

This Programme Memorandum has been prepared in accordance with the guidelines of the Central Bank of Nigeria ("CBN") guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on September 11, 2019, and the CBN circular to all deposit money banks and discount houses dated July 12, 2016 on the Mandatory Registration and Listing of Commercial Papers (together the "CBN Guidelines") and the Commercial Paper Registration and Quotation Rules of the FMDQ Securities Exchange Limited ("FMDQ Exchange" or the "Exchange") in force as at the date hereof. This document is important and should be read carefully. If you are in doubt about its contents or the actions to take, please consult your banker, stockbroker, accountant, solicitor or any other professional adviser for guidance immediately. This Programme Memorandum has been approved by the members of the Board of Directors of Citibank Nigeria Limited, and they individually and jointly accept full responsibility for the accuracy of all information given.



RC 62430

## **₦300,000,000,000 Commercial Paper Issuance Programme**

Citibank Nigeria Limited ("**Citibank**" or the "**Issuer**"), a commercial bank and private limited liability company incorporated under the laws of the Federal Republic of Nigeria has established this ₦300,000,000,000 Commercial Paper Issuance Programme (the "**CP Programme**"), under which Citibank may from time to time issue Commercial Paper Notes ("**CP Notes**" or "**Notes**") denominated in Nigerian Naira ("**NGN**") in separate series or tranches subject to the terms and conditions ("**Terms and Conditions**") contained in this Programme Memorandum.

Each Series and each Tranche (as defined under the Terms and Conditions) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the Pricing Supplement applicable to such series or tranche (the "**Applicable Pricing Supplement**"). The maximum aggregate nominal amount of all CPs from time to time outstanding under the CP Programme shall not exceed ₦300,000,000,000. This Programme Memorandum is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference and, in relation to any Series or Tranche (as defined herein), together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Programme Memorandum.

The CP Notes issued under this Programme shall be issued in dematerialised form, registered, quoted and traded over the counter via the FMDQ Exchange Limited ("**FMDQ Exchange**") platform in accordance with the Rules, CBN Guidelines and such other regulation as may be prescribed by FMDQ Exchange from time to time, or any other recognised trading platform as approved by the Central Bank of Nigeria ("**CBN**"). The Notes will settle via the Central Securities Depository ("**CSD**") registered with the Securities and Exchange Commission and appointed by the Issuer, acting as Registrar and clearing agent for the Notes.

This Programme Memorandum and the Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom this Programme Memorandum and the Applicable Pricing Supplement is delivered (the "**Recipient**") and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party. In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the information included in the Programme Memorandum, the Issuer will prepare a supplement to this Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of CP Notes.

### **ARRANGER / ISSUING AND PLACING AGENT**



**Stanbic IBTC Capital Limited**  
RC 1031358

### **COLLECTING AND PAYING AGENT**



**Citibank Nigeria Limited**  
(Acting through its Markets Operations Unit)  
RC 62430

**THIS PROGRAMME MEMORANDUM IS DATED 03 MARCH 2025**

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## DEFINITIONS AND INTERPRETATIONS

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In this Programme Memorandum, unless a contrary indication appears, the following expressions shall have the meanings indicated in the table below. Words in the singular shall include the plural and vice versa, references to a person shall include references to a body corporate, and reference to a gender includes the other gender.

"Agent", "Collecting and Paying Agent" or "CPA"	Citibank Nigeria Limited (acting through its Markets Operations Unit) as collecting and paying agent and any successor collecting and paying agent appointed in connection with the Programme.
"Agency Agreement"	The Issuing and Placing Agency Agreement dated on 03 March 2025 or about the date of this Programme Memorandum executed by and between the Issuer and the Issuing and Placing Agent.
"Applicable Pricing Supplement"	The Pricing Supplement applicable to a Series or Tranche.
"Arranger"	Stanbic IBTC Capital Limited.
"Board"	The board of directors of the Issuer.
"Business Day"	Any day other than a Saturday, Sunday or a public holiday declared by the Federal Government of Nigeria on which commercial banks are open for general business in Lagos, Nigeria.
"Business Hours"	8.00 am to 5.00 pm Nigerian time on any Business Day.
"CAMA"	Companies and Allied Matters Act No. 3. 2020 (as amended).
"CBN"	Central Bank of Nigeria.
"CBN Guidelines"	Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper issued by the CBN dated 11 September 2019 and the CBN letter to all deposit money banks and discount houses dated 12 July 2016 on Mandatory Registration and Listing of Commercial Papers, as amended or supplemented from time to time.
"CGT"	The Capital Gains Tax as provided for under the Capital Gains Tax Act (Cap. C1) LFN 2004 (as amended by the Finance Act 2019, Finance Act 2020 and Finance Act 2021 and Finance Act 2023).
"CITA"	Companies Income Tax Act (Chapter C21) LFN, 2004 (as amended by the Companies Income Tax (Amendment) Act No. 11 of 2007, the Finance Act 2019, the Finance Act 2020, the Finance Act 2021 and the Finance Act 2023).
"Collecting and Paying Agent Deed"	The Collecting and Paying Agent Deed dated on 03 March 2025 or about the date of this Programme Memorandum executed by the Collecting and Paying Agent in favour of the Noteholders.
"Commercial Paper", "CP" or "Notes"	Unsecured, commercial paper notes to be issued by the Issuer in form of zero-coupon notes under the CP Programme.
"Conditions" or "Terms and Conditions"	Terms and conditions, in accordance with which the Notes will be issued, set out in the section headed "Terms and Conditions of the Notes" in this Programme Memorandum.
"CP Programme" or "Programme"	The CP Programme described in this Programme Memorandum pursuant to which the Issuer may issue several separate Series of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦300,000,000,000.

## DEFINITIONS AND INTERPRETATIONS

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"Central Securities Depository" or "CSD"	Any duly licensed central securities depository registered or recognised by the SEC and appointed by the Issuer, as may be specified in the Applicable Pricing Supplement.
"Day Count Fraction"	Such method of calculating the discount as specified in the Applicable Pricing Supplement.
"Dealing Member"	An FMDQ Exchange-licensed member admitted to trade on the FMDQ Exchange platform
"Eligible Investor" or "EI"	An investor that is not a Qualified Institutional Investor as defined by the as defined by the FMDQ Exchange Commercial Paper Registration and Quotation Rules, that has executed a declaration attesting to his or her eligibility in the manner prescribed in the FMDQ Exchange Rules.
"Face Value"	The par value of the Notes.
"FGN"	Federal Government of Nigeria.
"FIRS"	Federal Inland Revenue Service.
"FMDQ Exchange" or the "Exchange"	FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the SEC to provide a platform for, inter alia, the listing, quotation, registration and trading of securities.
"FMDQ Exchange Rules" or "Rules"	The FMDQ Commercial Paper Registration and Quotation Rules, November 2024 (as may be amended, from time to time) and such other regulations with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time.
"Force Majeure"	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, legislation, acts of God, epidemics, pandemics, lockdowns, acts of terrorism and industrial unrest.
"FRCN"	Financial Reporting Council of Nigeria.
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement.
"Issuer", "Citibank", "Citi" or the "Bank"	Citibank Nigeria Limited.
"Issue Date"	The date upon which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement.
"Issue Price"	The price at which the relevant Series/Tranche is issued, as specified in the Applicable Pricing Supplement.
"Issuing and Placing Agent" or "IPA"	Stanbic IBTC Capital Limited and any other additional issuing and placing agent appointed pursuant to the Issuing and Placing Agency Agreement from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any issuing and placing agent pursuant to the Issuing and Placing Agency Agreement. Appointed issuing and placing agents will be disclosed in the Applicable Pricing Supplement for each issuance under the Programme

## DEFINITIONS AND INTERPRETATIONS

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“Issuing and Placing Agency Agreement”	The issuing and placing agency agreement dated on or about the date of this Agreement entered into between the Issuer and the IPA.
“LFN”	Laws of the Federation of Nigeria.
“Maturity Date”	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due.
“Naira” or “ <del>N</del> ” or “NGN”	The Nigerian Naira, the lawful currency of Nigeria.
“Nigeria”	The Federal Republic of Nigeria and “Nigerian” shall be construed accordingly.
“Noteholder”	The holder of a Note as recorded in the Register kept by the Issuing and Placing Agent in accordance with the Terms and Conditions.
“OTC”	Over-the-Counter.
“Payment Business Day”	A day on which commercial banks settle payments and are open for general business in Nigeria.
“Principal Amount”	The nominal amount of each Note, as specified in the Applicable Pricing Supplement.
“PITA”	Personal Income Tax Act (Chapter P8) LFN 2004 (as amended by the Personal Income Tax (Amendment) Act of 2011, the Finance Act 2019), the Finance Act 2020, the Finance Act 2021, and the Finance Act 2023.
“Programme Memorandum”	This information memorandum in respect of the Programme dated 03 March 2025 providing detailed particulars of the Programme and includes any supplementary programme memorandum issued by the Issuer from time to time.
“Qualified Institutional Investors” or “QIIs”	include banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms, issuing houses, registrars, financial market infrastructures (FMIs), finance companies, financial/investment holding companies, financial/investment advisors and any other category of investors as may be determined by the FMDQ Exchange from time to time.
“Register”	The register of Noteholders, maintained by the Issuing and Placing Agent or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme.
“Relevant Date”	The payment date of any obligation due on the Notes.
“Relevant Last Date”	The date stipulated by CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered.
“SEC”	The Securities and Exchange Commission of Nigeria
“Series”	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices.
“Tranche”	In relation to a Series, Notes which are identical in all respects.
“VAT”	Value Added Tax as provided for in the VAT Act.

