REFINANCE COMPANY PLC
RC 1123944

Offer for Subscription of ₦10,000,000,000 7.20% Series 3 Fixed Rate Bonds Due 2027
Under the ₦440,000,000,000 Medium Term Note Programme

Directed to Qualified Institutional Investors (“QIIs”) & High Networth Individuals (“HNIs”) only

Issue Price: 100%

Payable in full on Application

Book Building Opens: 29th September 2020

Book Building Closes: 9th October 2020

This Pricing Supplement is prepared for the purpose of Rule 279(3)(5)(i) of the Rules and Regulation of the Securities & Exchange Commission (“the Commission” or “SEC”) and the listing requirements of FMDQ Securities Exchange (“FMDQ”) and The Nigerian Stock Exchange (the “NSE”) in connection with the ₦440,000,000,000 Medium Term Note Programme (the “Securities” or “Bonds”) established by Nigeria Mortgage Refinance Company Plc (“the Issuer”). This Pricing Supplement is Supplementary to, and should be read in conjunction with, the Base Shelf Prospectus dated July 29, 2015 (“Shelf Prospectus”) and any other supplement to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement. This Pricing Supplement is directed solely at Qualified Institutional Investors and High Networth Individuals as defined in Rule 321 of the SEC Rules and Regulations.

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 be deemed to amend the Shelf Prospectus. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from the Issuing Houses.

The Bonds described herein are issued on and are subject to the Terms and Conditions contained in the Shelf Prospectus as amended and/or supplemented by the Terms and Conditions contained in this Pricing Supplement. The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the Securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No Securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than three (3) years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder. An application will be made to FMDQ for the admission of the Bonds to the Daily Quotations List of FMDQ. The Issuer may also consider an additional listing on the NSE.

Without prejudice to the provision of section 85 (1) (*Civil Liability for Misstatements in Prospectus*) of the Investments & Securities Act No. 29 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 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.

Investors may confirm the clearance of the prospectus and registration of the securities with the Securities and Exchange Commission by contacting the Commission on sec@sec.gov.ng or +234(0)94621100; +234(0) 94621168.

ISSUING HOUSE



DOCUMENTS INCORPORATED BY REFERENCE

The following is a list of documents that have been filed with the SEC and are incorporated by reference in this Pricing Supplement:

1. The Shelf Prospectus dated 29th July 2015;
2. The Addendum to the Shelf Prospectus dated 21st May 2018;
3. Second Addendum to the Shelf Prospectus dated 2nd November 2020;
4. The Programme Trust Deed dated 29th July 2015;
5. The Addendum to the Programme Trust Deed dated 21st May 2018; and
6. Series 3 Trust Deed dated 2nd November 2020.

A copy of any or all the documents above, or portions thereof are incorporated by reference herein, and will be made available for viewing without charge, to each person to whom a copy of this Pricing Supplement has been delivered, upon the oral or written request of such person. In addition, such documents or portions thereof will be available from the offices of the Issuing Houses, as stated below on Business Days, during the offer period.

FINAL TERMS OF SERIES 3 BONDS

1.	Issuer	Nigeria Mortgage Refinance Company Plc.
2.	Guarantor	Federal Government of Nigeria (“FGN”)
3.	Guarantee	Irrevocable and Unconditional Guarantee of the FGN
4.	Programme Limit	₦440,000,000,000
5.	Issue Size	₦10,000,000,000
6.	Use of Proceeds	To refinance existing and upcoming NMRC conforming Loans by NMRC participating Financial Institutions in the ordinary course of the Issuer’s business.
7.	Series Number	3
8.	Type of Security	Pay-through Bonds
9.	Issue Rating	“Aaa” by Agosto & Co.
10.	Issuer Rating	A+ by Agosto & Co. A- by GCR Ratings
11.	Minimum Subscription Amount	₦50,000,000 and integral multiples of ₦10,000,000 thereof.
12.	Interest Rate	7.20% Fixed Rate
13.	Issue Price	At par 100%
14.	Issue Date	2 nd November 2020
15.	Maturity Date	2 nd November 2027
16.	Payment Date(s)	The 15 th day of March, June, September, and December in each year (or if such a day is not a Business Day, the next following Business Day). The first Payment Date is 15 th December 2020 (or if that day is not a Business Day, the next following Business Day).
17.	Principal Amortisation	Quarterly each year commencing on 15 th December 2020 until the Maturity Date (each a “Redemption Date”).
18.	Repayment	The Issuer is expected to pay on each Payment Date: (i) Interest Amount (ii) Scheduled Principal Payment; and (iii) Unscheduled Principal Payment (if any).
19.	Redemption/Payment Basis	Redemption at Par
20.	Guarantee Description	Pursuant to a Federal Government Deed of Guarantee entered into between the Federal Republic of Nigeria (as “Guarantor”), NMRC and the Bond Trustee on 30 April 2015, the Guarantor unconditionally and irrevocably guaranteed the obligation of the Issuer under the bonds.