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"VAT Act"	Value Added Tax Act (Chapter V1) LFN, 2004 (as amended by the Value Added Tax (Amendment) Act No. 12 of 2007, the Finance Act 2019, the Finance Act 2020, the Finance Act 2021 and the Finance Act 2023).
"WHT"	Withholding Tax as provided for in section 78(2) of CITA, section 70 of PITA and the Finance Act 2023.
"Zero Coupon Note"	A Note which will be offered and sold at a discount to its Face Value, and which will not bear interest, other than in the case of late payment.

## IMPORTANT NOTICES

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This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ₦300,000,000,000 (Three Hundred Billion Naira). The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum.

The Issuer shall not require the consent of the Noteholders for the issue of Notes under the Programme.

The Issuer accepts responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained or incorporated in this Programme Memorandum is correct and does not omit anything likely to affect the import of such information.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is reasonably material in the context of the CP Programme and the offering of the Notes, that the information contained in this Programme Memorandum is true and accurate in all material respects and is not misleading and that there are no other facts the omission of which would make this document or any of such information misleading in any material respect.

To the fullest extent permitted by law, the Arranger or other professional advisers make no representation, warranty or undertaking, express or implied and accept no responsibility for the contents of this Programme Memorandum or for any other statement, made or purported to be made by the Arranger or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and other professional advisers accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save to the extent permitted by law) which it might otherwise have in respect of this Programme Memorandum or any such statement.

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

Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme is intended to provide a basis for any credit or other evaluation or should be considered as a recommendation by the Issuer or Arranger that any recipient of this Programme Memorandum or any other information supplied in connection with the CP Programme should purchase any Notes.

Each person contemplating purchasing any Commercial Paper should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes.

The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. Investors should review, among other things, the most recent audited annual financial statements of the Issuer prior to taking any investment decision. Notes issued under the Programme shall be restricted to Qualified Institutional Investors and Eligible Investors who meet the qualification criteria prescribed by FMDQ Exchange from time to time.

The IPA and CPA are under no obligation to seek recovery or initiate any action against the Issuer.

**FMDQ SECURITIES EXCHANGE LIMITED TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROGRAMME MEMORANDUM NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THIS CP PROGRAMME, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROGRAMME MEMORANDUM.**

This Programme Memorandum should be read and construed in conjunction with:

1. each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under the Programme; and
2. the audited annual financial statements (and notes thereto) and any audited interim financial statements published subsequent to such annual financial statements of the Issuer for the financial years prior to each issue of Notes under this Programme.

which shall be deemed to be incorporated by reference into, and to form part of, this Programme Memorandum and which shall be deemed to modify and supersede the contents of this Programme Memorandum as appropriate.

The Issuer may for so long as any Note remains outstanding, publish an amended and restated Programme Memorandum or a supplement to the Programme Memorandum on the occasion of any subsequent issue of Notes, where there has been:

- (a) a material change in the condition (financial or otherwise) of the Issuer which is not then reflected in the Programme Memorandum or any supplement to the Programme Memorandum; or
- (b) any modification of the terms of the Programme, which would then make the Programme materially inaccurate or misleading.

Any such new Programme Memorandum or Programme Memorandum as supplemented and/or modified shall be deemed to have been substituted for the previous Programme Memorandum or to have modified the previous Programme Memorandum from the date of its issue.

The Issuer will provide free of charge to each prospective investor upon request, a copy (which includes an electronic copy at the Issuer's option) of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents shall be directed to the Issuer at its specified office(s) as set out in this Programme Memorandum.



## SUMMARY OF THE PROGRAMME

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The following summary does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of this Programme Memorandum and the Applicable Pricing Supplement:

- 1. ISSUER:** Citibank Nigeria Limited.
- 2. PROGRAMME DESCRIPTION:** Commercial Paper Issuance Programme.
- 3. SIZE OF PROGRAMME:** ₦300,000,000,000 (Three hundred billion Naira).
- 4. ISSUING AND PLACING AGENT:** Stanbic IBTC Capital Limited.
- 5. COLLECTING AND PAYING AGENT:** Citibank Nigeria Limited (acting through its Global Markets Operations Unit).
- 6. AUDITOR:** KPMG Professional Services.
- 7. CSD:** Central Securities Clearing System Plc ("**CSCS**"), FMDQ Depository Limited, or any other CSD as may be specified in the Applicable Pricing Supplement.
- 8. SOLICITORS** G. Elias.
- 9. ISSUANCE IN SERIES:** The Notes will be issued in Series, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series and Tranche will be specified in the Applicable Pricing Supplement.
- 10. USE OF PROCEEDS:** The net proceeds from each issue of Notes under the Programme will be used to fund the asset side of Citibank's balance sheet with specific focus on extending credit facilities to our corporate clients thereby supporting the real sector of the economy or as may otherwise be described in the Applicable Pricing Supplement.
- 11. METHOD OF ISSUE:** The Notes may be offered and sold to corporates, EIs or QILs by way of a fixed price offer for subscription or through a book building process and/or any other methods as described in the Applicable Pricing Supplement, within Nigeria or otherwise, in each case as specified in the Applicable Pricing Supplement.
- 12. MATURITY DATE:** As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 days and a maximum of 270 days, including roll-over from the date of issue.
- 13. INTEREST PAYMENTS:** Notes issued will be in the form of Zero Coupon Notes, and will not pay interest prior to final maturity.
- 14. ISSUE PRICE:** The Notes shall be issued at a discount. The effective rate of interest will be calculated on the basis of such Day Count Fraction specified in the Applicable Pricing Supplement.
- 15. ISSUE SIZE:** As specified in the Applicable Pricing Supplement, subject to a minimum value of ₦100,000,000 thereafter.
- 16. DEFAULT RATE** Interest rate equivalent to the daily overnight Nigerian Inter-bank Offered Rate ("NIBOR") +5% per annum or issue rate +5% per annum (whichever is higher).

- 17. CURRENCY OF ISSUE:** The Notes issued under this Programme may be denominated in Naira.
- 18. DENOMINATION:** The Notes will be issued in such denominations as may be agreed between the Issuer and the Arranger and as specified in the Applicable Pricing Supplement.
- 19. REDEMPTION:** As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and the Rules.

- 20. RATING:** The Issuer has been assigned the following national scale ratings:

Rating Agency	Long-term
Agusto & Co.	Aa+
DataPro	A+

Pursuant to the CBN Guidelines and FMDQ Exchange Rules, either the Issuer or the specific issue itself shall be rated by a rating agency registered in Nigeria or any international rating agency acceptable to the CBN.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

- 21. STATUS OF THE NOTES:** Each Note constitutes a direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes rank *pari passu* among themselves and, save for certain payment obligations preferred by law, *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time.
- 22. TAXATION:** Refer to the section of this Programme Memorandum headed “*Tax Considerations*”.
- 23. GOVERNING LAW:** The Notes issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with Nigerian law.
- 24. QUOTATION:** The Issuer will quote all Series or Tranches on the FMDQ Exchange platform or any other recognised trading platform. All secondary market trading of the Notes shall be done in accordance with the Rules in relation to the quotation or listing of the Series or Tranche quoted or listed on the relevant trading platform.
- 25. SETTLEMENT PROCEDURES:** The Notes will be settled via Real Time Gross Settlement (“**RTGS**”), National Electronic Funds Transfer (“**NEFT**”), Nigeria Inter-Bank Settlement System (“**NIBSS**”), direct debit or any other transfer mode agreed by the Transaction Parties and recognised by the CBN.
- 26. SOURCE OF REPAYMENT** Issuer’s cash flows, unless otherwise specified in the Applicable Pricing Supplement.

## USE OF PROCEEDS

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The net proceeds from each issue of Notes will be used to fund the asset side of Citibank's balance sheet with specific focus on extending credit facilities to Citibank's corporate clients thereby supporting the real sector of the economy or as may otherwise be described in the Applicable Pricing Supplement.

**BACKGROUND**

In an attempt to facilitate the effective and efficient functioning of the Nigerian money market and provide a regulatory framework for the issuance of CPs and Bankers Acceptances ("Bas") in Nigeria, the CBN on 18 November 2009, issued the CBN Guidelines which were subsequently updated and circulated on 11 September 2019.

**REGULATORY FRAMEWORK**

Issuance of and investment in CPs by Banks and Discount Houses in Nigeria is subject to the provisions of the CBN Guidelines and the FMDQ Exchange Rules. The provisions applicable to CPs are as highlighted below:

**QUALIFICATION**

A CP qualifies as a financing vehicle if:

- i. the issuer has three (3) years audited financial statements, the most current not exceeding eighteen (18) months from the last financial year end; and
- ii. the issuer has an approved credit line with a Nigerian bank acting as an issuing and paying agent, where the bank guarantees the issue.

**SIZE AND TENOR**

CPs shall be issued at the primary market for a minimum value of ₦100,000,000 and multiples of ₦50,000,000 or as otherwise determined.

Furthermore, they shall be issued for maturities of between 15 days and 270 days, from the date of issue. The interest or discount element on maturing CPs may not be capitalised and rolled over.

**RATING**

Either the issuer of a CP or the specific issue shall have an investment grade credit rating (minimum of BBB- or similar rating) by a rating agency registered in Nigeria or any international rating agency acceptable by the CBN.

An indicative rating should have been obtained prior to the submission of declarations and information to the CSD

**INVESTORS IN BANKERS ACCEPTANCES AND COMMERCIAL PAPERS**

CPs may be issued to and held by individuals who meet the eligibility criteria set out by the FMDQ Exchange, deposit money banks, other corporate bodies registered or incorporated in Nigeria and unincorporated bodies, non-resident Nigerians and foreign institutional investors.

**FORMS OF MAINTAINING CPs**

Issuers and investors in CPs may do so in dematerialized or physical form. Issuers and investors are encouraged to issue and hold CPs in a dematerialized form. This provision notwithstanding, the CP Notes shall be issued and held in dematerialised form with the CSD in accordance with the terms of this Programme Memorandum

**ISSUING AND PAYING AGENT**

Only a non-bank financial institution may act as an issuing and placing agent ("IPA") for issuances of CP and only deposit money bank may act as collecting and paying agent ("CPA").

**GENERAL REQUIREMENTS**

- i. CPs are only redeemable at maturity and as such cannot be pre-liquidated.
- ii. The investors may rediscount the paper with the Issuer before maturity at new market terms if the Issuer is willing to purchase the risk.

- iii. Any proposed issue of CPs shall be completed within the period of ten (10) business days from the date of opening of the issue for subscription.
- iv. All CPs issued in Nigeria shall be registered with the CSD, which shall serve as the custodian of all issues and central depository for all dematerialised instruments.

**COMPLIANCE WITH CBN GUIDELINES**

The Issuer has complied with all applicable provisions as stated in the CBN Guidelines. A legal opinion confirming adherence to the CBN Guidelines is incorporated on page 36 of this Programme Memorandum.

**MANDATORY REGISTRATION AND QUOTATION OF CPs**

The CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Papers requires CPs to be registered and quoted on authorised securities exchanges. Accordingly, banks are prohibited from transacting in CPs (that are not quoted or intended for quotation on an authorised securities exchange), in any capacity whatsoever, including to act as issuer, guarantor, issuing, placing, paying and collecting agent, collecting and paying agent etc.

The CBN having approved the quotation rules of FMDQ Exchange has cleared it for the quotation of CPs in Nigeria.

*The following are the Terms and Conditions of the Notes to be issued by the Issuer under the Programme. The provisions of the Applicable Pricing Supplement to be issued in respect of any Note are incorporated by reference herein and will supplement these Terms and Conditions for the purposes of that Note. The Applicable Pricing Supplement in relation to any series of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions contained herein, replace or modify the following Terms and Conditions for the purpose of such series of Notes.*

### 1. INTERPRETATION

- 1.1 Unless otherwise defined herein or unless the context otherwise requires, capitalised terms used but not defined in this Terms and Condition (the “**Deed**”) shall have the meaning ascribed to them in the Programme Memorandum.
- 1.2 References to documents, instruments and agreements, including without limitation, this Deed and any document referred to in this Deed are references to such documents, instruments and agreements as extended, renewed, modified, amended, varied or supplemented from time to time.
- 1.3 References to statutory provisions shall be construed as references to any orders, regulations, instruments or other subordinate legislation made under the relevant statute and those provisions as respectively amended, consolidated, extended or re-enacted or as their application is modified by other provisions from time to time, whether before or after the date of this Deed.
- 1.4 References to persons include reference to natural persons, firms, franchises, companies, corporations, associations, organizations and trusts, their respective lawful permitted successors, assigns or transferees, in each case whether having a separate legal personality.
- 1.5 References to clauses and sub-clauses are to the clauses and sub-clauses of this Deed.
- 1.6 The headings are inserted for convenience only and shall not affect the construction of this Deed.
- 1.7 Words denoting one gender include all genders.
- 1.8 Words denoting the singular include the plural and *vice versa*.

### 2. STATUS AND CONSTITUTION OF THE NOTES

- 2.1 Each Note constitutes a direct, unconditional, unsubordinated, and unsecured obligation of the Issuer and the Notes rank *pari passu* among themselves and, save for certain debts preferred by law, *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time.
- 2.2 The Issuer hereby constitutes the Notes as the direct, unconditional, unsubordinated, and unsecured obligations of the Issuer, and the Issuer hereby covenants in favour of each Noteholder that it will duly perform and comply with the obligations expressed to be undertaken by it in this Deed, the Programme Memorandum, each Applicable Pricing Supplement in respect of any series of the Notes and any relevant Transaction Document.

### 3. UNDERTAKINGS BY THE ISSUER

- 3.1 Pursuant to clause 2.2 above, the Issuer hereby undertakes in favour of the Noteholders that it will duly perform and comply with the obligations expressed to be undertaken by it under each Notes and in the Conditions (and for this purpose any reference in the Conditions to any obligation or payment under or in respect of the Notes shall be construed to include a reference to any obligation or payment under or pursuant to this provision).
- 3.2 The Issuer undertakes that it shall comply with all applicable laws and regulations, and do all acts necessary for the legal and efficient running of its business as a going concern, particularly to keep its existence during the entire term of the Programme including but not limited to ensuring that no winding-up, insolvency or similar proceedings in any jurisdiction are instituted for so long as any sum is outstanding under any series of the Programme, that the requisite meetings are held and the necessary

returns are filed under the Companies and Allied Matters Act, 2020 (as amended) and with other applicable legislations as well as all acts necessary for the issuance of the Notes.

- 3.3 The Issuer agrees that no amalgamation, subdivision, reconstruction, or other change in the status of the Issuer shall be interpreted to avoid any obligations imposed herein on the Issuer, and in the event of any change in the status of the Issuer, the successors-in-title and assigns of the Issuer shall be held and deemed responsible for the performance of the obligations imposed hereunder and it shall do all acts and things within its powers which are necessary to give effect to its obligations under this Deed.
- 3.4 The Issuer further undertakes that it shall utilize the proceeds of the Notes for the purposes as set out in this Programme Memorandum or as set out in the relevant Applicable Pricing Supplement.

#### 4. PAYMENT OBLIGATIONS

In consideration of the Noteholders' purchase of the Notes, the Issuer irrevocably and unconditionally undertakes on behalf of the Noteholders, that it will be responsible for the prompt settlement of the payment obligations of the Issuer to the Noteholders, with respect to the Notes.

#### 5. EVENTS OF DEFAULT

- 5.1 An *event* of default in relation to the Notes (each an "Event of Default") shall arise if any one or more of the following events shall have occurred and be continuing:
  - 5.1.1 **Non-Payment or Part Payment:** default by the Issuer in the redemption of the Notes at all or in full to the Noteholders on the Maturity Date and the continuance of such default;
  - 5.1.2 **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Transaction Documents which default will affect the capacity of the Issuer to meet its payment obligations and which default has not been remedied for a period of ten (10) Business Days, after the date on which written notice of such default requiring the Issuer to remedy the same shall have been given to the Issuer (except where such default is not capable of being remedied, in which case no such notice as is mentioned above will be required);
  - 5.1.3 **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied on, or enforced against the whole or a material part of the property, assets or revenues of the Issuer, and such distress, attachment, execution or other legal process is not discharged or stayed within one hundred and eighty (180) days of service by the relevant officer of the court of such attachment, execution or other legal process;
  - 5.1.4 **Seizure/Compulsory Acquisition of Assets:** if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer;
  - 5.1.5 **Insolvency or Bankruptcy Proceedings:** If the Issuer initiates bankruptcy or insolvency proceedings or becomes insolvent, or is provisionally or finally sequestrated, or is provisionally or finally wound up, or is unable to pay its debts as they become due, or is placed under provisional or final judicial management, or enters into a scheme of arrangement or compromise with its creditors;
  - 5.1.6 **Voluntary Winding Up:** the members of the Issuer pass a resolution for the winding up of the Issuer.
- 5.2 **ACTION UPON EVENT OF DEFAULT**
  - 5.2.1 Upon the occurrence of an Event of Default and such Event of Default is continuing, any Noteholder may by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer, declare the Notes held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of a Force Majeure event or if the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction.
  - 5.2.2 Upon the occurrence of an Event of Default which results in the inability of the Issuer to make any payment or full payment on the Maturity Date, the Issuer shall immediately notify the FMDQ

Exchange and pay the Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.

- 5.2.3 In addition, each Noteholder shall have the right to exercise all other remedies available to it/him/her under the laws of the Federal Republic of Nigeria.

## 6. DEPOSIT OF DEED OF COVENANT

This Deed shall be deposited with and held by the Issuing and Placing Agent until the date on which all the obligations of the Issuer under or in respect of the Notes, including, without limitation, its obligations under this Deed, have been discharged in full. The Issuer hereby acknowledges the right of every Noteholder to the production of this original Deed or the issuing of copies thereof.