As at August 2020, the Issuer does not have any outstanding payments in relation to the Guarantee provided by the Guarantor

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|-----|------------------------|---|
| 21. | Bonds | The Bonds will constitute direct, secured and unconditional obligations of the Issuer and shall rank pari passu in all respects as well as with other bonds issued by the Issuer under the Programme without discrimination, preference or priority whatsoever |
| 22. | Listing | The Issuer will secure listing of the Bonds on either FMDQ Exchange or NSE and may consider dual listing on both FMDQ Exchange and NSE. The Securities qualify under the Trustee Investment Act, Laws of the Federation of Nigeria, 2004. |
| 23. | Security | As a security for the repayment, satisfaction, performance and discharge of its obligations under the Series 3 Trust Deed, the Issuer with full title guarantee, shall assign (solely to the extent such agreements are assignable under applicable law and by their terms) by way of security, subject to a proviso for re-assignment on redemption of its obligation under the Series 3 Trust Deed, all of its present and future rights, benefits, interests, claims and proceeds of payment under the MPRSA and the Security Deed |
| 24. | Clearing & Settlement | The Bonds will be dematerialised and held in electronic book entry form with the Central Securities Clearing System (“CSCS”). |
| 25. | Method of Distribution | Book building |

PROVISIONS RELATING TO INTEREST PAYABLE

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|-----|--|--|
| 26. | Fixed Rate Note Provisions | Applicable |
| | i. Interest Rate | 7.20% per annum payable quarterly in arrears |
| | ii. Interest Payment Date(s)/Payment Dates | Quarterly on the 15 th day of March, June, September, and December in each year commencing on 15 th December 2020 until the Maturity Date (each an “Interest Payment Date” or “Payment Date”). |
| | iii. Interest Periods | Each period commencing on (and including) each Payment Date including the Interest Commencement Date to (but excluding) the next succeeding Payment Date. The First Interest Period will commence from the Issue Date to the day prior to the next succeeding Payment Date |
| | iv. Day Count Fraction | Actual/365 |

- v. Business Day Convention
- Following Business Day Convention, this means that any payment that is due on a Payment Date that falls on a public holiday declared by the FGN or Saturday or Sunday, shall be made on the next Business Day.

PROVISIONS RELATING TO REDEMPTION OF PRINCIPAL

- | | |
|---|---|
| 27. Optional Early Redemption (Call Option) | Applicable |
| i. Optional Redemption Date(s) | Exercisable from 15 th December 2025 (being 61 months from the Closing Date) and each Payment Date thereafter excluding the Maturity Date |
| ii. Optional Redemption Amount(s) | Principal Amount Outstanding of the Bonds together with interest accrued up to but excluding, the date of redemption |
| iii. Notice Period | Not less than 20 days and not more than 60 days |
| 28. Optional Early Redemption (Put Option) | Not Applicable |
| 29. Scheduled Redemption/Amortisation | The Bonds are expected to be redeemed in up to Twenty-eight (28) instalments on each Payment Date until fully redeemed on or before the Maturity Date (each a “Redemption Date”); the first scheduled principal and interest amount is ₦363,809,375.73 payable on 15 th December 2020 and subsequently ₦457,809,375.73 on each Payment Date till maturity. |

GENERAL PROVISIONS APPLICABLE TO THE BONDS

- | | |
|-----------------------------------|---|
| 30. Form of Series 3 Bonds | Dematerialised Bonds |
| (a) Form of Dematerialised Bonds | Registered Dematerialised Form |
| (b) Registrar | Meristem Registrars Limited |
| 31. Note Trustees | Stanbic IBTC Trustees Limited
DLM Trust Company Limited
GTL Trustees Limited |
| 32. Security Trustee | FBN Trustees Limited |
| 33. Account Bank and Paying Agent | Standard Chartered Bank Limited |
| 34. Receiving Banks | Access Bank Plc.
Sterling Bank Plc. |
| 35. Rating Agencies | Agusto & Co.
Global Credit Rating Co. |
| 36. Record Date | The Note Register shall be closed for a period of ten (10) days immediately preceding each Series 3 Payment |

Date and no transfer of the Bonds shall be registered during that period

37. Other terms or special conditions

The Series 3 Bonds shall be secured by the Issuer's rights to a Mortgage Pool charged to the Security Trustee (for the benefit of the Noteholders) under the Security Trust Deed between the Security Trustee and the Issuer

38. Transaction Documents

- Pricing Supplement dated 2nd November 2020;
- Vending Agreement dated 2nd November 2020;
- Series Trust Deed dated 2nd November 2020;
- Base Shelf Prospectus dated 29 July 2015 and all addendum thereof;
- Programme Trust Deed dated 29 July 2015 and any addendum thereof;
- Security Trust Deed dated 29 July 2015 and any addendum thereof; and
- Account Bank and Paying Agent Agreement dated 29 July 2015 and any addendum thereof

DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

39. Book-building

Applicable

40. Underwriting

Not Applicable

41. Clearing System

Central Securities Clearing System

GENERAL

42. Special Privileges/Concessions

- (a) Exemption from application of general loan loss provision
- (b) Classification as liquid assets for the purpose of computing liquidity ratios; and
- (c) Eligible for transaction at the CBN Discount Window