## 7. TAXES

The Issuer shall pay all stamp, registration and other taxes and duties, including any interest and penalties thereon or in connection therewith, which are payable upon or in connection with the execution and delivery of this Deed, and shall indemnify each Noteholder against any claim, demand, action, liability, damages, cost, loss or expense, including, without limitation, legal fees and any applicable value added tax, which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same. For the avoidance of doubt, the Issuers shall not be responsible for the taxes chargeable on the interest earned by the Noteholders following their subscription to the Notes.

## 8. COVENANTS OF THE ISSUER

- 8.1 The Issuer hereby covenants with the Noteholders and undertakes that as long as any of the Notes remain outstanding and at all times during the continuance of this Deed, except as may otherwise be agreed in writing by the Noteholders:
- 8.1.1 it shall not without the express written consent of the relevant Noteholders, (such consent not to be unreasonably withheld or delayed) create or permit to subsist, or agree or purport to permit to subsist any encumbrance(s) on the Notes established under the Programme Memorandum and any Applicable Pricing Supplement;
  - 8.1.2 it shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed as provided herein and in any Transaction Document; and
  - 8.1.3 each Noteholder shall have the benefit of the terms and conditions of the Notes which are stated in the Programme Memorandum and/or the Applicable Pricing Supplement as if they have been incorporated *mutatis mutandis* into this Deed.

## 9. GENERAL

- 9.1 **Deed Poll:** This Deed shall take effect as a deed poll for the benefit of the Noteholders from time to time.
- 9.2 **Benefit:** This Deed is to the benefit of the Issuer and each Noteholder and its subsequent successors and assigns, if any, each of which shall be entitled severally to enforce this Deed against the Issuer. Nothing in this Deed or in the Notes, express or implied, shall give to any person, other than the Noteholders hereto and their successors and assigns hereunder and, where specified herein, the beneficial owners of the Notes, any benefit or any legal or equitable right, remedy or claim under this Deed.
- 9.3 **Assignment:** The Issuer shall not be entitled to assign or transfer all or any of its rights, benefits and obligations under this Deed, but each Noteholder shall be entitled to assign all or any of its rights and benefits under this Deed.
- 9.4 **Severability:** If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.



**TITLE TO ENTRIES**

- 9.5 Any Noteholder may protect and enforce its rights arising out of this Deed in respect of any Note held by such Noteholder without the necessity of using the name of or obtaining any authority from any predecessor in title.
- 9.6 A Noteholder will be entitled to receive payment of all amounts due to it with respect to each Note held by it to the exclusion of any other person; and payment in full by the Issuer to a Noteholder shall discharge the Issuer from all obligations in respect of such Note.

**EVIDENCE**

- 9.7 Statements issued by the CSD as to the name of the Noteholder and aggregate number of Notes standing to the CSD account of any person shall be conclusive and binding for all purposes (save in the case of manifest error) and such person shall be treated by the Issuer as the legal and beneficial owner of such aggregate number of Notes for all purposes.

**PAYMENTS**

- 9.8 All sums payable under this Deed shall be paid:
- 9.8.1 free of any restriction or condition; and
- 9.8.2 free and clear of and (except to the extent required by law) without any deduction or withholding for or on account of any tax imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria.

**10. NOTICES**

- 10.1 **Address for notices:**
- 10.1.1 All notices to the Noteholders will be valid if mailed to them at their respective addresses of record in the relevant register of Notes of a Tranche or Series maintained by the CSD. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the FMDQ Exchange Rules, the Guidelines or such other regulatory authority as may be applicable to the Notes.
- 10.1.2 All notices and other communications to the Issuer hereunder shall be made in writing (by letter or email) and shall be sent to it or to such other address or email, or for the attention of such other person or department as the Issuer has notified to the Noteholders in the manner prescribed for the giving of notices in connection with the Notes.
- 10.2 **Effectiveness:** Every notice or other communication sent in accordance with Clause 10.1 shall be effective if sent by letter, upon receipt by the Issuer; provided, however, that any such notice or other communication which would ordinarily take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding Business Day.
- 10.3 **Electronic communication:**
- 10.3.1 Any communication to be made between the Issuer and Noteholders under or in connection with this Deed may be made by electronic mail or other electronic means, if the relevant Noteholder:
- 10.3.1.1 agrees that, unless and until notified to the contrary, this is to be an accepted form of communication;
- 10.3.1.2 notifies each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- 10.3.1.3 notifies each other of any change to their address or any other such information supplied by them.
- 10.3.2 Any electronic communication made between the Issuer and the relevant Noteholder will be effective only when actually received in readable form and if acknowledged to have been received by the recipient.

## 11. REPRESENTATIONS AND WARRANTIES

The Issuer hereby represents and warrants to and covenants with each Noteholder that:

- (a) it has all corporate powers, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Deed and that this Deed constitutes a legal, valid and binding obligation enforceable in accordance with its terms; and
- (b) as long as any of the Notes remain outstanding and at all times during the continuance of this Deed, except as may otherwise be agreed in writing by the Noteholders, it shall perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed as provided herein and in any Transaction Document.

## 12. LAW AND JURISDICTION

- 12.1 **Governing law:** This Deed is governed by and shall be construed in accordance with Nigerian law.
- 12.2 **Jurisdiction:** The Issuer agrees for the benefit of the Noteholders that the courts of Nigeria shall have jurisdiction to hear and determine any suit, action or proceedings ("**Proceedings**"), and to settle any disputes, which may arise out of or in connection with this Deed ("**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- 12.3 **Appropriate forum:** The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of Nigeria being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.
- 12.4 **Consent to enforcement,** etc: The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever of any order or judgment which is made or given in such Proceedings.
- 12.5 **Waiver of immunity:** To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment, whether in aid of execution, before judgment or otherwise, or other legal process and to the extent that such immunity, whether or not claimed, may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim immunity and irrevocably waives such immunity to the full.

## TAX CONSIDERATIONS

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*The tax consequences of investments in the Notes are broadly summarised below. The summary is not intended and should not be construed, to be tax advice to any particular subscriber. Any prospective investor who is in any doubt as to his/her tax position or who is subject to taxation in any jurisdiction other than Nigeria should consult his/her own professional advisers without delay as to the consequences of an investment in the Notes in view of his/her own personal circumstances. Neither the Issuer nor its advisers shall be liable to any investor in any manner for placing reliance upon the contents of this section.*

The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, however, in the case of a late payment, interest will accrue on the redemption monies to be paid to the Note holders. The discount on the Notes, and/or any accrued interest on the redemption monies to be paid to Note holders may be taxed in accordance with applicable Nigerian tax laws.

The foregoing does not constitute advice on tax to any actual or prospective purchaser of Notes issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attaching to a subscription or purchase of Notes issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Notes may vary. Any actual or prospective purchaser of the Notes who intends to ascertain his/her tax position should seek professional advice from his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Notes, bearing in mind his/her peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Notes in any manner for placing reliance upon the contents of this section.

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

Investors should also seek professional advice before making investment decisions in respect of the Notes.

### **General Fixed Income Related Risks**

There may not be an active two-way quote trading market for the CPs when issued, and thus the liquidity of the CPs may be limited. Therefore, Investors may not be able to sell their CPs in a transparent and efficient system. However, a vibrant OTC market exists for Treasury Bills and other fixed income securities, and the continuous development and deepening of the fixed income market will help ensure increased liquidity of the CPs.

### **Operational Risk**

The Issuer defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events such as third-party fraud. This definition includes legal risk but excludes strategic and reputational risks. The Issuer's operational processes capture the following major types of losses: fraud (internal and external); fines, penalties or expenses incurred as a result of regulatory infractions; losses arising from litigation processes including out of court settlements. The Issuer recognises the significance of operational risk. Any lapse due to operational risks that could result in losses by the Issuer or its subsidiaries could affect the Issuer's ability to perform its obligations under the Programme.

### **Regulatory and Compliance Risk**

The banking and financial services industry in which the Issuer and the Issuer's subsidiaries operate is highly regulated. The Banks and Other Financial Institutions Act, No. 5, 2020 ("BOFIA") various CBN Guidelines (including the CBN Prudential Guidelines), rules and regulations of the SEC, 2013 (as amended), the FRCN rules and regulations, the National Code of Corporate Governance, 2018 and other codes, guidelines and rules, are some of the laws the Issuer is required to adhere to, failing which the Issuer risks sanction by regulators. Non-compliance by the Issuer with the provisions of the BOFIA and/or guidelines and regulations issued by the CBN may result in the revocation of the Issuer's banking licence. Should the Issuer lose its banking licence, it may be unable to meet its obligations under the Programme.

### **Market Risk**

Market risk is the risk arising from adverse changes in underlying market factors such as interest rates, foreign exchange rates, equity prices, commodity prices and other relevant factors such as market volatility. The Issuer's financial condition and operating results could be affected by market risks that are outside the Issuer's control. The Issuer undertakes trading and investment activities in fixed income securities such as notes, treasury bills, interbank takings and placements, as well as foreign exchange trading, all of which give rise to market risk exposure (i.e. the risk that the fair value or future cash flows of the Issuer's trading and investment positions or other financial instruments may fluctuate because of changes in market prices).

### **Interest Rate Risk**

The principal risk to which the Issuer's non-trading portfolios are exposed is the risk of loss arising from fluctuations in the future cash flow or fair values of financial instruments because of changes in market interest rates. Interest rate risk occurs when there is a mismatch between interest rate sensitive assets and liabilities. Interest rates are highly sensitive to many factors beyond the Issuer's control, including increased regulation of the financial sector, monetary policies, domestic and international economic and political conditions and other factors. Increases in interest rates may reduce the value of the Issuer's financial assets and may also reduce gains or require it to record losses on sales of its loans or securities. In addition, an increase in interest rates may reduce overall demand for new loans and increase the risk of customer default. If interest rates decrease, although this is likely to reduce the Issuer's funding costs, it is likely to compress its net interest margins, as well as adversely impact its income from investments in securities and loans with similar maturities, which could have a negative effect on it.

### **Credit Risk**

Credit risk arises primarily from the failure of an obligor or counterparty to perform in accordance with agreed terms or where the counterparty's ability to meet such contractual obligation is impaired. There is the risk of loss to the Issuer as a result of failure by a counterparty to meet its financial and/or contractual obligations to the Issuer. A single exposure or group of exposures large enough can lead to credit losses which threaten the Issuer's capital adequacy or ability to maintain its core operations. There also exists settlement risk which is the risk of loss to the Issuer from a transaction settlement, where value is exchanged and counter value is not received in whole or part.

### **Global and Domestic Health Risk**

The Issuer may be susceptible to operational challenges as a result of outbreaks of infectious diseases or pandemics in its chosen markets of operation (e.g. Western Africa, where incidences included Ebola haemorrhagic fever, Lassa fever and other health epidemics, or pandemics).

It may be difficult or impossible for the Issuer to optimally perform its operations to full capacity and these adverse consequences could ultimately have a material adverse effect on the Issuer's financial condition, results of operations and prospects.

### **Regulatory and Political Risk**

The Issuer operates in a sector that undergoes frequent and significant regulatory changes through the issuance of policy documents, guidelines and regulations to govern banking business, financial inclusion, payment service sector and financial technology generally. Regulatory and political decisions of the Federal Government of Nigeria and regulators of the Issuer will continue to affect the operations of the Issuer, the banking sector in Nigeria and the payment service industry.

*Words used in this section shall bear the same meanings as used in the section headed "Definitions and Interpretations", except to the extent that they are separately defined in this section or the meaning if applied, would be clearly inappropriate for the context.*

**CLEARING SYSTEM**

The Notes will be issued in dematerialised form and will not be represented by any certificate or written instrument. As stipulated by the CBN Guidelines, each Series or Tranche of Notes will be held in custody by the CSD, either in the name of the beneficial owner or a nominee.

All transactions in the Notes shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSD. Subject as aforesaid, each Tranche of Notes will be issued, cleared and transferred in accordance with the Terms and Conditions and will be settled through authorised participants who will follow the electronic settlement procedures prescribed by the CSD.

**AUTHORISED PARTICIPANTS**

The CSD will maintain a central securities account for Dealing Members ("Authorised Participants") and each beneficial owner of the Notes is required to have a sub-account under the Authorised Participants. Noteholders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorised Participants.

For purposes of Notes issued under this Programme, the Authorised Participant is Citibank Nigeria Limited (acting through its Markets Operations Unit) and any other bank appointed by the Issuer to act as a dealer.

**LODGEMENT**

The Authorised Participant will electronically lodge CPs within ten (10) Business Days after receiving the approval for quotation of the CPs on the Exchange and advise the CSD after lodgement to transfer the CPs to the sub-account of the beneficial owners of the Notes and the CSD shall process same.

**REDEMPTION**

- i. No transactions or trades may be effected for any CPs seven (7) working days prior to its maturity date.
- ii. The Authorised Participant shall obtain the statement of investors' accounts/holdings from the CSD one (1) business day before the maturity of the CP.
- iii. The Authorized Participant shall effect payment to the designated accounts of all registered holders of the CP
- iv. The Issuer shall ensure that there are sufficient funds in its funding account with the CPA to pay all investors (i.e. including all investors that have indicated interest to participate in another CP issuance (which is not a Rollover) within the Programme by 12:00pm on the maturity date of the CP, failing which the issuer will be in violation of the FMDQ Exchange Rules.
- v. The CPA shall ensure that funds have been transferred to all CP holders by 3:00pm on the maturity date of the CP.

**ROLL-OVER**

- i. The combined tenors of all CPs including any roll-overs shall not exceed 270- days (tenor) from the date of issue.
- ii. Every roll-over of a CP shall be treated or classified as a fresh/separate CP.
- iii. Upon granting approval for rollover, FMDQ Exchange shall request for the rollover CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorised Participant with the new unique identifier, subject to receipt of CP rollover fees from the Authorised Participant.
- iv. The CSD shall expunge the existing CP unique identifier from the system and replace with new codes.

**DEFAULT**

- i. The IPA shall notify FMDQ Exchange in writing that the CP has been liquidated and that funds have

been transferred to all CP holders by 5:00 PM on the maturity date of the CP, failing which the Issuer shall be deemed to be in default.

- ii. In the case of a rollover, if any investor objects to a rollover, the Issuer shall effect the payment of the value of the investor's CP holding on the maturity date, based on the initial terms of the Applicable Pricing Supplement. Failure by the Issuer to effect such payment shall result in a default
- iii. The FMDQ Exchange shall be notified immediately it is identified that a default is imminent or there is a strong possibility of default. The IPA shall provide reasons for the default or imminent default e.g. the investors may not be paid due to the CPA experiencing technical issues such as a market disruption or insufficient funds in the funding account to meet payment obligations on the maturity date or as the case may be.

**SECONDARY MARKET TRADING GUIDELINES**

- i. The Authorised Participant will submit CP transaction instructions/details to the CSD via the authorised data-exchange platform.
- ii. CP transactions are to be submitted to the CSD by the applicable cut off time on the settlement date and the Authorised Participant is to state the particular account number where the CP(s) should be traded from or deposited into.
- iii. The CSD shall deliver securities and send confirmation of transfers via the authorised platform by 2.00p.m. on the settlement date to the Nigeria Inter-Bank Settlement System ("NIBSS") and to the Exchange simultaneously.
- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the CSD, and the Authorised Participant simultaneously.
- v. Transactions for standard settlement (T+2) shall stop five (5) Business Days before the Maturity Date. Therefore, the last applicable settlement shall be before close of business on the date which is five Business Days before the Maturity Date.

**REPORTING**

- i. The CSD will effect the transfer of CPs on the settlement date as advised by the buyer and seller ("Transaction Parties") and also keep records of consideration for each transaction.
- ii. The CSD will advise the Authorised Participant or the Exchange for onward communication to the Authorised Participant, as applicable, of successful and failed transactions on each settlement day.
- iii. The Authorised Participant and Noteholders can ascertain their CP balances after each day's trade via the CSD's website (if applicable).

**TRANSFER OF NOTES**

Title to beneficial interest in the Notes will pass on transfer thereof by electronic book entry in the securities accounts maintained by CSD and may be transferred only in accordance with rules and operating procedures of CSD.

**CASH SETTLEMENT**

Transaction parties will be responsible for effecting the payment transfers either via RTGS, NEFT, NIBSS, approvals to initiate direct debits or any other transfer mode agreed by the Transaction Parties and recognised by the CBN.



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**₦300,000,000,000**  
**Commercial Paper Issuance Programme**

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**Issue of [Aggregate Nominal Amount of Series/Tranche] [Title of Notes]**  
**Under its ₦300,000,000,000**  
**Commercial Paper Issuance Programme**

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This Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 03 March 2025 issued by Citibank Nigeria Limited in connection with its ₦300,000,000,000 Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the "Programme Memorandum").

Any capitalised term not defined in this Pricing Supplement shall have the meanings ascribed to them in the Programme Memorandum.

This document constitutes the Pricing Supplement relating to the issue of Commercial Paper Notes ("CP Notes" or the "Notes") described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

This document has been prepared in accordance with the Central Bank of Nigeria (the "CBN") Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 September 2019, the CBN letter to all deposit money banks and discount houses dated 12 July 2016 on Mandatory Registration and Listing of Commercial Papers (together the "CBN Guidelines") and the Commercial Paper Registration and Quotation Rules (the "Rules") of FMDQ Exchange in force as at the date thereof.

This document is important and should be read carefully. If any recipient is in any doubt about its contents or the actions to be taken, such recipient should consult his / her banker, stockbroker, accountant, solicitor or any other professional adviser for guidance immediately.