43. Risk Factors

See Risk Factors on page 29 of the Base Shelf Prospectus dated July 29, 2015

44. Governing Law

Nigerian law

APPENDICES

Appendices

Appendix A – Extracts of the Issue Rating Report
Appendix B – Extracts of the Issuer Rating Report
Appendix C – Declaration of Conformity
Appendix D – Series 3 Bond Time-Table
Appendix E – Procedure for Application and Allotment
Appendix F – Commitment Form

USE OF PROCEEDS

To refinance existing and upcoming NMRC conforming Loans by NMRC participating Financial Institutions in the ordinary course of the Issuer's business as follows¹:

S/N	Financial Institution	Amount (N)	Percentage (%)	Completion Period (Years)
1	Access Bank	4,812,793,750.00	48.1%	2
2	Ecobank Plc	500,000,000.00	5.0%	2
3	FHA Mortgage Bank	1,000,000,000.00	10.0%	2
4	Haggi Mortgage Bank	250,000,000.00	2.5%	2
5	Platinum Mortgage Bank	500,000,000.00	5.0%	2
6	Stanbic IBTC Bank Plc	500,000,000.00	5.0%	2
7	Sterling Bank Plc	1,500,000,000.00	15.0%	2
8	Wema Bank Plc	750,000,000.00	7.5%	2
	Net Proceeds/ Sub Total	9,812,793,750.00	98.1%	2
	Cost of Issue	187,206,250.00	1.9%	0.08
	Total	10,000,000,000.00	100%	

COST OF ISSUE: ₦187,206,250.00

SELLING RESTRICTIONS

The Series 3 Bonds issued herein shall not be offered, sold, delivered or resold to, or for the account or benefit of any persons who do not qualify as Qualified Institutional Investors or High Net worth Investors within the meaning of Rule 321 of the SEC Rules and Regulations (as amended). Accordingly, the above restrictions shall apply to any secondary market resale of the Series 3 Bonds.

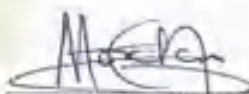
MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this Pricing Supplement, the Shelf Prospectus dated July 29, 2015 and any addendum thereof, there has been no significant change in the financial or trading position of the Issuer since December 2019 and no material adverse change in the financial position or prospects of the Issuer since December 2019.

RESPONSIBILITY

Without prejudice to the provision of section 85 (1) (Civil Liability for Misstatements in Prospectus) of the Investment & Securities Act No. 29 of 2007, the Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Shelf Prospectus referred to above, contains all information that is material in the context of the issue of the Bonds.

Signed on behalf of the Issuer:



Tochukwu Kelly Mogbo
Company Secretary



Kehinde Ogundimu
Managing Director

¹ The Issuer reserves the right to substitute the underlying portfolio after the bond issuance, where necessary, provided that the portfolio to be substituted conforms to the Issuer's Uniform Underwriting Standards.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Management Discussion and Management Analysis for the year ended 31 December 2019

Background

This Management Discussion and Analysis (MD&A) has been prepared as at 17th August 2020 and should be read in conjunction with the 2019 Audited accounts of Nigeria Mortgage Refinance Company Plc.

Forward Looking Statements

The MD&A contains factual statements relating to NMRC's financial and other projections, expected future plans, event, financial and operating results, objectives and performance as well as underlying assumptions all of which involve risk and uncertainties.

These statements reflect management's current belief and are based on information available to NMRC and are subject to risk, uncertainties and assumptions.

Business Strategy of the Company

NMRC's objective is to be the dominant housing partner in Nigeria; it seeks to achieve this by bridging the funding cost of residential mortgages and promoting the availability as well as the affordability of housing to Nigerians via increased liquidity in the mortgage market. NMRC is pursuing this principal objective by focusing on the following initiatives:

- Encouraging financial institutions to increase their mortgage lending by providing them with long term funding;
- Increasing the maturity structure of mortgage loans via long term funding and assisting to reduce mortgage lending rates;
- Development of an integrated partnership model that cuts across all players in the value-chain;
- Increasing the efficiency of mortgage lending by taking a lead role in proposing changes to the enabling environment for mortgage lending as well as standardizing mortgage lending practices of financial institutions;
- Deepening funding options using innovative sources and the introduction of a new class of high-quality long-term assets to the pension funds and other investors; and
- Develop a disruptive operating model that leverages technology.

Financial Performance (NGN)

(₦'000)	31-Dec-2019	31-Dec-2018	% change
Interest income	9,610,997	7,079,510	35.76%
Interest expense	4,198,011	3,177,341	32.12%
Net interest income	5,412,986	3,902,169	38.72%
Other income	7,093	6,741	
Total income	5,420,079	3,908,910	38.66%
Total operating expenses	2,322,706	1,973,414	17.70%
Profit before tax	3,097,373	1,935,496	60.03%
Income tax expense	30,818	19,163	
Minimum tax	48,099	75,224	
Profit after tax	3,018,456	1,841,109	63.95%

Source: Audited Financial Statements of 2018 and 2019

Interest income grew by 35.76% from 2018 figures which was primarily driven by interest income earned from investments in Federal Government of Nigeria bonds, Treasury bills as well as the increased mortgage refinance loan size. Interest expense grew by 32.12% in 2019 resulting from interest expense on debt securities issued in 2018. Total operating expenses increased by 14.98% due in part to the increase personnel expenses and contribution to Federal Government of Nigeria for Housing Market Development Fund. Profit before tax grew significantly by 60.03% indicative of stronger financial performance resulting from higher interest income.

Revenue Result

Total interest income for the period ended 31 December 2019 was ₦9.61billion whilst interest expense was ₦4.20billion resulting in a net interest income of ₦5.41billion, representing a 38.72% increase from figures represented in the previous year and indicative of the favourable interest rate environment at the time.

Financial Assets & Liabilities

The total financial assets as at 31 December 2019 stood at ₦72.20billion compared to ₦69.29 billion in 2018 – this is attributable to the net income earned in 2019. The total financial liabilities as at the review date stood at ₦54.86billion compared to the ₦55.34billion recorded in 2018. Debt securities issued were ₦8 billion in 2015 and ₦11 billion in 2018. The outstanding amounts on the issues are ₦6,960,000,000 and ₦10,470,000,000, respectively.

Operating Expenses

Operating expenses grew slightly by 17.70% in 2019 to ₦2.32billion from ₦1.97billion recorded in 2018.

Key Performance Ratios

Performance Ratios	2019	2018
Cost to income ratio	42.85%	50.49%
Net interest margin	13.66%	12.82%
Loan to assets ratio	25.2%	24.6%
Return on equity	20.7%	15.5%
Return on assets	4.4%	3.5%

Source: Audited Financial Statements of 2018 and 2019

NMRC has operated relatively more efficiently in 2019 given the decline in the cost-to-income ratio from 50.49% to 42.85%. In other words, NMRC has been able to grow interest income in 2019 at a higher rate than its expenses which has translated to a stronger bottom-line performance.

Net interest margin also marginally decreased from 55.3% in 2018 to 54.9% in 2019 reflective of the slight change in the interest rate environment. Loan to asset ratio, on the other hand increased marginally from 24.6% in 2018 to 25.29% in 2019 as NMRC refinanced more loans. This ratio is expected to increase as NMRC taps the capital market to finance its refinancing drive in 2020.

Nigeria Mortgage Refinance Company Plc

Series III ₦10 billion 7-Year Fixed Rate Secured Bond

Rating: Aaa (NG)*

**This issue rating is indicative. A final rating will be assigned upon receipt of all duly executed transaction documents.*

The Bond is adjudged to offer highest safety of timely payment of interest and principal.

Outlook: Stable

Issue Date: 25 August 2020

Expiry Date: 30 June 2021

The rating is valid throughout the life of the instrument but will be subject to periodic monitoring and review.

Bond tenor: 7 years

Industry: Mortgage Refinancing

Analysts:

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Agusto & Co. Limited

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57, Marina

Lagos

Nigeria

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Rating Rationale

Agusto & Co. has assigned an indicative "Aaa_(NG)" rating to the Nigeria Mortgage Refinance Company Plc's ("NMRC" or "the Issuer") ₦10 billion, Series 3 Fixed Rate Bond ("the Issue" or "the Bond"). The Bond is the third tranche under the Company's ₦440 billion debt issuance programme and the proceeds will be used to refinance conforming mortgage loans created by eligible mortgage lenders. The rating is supported by an unconditional and irrevocable guarantee issued by the Federal Government of Nigeria (FGN). The ₦440 billion debt issuance programme has an initial guarantee amount of ₦100 billion, of which ₦19 billion has been utilised. Under the guarantee, the irrevocable and unconditional obligations of the FGN extend to, and cover, NMRC's payment obligations in relation to debt issuances subject to the guarantee amount.

The rating assigned is also supported by the Issuer's standalone credit rating of 'A+' that reflects good profitability, strong capitalization, good asset quality and a strong liquidity and funding profile. The Bond will rank pari passu with other outstanding secured and unsubordinated obligations of the Issuer. The coupon and amortised principal will be repaid quarterly from the monthly payments made by the borrowers of the underlying mortgage loans. NMRC's shareholder support and unrestrained access to Nigeria's debt market (in view of its perceived quasi-government status) have also been factored into the rating.