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**ARRANGER / ISSUING AND PLACING AGENT**



**Stanbic IBTC Capital Limited**  
**RC 1031358**

**COLLECTING AND PAYING AGENT**



**Citibank Nigeria Limited**  
**(Acting through its Markets Operations Unit)**  
**RC 62430**

**THIS PRICING SUPPLEMENT IS DATED [•]**



## PARTIES

1. ISSUER	Citibank Nigeria Limited
2. ARRANGER/ISSUING AND PLACING AGENT	Stanbic IBTC Capital Limited
3. COLLECTING AND PAYING AGENT	Citibank Nigeria Limited (acting through its Global Markets Operations Unit)
4. AUDITOR	KPMG Professional Services
5. LEGAL COUNSEL	G. Elias
6. CENTRAL SECURITIES DEPOSITORY	[Central Securities Depository System / FMDQ Depository Limited]

## PROVISIONS RELATING TO THE NOTES

7. SERIES NUMBER	[•]
8. TRANCHE	[•]
9. (a) PROGRAMME SIZE	<del>N</del> 300,000,000,000
(b) ISSUED AND OUTSTANDING AT THE DATE OF THE PRICING SUPPLEMENT	[•]
10. AGGREGATE NOMINAL AMOUNT	[•]
11. FACE VALUE	[•]
12. DISCOUNTED VALUE	[•]
13. NOMINAL AMOUNT PER NOTE	[•]
14. ISSUE PRICE	[•]
15. TENOR	[•]
16. ISSUE DATE	[•]
17. MATURITY DATE	[•]
18. FINAL REDEMPTION AMOUNT	[•]
19. SPECIFIED DENOMINATION	[•]
20. SPECIFIED CURRENCY	[•]
21. STATUS OF NOTES	[•]
22. FORM OF NOTES	[•]
23. LISTING	[•]
24. TAXATION	[•]
25. METHOD OF OFFER	[•]
26. BOOK CLOSED PERIOD	The Register will be closed from [ ] to [ ] until the Maturity Date

### ZERO COUPON NOTES

27. (a) DISCOUNT RATE ("DR") [•]  
 (b) IMPLIED YIELD [•]  
 (c) ANY OTHER FORMULA OR BASIS FOR DETERMINING AMOUNT(S) PAYABLE [•]  
 28. DAY COUNT FRACTION [•]  
 29. BUSINESS DAY CONVENTION [•]

### PROVISIONS REGARDING REDEMPTION

30. REDEMPTION/PAYMENT BASIS [Redemption at par] [other (specify)]  
 31. ISSUER'S EARLY REDEMPTION [Applicable/Not applicable]  
 32. ISSUER'S OPTIONAL REDEMPTION [Applicable/Not applicable]  
 33. OTHER TERMS APPLICABLE ON REDEMPTION [•]

### GENERAL

34. OFFER OPENS [•]  
 35. OFFER CLOSES [•]  
 36. ALLOTMENT DATE [•]  
 37. NOTIFICATION OF ALLOTMENT All applicants will be notified through an email and/or telephone of their allotment by no later than [•]  
 38. SETTLEMENT DATE [•]  
 39. DETAILS OF BANK ACCOUNT(S) TO WHICH PAYMENTS ARE TO BE MADE IN RESPECT OF THE NOTES [•]  
 40. SETTLEMENT PROCEDURES AND SETTLEMENT INSTRUCTIONS [•]  
 41. DELIVERY DATE [•]

### MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this document,] there has been no significant change in the financial position of the Issuer since [insert date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer since [insert date of last published annual accounts.]

### RESPONSIBILITY

The Issuer and its Board accepts responsibility for the information contained in this Applicable Pricing Supplement which, when read together with the Programme Memorandum [and supplemental Programme Memorandum, if any], contains all information that is material in the context of the issue of the Notes.

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20[●]

For and on behalf of  
Citibank Nigeria Limited

\_\_\_\_\_  
Name  
Capacity: Director  
Who warrants his / her authority hereto

\_\_\_\_\_  
Name  
Capacity: Director  
Who warrants his / her authority hereto

## 1. BACKGROUND INFORMATION

Citibank Nigeria Limited ("Citibank", "Citi" or the "Bank") was incorporated in May 1984 with the name "Nigeria International Bank Limited (NIB)" and obtained a commercial banking licence in September 1984. Citibank is majority owned by Citibank Overseas Investment Corporation (COIC) – a wholly-owned subsidiary of Citigroup – with an 81.9% equity stake in the Bank as at 31 December 2024.

## 2. BUSINESS SEGMENTS

The principal activity of Citi is the provision of commercial banking services to its customers. Such services include transactional services, corporate finance, provision of finance, custodial business and money market and trading activities. The Bank has a subsidiary, Nigeria International Bank Nominees Limited that acts as the holder of securities purchased for customers of the Bank's custodial business.

Citi continues to focus on competitively creating value and providing efficient service delivery to its clients while maintaining a robust risk and control environment. Citi consistently assists its clients by creating innovative solutions, which are mostly the first-of-their-kind landmark structures in the market, to resolve their banking needs. Citi brings its global expertise, coupled with in-depth knowledge of the local market, to provide appropriate banking solutions.

Citi has welcomed the recent regulatory improvements initiated by the Central Bank of Nigeria as they have brought local banking standards closer to international best practices. A more transparent and rigorous regulatory regime ensures a level playing field for all market operators. Citi has taken the lead in implementing several of the recent regulatory reforms and has worked hard to build overall industry capacity in this regard.

Citi also assist local clients strategically in the adoption of best practices, in their corporate governance standards. Citi's global connectivity is highly valued by its clients with subsidiaries in Nigeria as well as local clients looking to expand their businesses beyond the shores of the country.

Citi was appointed as Primary Dealers Market Makers (PDMM) by the Debt Management Office in 2006 and has continued to play that role until date. The Bank remains a key gateway to international flows into the fixed income market and provide daily liquidity in the Federal Government of Nigeria Bond market. Citi's Trade and Treasury Solutions business introduced the Multi-banking Transaction Initiation solution, which enabled corporate clients to transact business from a single platform, providing customized solutions for Point-of Sales terminals transaction reporting.

Citi's Direct Custody and Clearing (DCC) business was launched in Nigeria in 2008 to provide asset servicing and core custody functions to corporates, banks, fund managers, insurance companies and foreign portfolio investors; playing an integral role in the Nigerian capital markets by providing asset and settlement services for the trading and investing activities of our local clients as well as offering domestic market sub-custody services to foreign banks and global custodians.

## 3. BRANCH LOCATIONS

The Bank currently operates from its main office at 27 Kofo Abayomi Street, Victoria Island Lagos, Nigeria. (Telephone number: +234 01 279 8400, +234 01 463 8400; website: [www.citigroup.com/nigeria](http://www.citigroup.com/nigeria)). Other branch locations are listed below:

Office	Address	State
Apapa	32 Warehouse Road	Lagos
Ikeja	34 Oba Akran Avenue	Lagos
Aba	1-2 Factory Road	Abia
Warri	64 Effurun/ Sapele Road	Delta
Abuja	4 Yola Street, Area 7, Garki	Abuja F.C.T
Kano	FI Sani Abacha Way	Kano
Port Harcourt	1 Trans- Amadi Road by Garrison Junction	Rivers

**4. SUBSIDIARIES AND ASSOCIATED COMPANIES**

As at the date of this Programme Memorandum, Citibank has a majority owned subsidiary, Nigeria International Bank (NIB) Nominees Limited, which holds securities on behalf of customers on a custodial basis. Citibank currently holds 99.99% of equity stake in NIB Nominees Limited.

**5. BOARD OF DIRECTORS AS AT 30 JANUARY 2025**

The Board comprises 10 members. The Board formulates the broad policies and takes decisions for the management and operations of the Bank with a view to attaining the organization's objectives.

- **Dr Mohammed Mahmoud Isa-Dutse** holds a Ph.D. in Business Administration (2009) from the Manchester Business School, University of Manchester, United Kingdom. He is an alumnus of Wharton Business School, University of Pennsylvania, Philadelphia, USA where he earned his MBA in 1982. He obtained a B.Sc. in Economics in June 1978 from the Ahmadu Bello University, Zaria, Nigeria. Dr. Isa-Dutse had over 20 years working experience in the Nigerian Banking Industry where he worked in various banks including Bank of the North, Continental Merchant Bank Nigeria Ltd, Guaranty Trust Bank Plc and United Bank for Africa Plc where he retired in 2002 as an Executive Director. While at Continental Merchant Bank and UBA, he served on secondment as Managing Director at Gamji Bank Ltd (1988-1991) and Savannah Bank Plc (1995-1996). He was the Permanent Secretary, Federal Ministry of Finance, Nigeria from November 2015 to September 2020. As Permanent Secretary, he was the Chief Operating Officer of the Ministry and was the representative of the Ministry on several boards including the CBN, NNPC, AMCON, Nigeria Investment Promotion Council (NIPC), Yola Electricity Distribution Company, Nigeria Extractive Industries Transparency Initiative (NEITI), and Niger Delta Development Commission (NDDC). Dr. Isa-Dutse also served at various times as Alternate Governor on the boards of The World Bank Group, African Development Bank, ECOWAS Bank for Investment and Development, and International Fund for Agricultural Development. He was also a director on the boards of African Export-Import Bank and the OPEC Fund for International Development between 2015 and 2020. Dr. Isa-Dutse is currently on the Board of the Islamic Development Bank, Jeddah where he represents Nigeria on the Executive Board of the bank. He is a member of several standing and ad-hoc board committees and sits on the boards of two subsidiaries – Islamic Solidarity Fund for Development and the Islamic Corporation for the Insurance of Investments & Export Credits. Dr. Isa-Dutse also served as the G20 Finance Deputy for Nigeria between 2022 and 2023. He was appointed as Head of the Nigerian Finance Track Team under the Indian Presidency. He participated actively in the International Financial Architecture and Sustainable Finance Working Groups. Among several other previous appointments, Dr. Isa-Dutse served as NED, The Emerging Africa Infrastructure Fund (EAIF), London; NED, Access Bank Plc; NED, Northern Nigeria Flour Mills Plc; Board Member, Kano State Broadcasting Corporation. Dr. Mahmoud Isa-Dutse was appointed to the Board of Citibank Nigeria in August 2024.
- **Mrs Nneka Enwereji** was appointed as the Managing Director and Chief Executive Officer of Citibank Nigeria Limited in August 2024. She has circa three decades of professional experience garnered entirely from Citigroup. Prior to her appointment she served as Citi's Head of Global Network Banking (GNB) across the SSA sub-cluster, GNB Co-Head for the Middle East and Africa (MEA), Africa Trade Services Head, and Financial Institutions SSA Trade Head. Her diverse career encompasses Markets, Corporate & Investment Banking, Transaction Services, Risk Management, and Operations. Mrs Enwereji also served as an Executive Director with a purview over the Global Subsidiaries Group. She is a graduate of Obafemi Awolowo University, Ile-Ife with a first-class honours degree in Computer Science and Economics and holds an MBA from the Warwick Business School, United Kingdom. Mrs Enwereji has also completed executive programs at Yale School of Management and the University of California, Berkeley.
- **Mrs Ngozi Omoke-Enyi** holds a Bachelor of Science degree from the University of Nigeria, Nsukka. She also holds an MSc in Agricultural Economics from the University of Ibadan as well as an MBA in Banking and Finance from the Enugu State University. She is a fellow of the Institute of Credit Administration,

Nigeria and member, Chartered Institute of Directors Nigeria. Mrs. Omoke-Enyi joined the Bank in 1990 and has since worked in various capacities spanning Financial Planning and Budgeting; Franchise and Risk Management; Strategic Management; Talent and People Management; and Process Management. She was appointed Head of Operations & Technology, Citibank Nigeria and TTS Client Operations Head in 2015. Mrs. Omoke-Enyi was appointed to the Board of the Bank in January 2020.

- **Mr Oluwole Awotundun** joined the Bank in 1995, and has held various roles in Credit Administration, Portfolio Management, Commercial Banking, Credit Analytics and Risk Management - covering a number of African countries. He was appointed Regional Country Risk Manager – West & Central Africa (excluding Nigeria) in June 2014. In September 2017, Mr. Awotundun was appointed as the Country Risk Manager for Nigeria & Ghana, in addition to his prior role as the cluster Risk Manager for West & Central Africa. Mr. Awotundun is a 1993 graduate of Mechanical Engineering from the University of Ilorin and holds an MBA from the University of Lagos. (1999). Mr. Awotundun also holds the International Certificate of Banking Risks & Regulations (ICBRR) of the Global Association of Risk Professionals (GARP). He was appointed to the Board of Citibank Nigeria in December 2017.
- **Mr Adebayo Adeyemo** has over two decades of experience garnered from Citibank Nigeria Limited, Guaranty Trust Bank Limited and MBC International Bank Limited. Mr Adeyemo holds a Bachelor's degree in Accounting from the University of Lagos and is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). Mr. Adeyemo also holds a certificate in Corporate Governance from INSEAD. Prior to joining Citibank in 2006 as Head, Fixed Income Trading, Mr. Adeyemo had been at various times Head Local Currency Dealer, Foreign Currency Dealer, and Chief Bond Dealer at Guaranty Trust Bank Plc. Mr. Adebayo Adeyemo has also held different positions in the Industry in the course of his career. He was at a time a Non-Executive Director at FMDQ OTC Securities Exchange; Vice President Financial Markets Dealers Association (FMDA); Ex-Officio, Governing Council, FMDA; and President, FMDA. He became Markets Head & Country Treasurer of Citibank Nigeria in 2013. Mr. Adeyemo was appointed to the Board of the Bank in August 2023.
- **Mr Oladipo Adebo** is the founder and Senior Partner of DAA Architects Limited, an architectural and project management firm established in 1981. He is a 1972 graduate of architecture from the University of Bristol and holds a diploma in architecture from the same university. Mr. Adebo possesses extensive experience in project and team management and is a member of various professional bodies including Architects Registration Council of Nigeria, Nigerian Institute of Architects, and Institute of Petroleum, U.K. He was appointed to the Board of the Bank in September 2022.
- **Mr Oyesoji Oyeleke, SAN** is the Managing Partner of Law Offices of O.G. Oyeleke LLP, a firm of Barristers & Solicitors, and a Notary Public. He is a 1982 graduate of law from the Obafemi Awolowo University, Ile Ife. Mr. Oyeleke possesses extensive experience in commercial litigation and is a member of various professional bodies. He was appointed a Notary Public in 1991 and a Senior Advocate of Nigeria (SAN) in 2016. He was appointed to the Board of Citibank Nigeria in April 2017.
- **Mrs. Adebola Adefope** is Group Counsel/Executive Director at GHI Assets Limited. She obtained her Bachelor of Laws (LLB Honours) from the School of Oriental and African Studies, University of London in 1978. She also holds LLM (Master of Law) from the London School of Economics, University of London. She was called to the Nigerian Bar in 1980 and obtained a Postgraduate Diploma in Law from the College of Law, London in 1996. Mrs. Adefope is a member of Institute of Directors and has about 40 years managerial experience spanning Legal practice, Insurance, Private Estate management, Petroleum, Airline, and Hospitality. She was appointed to the Board in July 2022.
- **Mr Silas Findley** holds a BA in English from Western Washington University. He also holds the University of Iowa College of Law Juris Doctorate with high distinction. Mr. Findley joined Citigroup Global Markets Inc in 2007 as Managing Director & Director, General Counsel's Office in New York. Over the years, he has worked in various capacities in Citigroup Global Markets Ltd, London. He is currently Managing Director, Citibank Chief Governance Officer for Institutional Clients Group & International. Prior

to joining Citi, Mr. Findley worked as Director & Senior Counsel, General Counsel's Office at Financial Guaranty Insurance Company. He was also a Senior Associate at the firm of Sidley Austin LLP in Chicago, Illinois & New York. Mr. Findley was appointed to the Board of the Bank in March 2024..

- **Dr Evans Woherem** is an alumnus of Harvard Business School's Advanced Management Program. He holds a Ph.D in Artificial Intelligence from the University of Manchester, England and an MA degree from the same university. He also holds an MSc. from the University of Warwick, England. He obtained a BSc degree in Behavioural Science from the University of La Verne, California, USA in 1983. Dr. Woherem is the Chairman/Founder of Digital Africa Global Consult Ltd and Chairman of Compumetrics Solution Ltd. Dr. Woherem has over 40 years professional experience in various sectors/industries across different countries. He is the Chairman of Northlink Insurance Brokers Plc; and Director, Gamzaki SPV Transnational Ltd. He has served as Group Executive Director, Unity bank, Deputy Managing Director, First Interstate Bank; Executive Director, First Bank of Nigeria; General Manager, FSB International Bank Plc; Senior Consultant, ABSA Bank, South Africa; and Senior Consultant, Lloyd's Register, UK. In the recent past, Dr. Woherem served as Director, Charms Plc; Chairman, Rivers State Integrated Microfinance Agency; Chairman, Caranda Management Services; Founding Chairman, Interswitch; Director, NIBSS; Director, Valucard; and Chairman, ChamsAccess Ltd. Dr. Woherem is an accomplished ICT Consultant, Business Intelligence Strategist, IT Security expert, and Business Architecture Solutions expert. He is also a widely published author of various books, journals, and conference papers especially in the field of Information Technology. He was appointed to the Board of Citibank Nigeria in January 2024.

## 6. CORPORATE GOVERNANCE

Citibank Nigeria Limited is committed to ensuring the implementation of good corporate governance principles in all its activities. Citibank Nigeria Limited adheres to the provisions of the Central Bank of Nigeria Corporate Governance Guidelines (Guidelines) and to Citigroup's corporate governance principles. Corporate governance compliance is monitored and a quarterly report on the Bank's compliance with the Guidelines is submitted to the Central Bank of Nigeria. The Board undergoes training in corporate governance best practices.