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*Related Document: Agusto & Co Limited's 2020 NMRC Credit Rating

APPENDIX B: EXTRACTS OF ISSUER RATING REPORTS

GCR		GLOBAL CREDIT RATING CO.		
		Local Expertise • Global Presence		
Nigeria Mortgage Refinance Company Plc				
Nigeria Financial Institution Analysis			November 2019	
Rating class	Rating scale	Rating	Outlook	
Long-term	National	A ₁ (NG)	Stable	
Short-term		A2(NG)		
Financial data: (USDm comparative)		Summary rating rationale		
	31/12/17	31/12/18	<ul style="list-style-type: none"> The accorded ratings reflect Nigeria Mortgage Refinance Company Plc's ("NMRC" or "the company") operational uniqueness as a private sector entity with a public purpose. As such, the ownership base comprised a blend of public sector-related entities and financial institutions. Specifically, two public sector related entities jointly own 36.6% of the company's paid-up share capital, while the remainder are diversely owned by local financial institutions (banks and non-bank financial institutions). Given the significant equity stake of the public sector-related entities in NMRC, government support for the company is implied and this is corroborated by the demonstrated willingness of Federal Government of Nigeria ("FGN") to provide a full guarantee on the company's debt issues during its initial operational stage. Furthermore, cognisance has been taken of the company's capitalisation, risk position and financial performance. NMRC is well capitalised vis-à-vis its current risk level, with total capital amounting to N13.2bn at FY18, representing a 12.5% year-on-year ("y/y") growth and translating to a risk weighted capital adequacy ratio of 67% (compared to the 10% statutory minimum requirement). The company has demonstrated strong commitment to capital preservation, with no dividend payment so far. Thus, internal capital generation has supported capitalisation in the five years to FY18, with growth pace accelerated in FY17 by new capital injection via additional shares issue (accelerating growth rate to 36% during the year). NMRC has largely mitigated liquidity risk through maintaining a highly liquid balance sheet, with liquid and trading assets comprising a notable 74.4% of the balance sheet at FY18 (FY17: 79.2%). Furthermore, a matching of assets and liabilities maturity at FY18 indicated comfortable liquidity buffers across all maturity bands. The company's asset quality (in terms of the mortgage refinancing loans) has remained strong, with no default reported from inception to date. NMRC's key profitability metrics weakened during the year, with both the ROCE and ROEA declining to 14.8% and 3.3% in FY18 from 18.9% and 4.6% in FY17 respectively. Although increased mortgage refinancing pool delivered a 41% rise in the core income stream (mortgage refinancing) to N1.8bn in FY18, the company's revenue base remained dominated by FGN securities related income, which accounted for 67.3% of the reported interest income for the year. Despite recording a 15.1% improvement in interest income to N7.1bn, outpacing 46.2% increase in interest expenses saw net interest income contract 1.9% to N3.9bn. With inconsequential (N7m) support from non-funded income stream, total operating income registered c.2% y/y decline to N3.9bn. 	
NGN/USD (avg)*	305.3	303.6		
NGN/USD (close)*	305.3	306.5		
Total assets	539.1	226.1		
Capital	38.4	43.0		
Net advances	26.9	55.5		
Liquid assets	310.2	168.2		
Operating income	13.1	12.8		
Profit after tax	6.3	6.1		
Market capitalisation	0.4 ^{**}			
Market share	0.4 ^{**}			
*Central bank of Nigeria (CBN) data				
**Not applicable				
Rating history:				
Initial rating (May 2015)				
Long-term: BBB ^(NG)				
Rating outlook: Stable				
Last rating (October 2019)				
Long-term: A ₁ (NG)				
Short-term: A1(NG)				
Outlook: Stable				
Related methodologies/research:				
Criteria for Rating Banks and Other Financial Institutions, updated March 2017				
NMRC rating reports, 2015-18				
Glossary of Terms/ Ratios (February 2016)				
GCR contacts:				
Primary Analyst				
Julius Adekeye				
Senior Credit Analyst				
adekeye@globalratings.net				
Committee Chairperson				
Dave King				
king@globalratings.net				
Analyst location: Lagos, Nigeria				
Tel: +23 41 904-6462-3				
Website: www.globalratings.com.ng				
Factors that could trigger a rating action may include				
Positive change: The establishment and sustenance of a strong financial track record, together with clear evidence of delivery on mandate, would be positively considered.				
Negative change: A negative rating action may follow a significant deterioration in profitability metrics, evidence of inability to deliver on mandate, as well as reduction in the likelihood of government support				
Nigeria Financial Institution Analysis Public Credit Rating				

Nigeria Mortgage Refinance Company Plc

Rating: A+

Issue Date: 17 June 2020

Expiry Date: 30 June 2021

Previous Rating: A+

Industry:
 Mortgage Refinancing

Analysts:

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RATING RATIONALE

Agusto & Co affirms the 'A+' rating assigned to Nigeria Mortgage Refinance Company Plc ('NMRC' or 'the Company'). The rating of the Company is supported by good profitability, strong capitalisation, good asset quality and a strong liquidity and funding profile. The rating affirmation is also underpinned by the notable support that NMRC receives from the Federal Government of Nigeria (FGN). FGN's support is demonstrated by the government's commitment to providing guarantees for NMRC's bond issuances. However, the rating is constrained by the low contribution of the Company's core activities to earnings and concentration in the mortgage refinancing and placement portfolios. We have also considered Nigeria's weak economy following the Covid-19 outbreak and the prevailing low yields on FGN treasury bills and money market placements and the attendant negative impact on growth and income.

The Company's principal activity is the provision of long-term funds to eligible mortgage lenders through the refinancing of mortgage loans originated by primary mortgage banks and commercial banks. The refinancing is funded with proceeds from the issuance of bonds in the Nigerian capital market. The Company enjoys an irrevocable and unconditional guarantee from the Federal Government of Nigeria (FGN) on a N440 billion debt issuance programme with an initial guarantee amount of N100 billion. NMRC leverages this guarantee in the issuance of debt securities to fund its refinancing activities.

In the review period, NMRC's refinancing activities were restricted to member institutions, which resulted in a portfolio of mortgage refinance loans that had significant concentration with only two institutions jointly accounting for 51% of total loans. In particular, refinanced loans to one member institution accounted for 35% of shareholders' funds, a breach of the Company's single obligor limit of 25%. Notwithstanding, we note that NMRC received approval from the Central Bank of Nigeria prior to the breach.

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APPENDIX C: DECLARATION OF CONFORMITY



27th July 2020

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

Dear Sir/Madam,

DECLARATION OF CONFORMITY BY THE ISSUER IN RESPECT OF NIGERIA MORTGAGE REFINANCE COMPANY PLC'S PROPOSED SERIES 3 BOND ISSUANCE OF UP TO N10,000,000,000 UNDER THE N440,000,000,000 MEDIUM TERM NOTE PROGRAMME ("THE PROGRAMME")

In compliance with Rule 279(3)(6)(viii) of the Consolidated Rules and Regulations of the Securities and Exchange Commission, June 2013, we on behalf of the Issuer, hereby make the following declarations:

1. We confirm that none of the loans to be refinanced is a non-performing loan.
2. We confirm that the collection of mortgage loans to be refinanced conform to the Uniform Underwriting Standards and have been secured by way of a specific debenture charge in favour of the Security Trustee according to the Terms of the Security Trust Deed.
3. We confirm that the Issuer has not defaulted on the guarantee agreement and the guarantee remains in full force and effect.
4. We confirm that each participating mortgage lender has duly executed an equitable assignment by way of sale, of the beneficial right, title or interest in all distributions of principal and interest and all prepayments received on or with respect to the Mortgage Loans.
5. We confirm that the valuation, tenor, and other prerequisites of the loans to be refinanced have been confirmed by the Issuer.
6. We confirm that none of the participating mortgage lenders has defaulted on a previous disbursement by the Issuer.

Signed for and on behalf of Nigeria Mortgage Refinance Company Plc. by its duly authorized representatives:

Tochukwu Mogbo
Company Secretary

Kanayo Mba
Ag. Chief Financial Officer

Kehinde Ogundimu
MD/CEO

Board Members

Mr. Razak Adesoyin Adesola, Mr. Alexander Adesoyin, Mr. Charles A. A. Anshole (Chairman), Dr. Femi Adesina, Dr. I. Ndabang
Oshole, Mr. Kehinde Ogundimu (Managing Director/ CEO), Mr. Uche Oka, Mrs. Pauline Wili, Muhammed Yusuf, Mr. Hubert Wura, Mr.
*Independent Director:
18, Mississippi Street, Maitama, Abuja
RC: 022844
www.nmrc.com.ng



APPENDIX D: SERIES 3 BOND TIMETABLE

Date	Activity	Responsibility
29/09/2020	Receive SEC approval of Pricing Supplement/ Supplementary Shelf Prospectus	Issuing Houses
29/09/2020	Commence Book Building	Issuing Houses
09/10/2020	Conclude Book Building	Issuing Houses
15/10/2020	File updated Transaction Documents with SEC	Issuing Houses
02/11/2020	Hold Completion Board/Signing Meeting	All Parties
02/11/2020	Payment of Issue Proceeds to Receiving Banks	Allottees
03/11/2020	Remit Net Issue proceeds to Issuer	Issuing Houses/ Receiving Banks
05/11/2020	File executed Transaction Documents & Allotment Proposal with SEC	Issuing Houses
19/11/2020	Receive SEC clearance of Allotment	Issuing Houses
23/11/2020	Announce Allotment	Issuing Houses
23/11/2020	Credit CSCS Account of Allottees	Registrars
30/11/2020	Listing of Bonds with FMDQ OTC	Dealing Members
04/12/2020	Submission of Summary Report to SEC	Issuing Houses

1. Invitation for Participation

Qualified Investors are hereby invited to participate in the Issue through the Book Runner.

- 1.1 The Book Building Period opens on 29th September 2020 and closes on 9th October 2020. Orders must be for a minimum of ₦50,000,000 (Fifty Million Naira) and in integral multiples of ₦10,000,000 (Ten Million Naira).
- 1.2 Participation Amount(s) and Bid Coupon Rate(s) (“Orders”) 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 An individual Participant should sign the declaration and write his/her full name, address and daytime telephone number on the Commitment Form. Joint Participants must all sign the Commitment Form.
- 1.7 Upon the completion and submission of the Commitment Form, the Participant is deemed to have authorised the Issuer and the Issuing House/Book Runner to effect the necessary changes in the Pricing Supplement 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.
- 1.8 Participants may not submit an Order on another Commitment Form after the submission of a Commitment Form to the Book Runner. Submission of a second or more Form(s) of Commitment will be treated as multiple applications and will be rejected.
- 1.9 Participants shall have the option to make a maximum of three (3) Orders on a Commitment Form and such options shall not be considered as multiple applications.
- 1.10 The Commitment Form presents the Participant with the choice to bid for up to three (3) 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.
- 1.11 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.
- 1.12 The Issuer in consultation with the Book Runner 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 thereof.

2. Payment Instructions

Successful Participants should ensure that payment of the Participation Amounts is received by 2nd November (Issue Date). Funds should be transferred into either of the following designated Issue Proceeds Accounts domiciled with the Receiving Banks:

Account Details	Access Bank Plc.	Sterling Bank Plc.
Account Name	DLM / NMRC S3 RECEIVING ACCOUNT	DLM/NMRC S3 Receiving Account
Account Number	1411719231	0078898713

3. Allocation/Allotment

- 3.1 At the close of the Offer Period, the Issuing Houses/Book Runners will analyse the demand generated at various price levels and, in consultation with the Issuer, finalise the Coupon Rate and the allocations to each Participant. Allocation Confirmation Notices will be sent to successful Participants thereafter.
- 3.2 The Directors of the Issuer and the Issuing House/Book Runners reserve the right to accept or reject any application in whole or in part for not complying with the terms and conditions of the Issue.
- 3.3 Upon clearance of the Final Prospectus by the SEC, Allotment shall be effected by means of **Allotment of Bonds in Dematerialised (Uncertificated) Form**: Participants will receive the Bonds in dematerialised form and are mandatorily required to specify their CSCS Account Number, the name of their Stock-broking Firm and the 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. Where an application is submitted in joint names, Participants should ensure 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.

4. Bank Account Details

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

APPENDIX F: COMMITMENT FORM

**Book Building
Opening Date**

29 September 2020

**Book Building
Closing Date**

9 October 2020

ISSUING HOUSE/JOINT BOOKRUNNER

DLM ADVISORY LIMITED

RC 688014

on behalf of



NIGERIA MORTGAGE REFINANCE COMPANY PLC

RC 1123944

**₦10,000,000,000 7.2% Series 3 Fixed Rate Bonds Due 2nd November 2027
Under the ₦440,000,000,000 Medium Term Note Programme**

Orders must be made in accordance with the instructions set out in this Pricing Supplement/Supplemental Prospectus. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any professional adviser for guidance.

Please complete all relevant sections of this Form USING BLOCK LETTERS WHERE APPLICABLE														
PARTICIPANT STATUS (PLEASE TICK <input type="checkbox"/>)			DATE (DD/MM/YYYY)				CONTROL NO. (FOR REGISTRARS' USE ONLY)							
<input type="checkbox"/>	High Net Worth Investors			/		/	2	0	2	0				
<input type="checkbox"/>	Fund Managers	<p align="center">DECLARATION</p> <input type="checkbox"/> I/We hereby confirm that I am/we are Qualified persons to participate in this Bond Issue in accordance with applicable SEC Rules and Regulations. <input type="checkbox"/> I/We confirm that I/we have read the Pricing Supplement dated 2 nd November 2020 and that my/our Order(s) is/are made on the terms set therein <input 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 type="checkbox"/> I/We authorise the Issuer to make the necessary changes in the Pricing Supplement (Supplementary Shelf Prospectus) for filing of the Final Pricing Supplement (Supplementary Shelf Prospectus) with the SEC without intimation to me/us and use this Commitment Form as the Application Form for the purpose of this Issue. <input type="checkbox"/> I/We note that the Issuer and the Issuing House/Book Runners are entitled in their absolute discretion to accept or reject this Order. <input type="checkbox"/> I/We agree to accept the Participation Amount as may be allocated to me/us subject to the terms in this Pricing Supplement. <input 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"/>	Pension Fund Administrators													
<input type="checkbox"/>	Insurance Companies													
<input type="checkbox"/>	Investment/Unit Trusts													
<input type="checkbox"/>	Multilateral/Bilateral Inst.													
<input type="checkbox"/>	Market Makers													
<input type="checkbox"/>	Staff Schemes													
<input type="checkbox"/>	Trustees/Custodians													
<input type="checkbox"/>	Stock-broking Firms													
<input type="checkbox"/>	Resident Corporate Investors													
<input type="checkbox"/>	Non-Resident Investors													
<input type="checkbox"/>	Hedge Funds													
<input type="checkbox"/>	Banks													

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

Participants have the option to make a maximum of three orders on the Commitment Form and such options shall not be considered as multiple applications. All orders must be for a minimum of ₦50,000,000 and in multiples of ₦10,000,000 thereafter.

ORDER 1

PARTICIPATION AMOUNT (minimum amount ₦50,000,000 and in multiples of ₦10,000,000 thereafter)											BID COUPON RATE			
IN FIGURES														
IN WORDS														

ORDER 2

PARTICIPATION AMOUNT (minimum amount ₦50,000,000 and in multiples of ₦10,000,000 thereafter)											BID COUPON RATE			
IN FIGURES														
IN WORDS														

ORDER 3

PARTICIPATION AMOUNT (minimum amount ₦50,000,000 and in multiples of ₦10,000,000 thereafter)											BID COUPON RATE			
IN FIGURES														
IN WORDS														

PLEASE TURN OVER TO COMPLETE THIS FORM

COMMITMENT FORM (REVERSE SIDE)

PARTIES TO THE OFFER

ISSUER

Nigeria Mortgage Refinance Company Plc

Nigeria Mortgage Refinance Company Plc.
18, Mississippi Street
Off Alvan Ikoku Way
Maitama
Abuja

DIRECTORS

Mr. Charles Adeyemi Candide-Johnson, SAN, FCI ARB – Chairman

Strachan Partners
No 8 Tokunbo Omisore Street, Off Wole Olateju Crescent
Off Admiralty Way, Lekki Phase 1
Lagos

Mr. Kehinde Ogundimu –MD

Nigeria Mortgage Refinance Company Plc.
18, Mississippi Street
Off Alvan Ikoku Way
Maitama
Abuja

Mr. Herbert Wigwe- Director

Access Bank Plc
Plot 999C, Danmole Street
Victoria Island
Lagos

Dr. Femi Johnson - Director

Homebase Mortgage Bank Limited
21, Adeyemo Alakija Street
Victoria Island
Lagos

Mr. Razack Adeyemi Adeola - Director

Sterling Bank Plc
9th Floor, Sterling Towers
20, Marina
Lagos

Dr. Olabanjo Obaleye- Director

10 Springs Boulevard
Suncity, Galadimawa District
Abuja

Mrs. Fatima Wali-Abdulrahman – Director

Filmo Group
1 Kandi Close
Off Aminu Kano Crescent
Wuse II
Abuja

Mr. Alexander Adeyemi - Director

Ministry of Finance Incorporated
Federal Ministry of Finance
CBD, Abuja

Mr. Uche Orji - Director

Nigeria Sovereign Investment Authority
The Clan Place
4th Floor, 1386A Tigris Crescent Maitama
Abuja

Company Secretary
Tochukwu Kelly Moghe
18 Mississippi Street
Maitama
Abuja

ISSUING HOUSE/BOOK RUNNER

DLM Advisory Limited
10th Floor, Elephant House
214 Broad Street
Marina, Lagos

Segun Omoregie

SOLICITORS TO THE ISSUER

Olaniwun Ajayi
The Adunola
Plot L2, 401 Close,
Banana Island, Ikoyi
Lagos

Yusuf Seunor
Yusuf Seunor

SOLICITORS TO THE ISSUE

G. Elias & Co.
(Solicitors and Advocates)
6 Broad Street
Lagos

SEGUN OMOREGIE
[Signature]

BOND TRUSTEE

Stanbic IBTC Trustees Limited
The Wealth House
Plot 1678 Olakunle Bakare Close
Off Sanusi Fafunwa Street, Victoria Island, Lagos

[Signature]
[Signature]

BOND TRUSTEE

DLM Trust Company Limited
10th Floor, Elephant House
214 Broad Street
Marina,
Lagos.

[Signature]
KENNEDY IGHODARO

LIANA BUNKAYA

BOND TRUSTEE

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

DLUTSHE SANMI

SECURITY TRUSTEE

FBNQuest Trustees Limited
16 Keffi Street, 1st Floor
Off Awolowo Road, Ikoyi
Lagos

Atanda Isicko

STOCKBROKERS

DLM Securities Limited
10th Floor, Elephant House
214 Broad Street
Marina
Lagos

[Signature]

RATING AGENCY

Global Credit Rating Co.
11th Floor, New Africa House
31 Marina
Lagos

OKUNOLA HAFEEZ
Alley

RATING AGENCY

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

ADEBIYI OLUKOYA
[Signature]

RECEIVING BANK

Access Bank Plc
Plot 999c Danmole Street
Victoria Island
Lagos

OSIBO EMMOLADE
[Signature]

RECEIVING BANK

Sterling Bank Plc
Sterling Towers
20 Marina
Lagos

DLANGI DAZIREMAJU
[Signature]

ACCOUNT BANK

Standard Chartered Bank Limited
105B Ajose Adeogun Street
Victoria Island
Lagos

YEMISI LINDA ABESOLA
[Signature]

AUDITORS

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
Lagos

AKINYEMI ASHADE
[Signature]

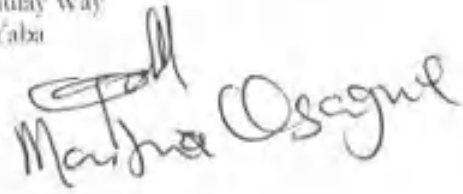
REGISTRARS

Meristem Registrars & Probate Services Limited

213 Hebert Macaulay Way

Adekunle, Yaba

Lagos


Maryna Osagun