## 7. SUSTAINABILITY

Citibank is committed to the needs of the communities, in which it operates by driving sustainability through having developed an Environmental and Social Risk Management (ESRM) Policy that includes categorization requirements, environmental due diligence, elevated review and approval requirements for the following transaction types:

- corporate and government loans
- project finance
- equity transactions
- acquisition finance
- letters of credit
- bid and performance bonds
- project finance advisory mandate

## 8. SHAREHOLDING STRUCTURE

Shareholder	Ordinary Shares held	%
Citibank Overseas Investment Corporation	2,457,091,408	81.90%
Others	542,908,592	18.10%
<b>Total</b>	<b>3,000,000,000</b>	<b>100.00%</b>

As at December 2024





**KPMG Professional Services**  
KPMG Tower  
Bishop Aboyade Cole Street  
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Lagos

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## REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL INFORMATION

To the Shareholders of Citibank Nigeria Limited

### **Opinion**

The summary financial information, included in the Programme Memorandum for the N300,000,000,000 Commercial Paper Issuance Programme (the "Programme Memorandum") which comprise:

- the consolidated statements of financial position as at 31 December 2021, 31 December 2022, 31 December 2023 and 30 June 2024;
- the consolidated statements of comprehensive income;

are derived from the audited consolidated financial statements of Citibank Nigeria Limited for the years ended December 31 2021, December 31 2022, December 31 2023 and June 30 2024.

In our opinion, the accompanying summary financial information are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the Companies and Allied Matters Act (CAMA), 2020 and the Banks and Other Financial Institutions Act, 2020.

### **Summary Financial Information**

The summary financial information do not contain all the disclosures required by the IFRS Accounting Standards as issued by the International Accounting Standards Board, the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and the Banks and Other Financial Institutions Act, 2020 and other relevant Central Bank of Nigeria guidelines and circulars. Reading the summary financial information and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary financial information and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the dates of our reports on the audited consolidated financial statements.

### **The Audited Consolidated Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited consolidated financial statements for years ended 31 December 2021, 31 December 2022, 31 December 2023 and 30 June 2024 in our reports dated 21 March 2022, 13 March 2023, 11 March 2024 and 12 December 2024 respectively. These reports also included the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of that current period.

### **Directors' Responsibility for the Summary Financial Information**

The Directors are responsible for the preparation of the summary financial information in accordance with the Companies and Allied Matters Act (CAMA), 2020, and the Banks and Other Financial Institutions Act, 2020.

KPMG Professional Services, a partnership registered in Nigeria and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registered in Nigeria No BN 986329

A list of partners is available for inspection at the firm's address.





***Auditor's Responsibility***

Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

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

Oseme J. Obalaje, FCA  
FRC/2013/PRO/ICAN/004/00000004803  
For: KPMG Professional Services  
Chartered Accountants  
05 February 2025  
Lagos, Nigeria

## HISTORICAL FINANCIAL INFORMATION

The financial information set out on page 34 of this Programme Memorandum has been extracted from the audited annual financial statements of the issuer and is available at the specified office(s) of the Issuer. This section should be read and construed in conjunction with any audited interim financial statements published subsequently, for the financial years prior to each issue of Notes under this Programme.

### Statement of Financial Position

	30 June 2024	31 December 2023	31 December 2022	31 December 2021
	N'000	N'000	N'000	N'000
<b>Assets</b>				
Cash and balances with banks	549,857,521	838,532,214	590,192,927	330,820,496
Loans and advances to banks	-	-	-	518,279
Financial assets at fair value through profit or loss	624,624,687	291,260,665	305,374,609	259,643,719
Derivative financial instruments - assets	244,115,645	631,858,596	40,756,417	21,847,735
Assets pledged as collateral	14,412,000	52,611,747	40,761,747	42,261,747
Financial assets at:				
Fair value through other comprehensive income	370,601,829	270,166,354	163,537,921	205,271,155
Loans and advances to customers	303,656,895	270,223,175	203,581,696	173,455,023
Other assets	85,277,826	136,085,089	34,386,048	14,889,830
Investments in associate	1,311,575	1,342,394	1,370,374	1,214,826
Investment in subsidiary	-	-	-	-
Property and equipment	2,460,986	2,453,473	2,374,651	2,155,621
Right-of-use assets	35,574	52,976	86,719	11,997
Deferred tax asset	-	4,403,186	551,982	-
<b>Total assets</b>	<b>2,196,354,538</b>	<b>2,498,989,869</b>	<b>1,382,975,091</b>	<b>1,052,090,428</b>

### Liabilities

Deposits from banks	2,637,882	23,038,853	579,374	267,471
Deposits from customers	1,266,080,284	1,129,629,391	804,194,080	534,149,300
Derivative financial instruments - liabilities	14,530,721	442,112,837	22,523,190	7,696,973
Lease liabilities	34,584	71,425	79,128	25,127
Current income tax liabilities	37,620,469	21,164,775	13,944,796	2,853,964
Other borrowed funds	263,551,615	423,366,474	249,091,249	233,570,954
Other liabilities	417,208,892	297,888,071	149,401,945	133,292,900
Provisions	1,285,926	1,105,433	1,256,461	833,170
Deferred tax liability	878,986	-	-	324,760
Total equity	192,525,179	160,612,610	141,904,868	139,075,809
<b>Total equity and liabilities</b>	<b>2,196,354,538</b>	<b>2,498,989,869</b>	<b>1,382,975,091</b>	<b>1,052,090,428</b>

### Statement of Comprehensive Income

	Jun-2024	Dec-2023	Dec-2022	Dec-2021
<b>Net operating income</b>	<b>141,596,555</b>	<b>92,517,310</b>	<b>69,531,974</b>	<b>59,021,371</b>
Operating expenses	(25,816,213)	(35,426,680)	(26,077,003)	(23,967,814)
Share of profit of equity accounted investee, net of	15,287	49,685	199,928	181,178
<b>Profit before tax</b>	<b>115,795,629</b>	<b>57,140,315</b>	<b>43,654,899</b>	<b>35,234,735</b>
Income tax (expense) / credit	(42,518,412)	(16,953,266)	(12,596,618)	(2,654,614)
<b>Profit for the period</b>	<b>73,277,217</b>	<b>40,187,049</b>	<b>31,058,281</b>	<b>32,580,121</b>
<b>Profit attributable to:</b>				
Owners of the parent	73,277,217	40,187,049	31,058,281	32,580,121
Non-controlling interests	-	-	-	-
	<b>73,277,217</b>	<b>40,187,049</b>	<b>31,058,281</b>	<b>32,580,121</b>
Earnings per share attributable to the equity				
Basic	24.43	13.40	10.35	11.66

## Citibank Nigeria Limited

Issuer Rating:

**Aa+**

*A financial institution of very good financial condition and strong capacity to meet its obligations as and when they fall due relative to all other issuers in the same country.*

ESG Score:

**2**

**Outlook:** Stable

**Issue Date:** 11 November 2024

**Expiry Date:** 30 June 2025

**Previous Rating:** Aa+

### RATING RATIONALE

Agusto & Co. affirms the 'Aa+' rating assigned to Citibank Nigeria Limited ('Citibank' or 'the Bank') reflecting the strong technical and governance support offered by Citigroup (the Parent), a global diversified financial service company with over two centuries of experience in over 160 countries and rated 'BBB+' by Standard & Poor's. The rating also reflects the Bank's good asset quality, good and stable profitability, good liquidity profile and strong ability to refinance. However, offsetting these positive factors are obligor and sectorial concentration in the loan book, low market share and the weak macroeconomic environment. We have also attached a '2' ESG score which denotes that environmental, social and governance issues have minimal impact on the assigned credit rating.

**Industry:** Banking

Over the last four decades, Citibank has provided financial support to leading blue-chip corporates and multinational institutions largely in the general commerce, oil and gas, and manufacturing sectors. In the financial year ended 31 December 2023, the loan book expanded by 34.6% to ₦275.8 billion due to new disbursements and the impact of the steep naira depreciation. The Bank's wholesale business model resulted in a concentrated loan portfolio as ten obligors accounted for 56.2% (FYE 2022: 58.1%) as at FYE 2023. In addition, exposures to one obligor accounted for 25.5% of shareholders' funds, exceeding the 20% regulatory single obligor limit as at the same date. Notwithstanding the marginal reduction in the obligor concentration, vulnerability to the financial health of these clients remains high. However, the good historical antecedence of these obligors and offshore parental guarantees provide some comfort. Despite the raging headwinds, the impaired loan portfolio has remained muted over the last three years, reflecting an effective credit risk management framework. As at FYE 2023, the impaired loan ratio stood at 0.01%, significantly below the 5% regulatory guidance. We consider the Bank's asset quality good, supported by a conservative approach to managing the risk assets.

**Analyst:**

**Marcellinus Utoh**

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**Ayokunle Olubunmi, CFA**

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Citibank's capitalisation remains acceptable with sufficient buffers to absorb potential losses. As at FYE 2023, the capital adequacy ratio was 17.9%, well above the regulatory minimum of 10% for commercial banks with national authorisation. Notwithstanding,

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Citibank Nigeria Limited

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27, Kofo Abayomi Street  
Victoria Island  
PO Box 6391, Lagos



Citibank Nigeria Limited is regulated by the Central Bank of Nigeria  
NDIC maximum insured deposit cover for each depositor is N5, 000,000.00

**THE FEDERAL REPUBLIC OF NIGERIA  
COMPANIES AND ALLIED MATTERS ACT, 2020 (AS AMENDED)**

**PRIVATE COMPANY LIMITED BY SHARES**

**RESOLUTION OF THE BOARD OF DIRECTORS**

**OF**

**CITIBANK NIGERIA LIMITED (RC 62430)**

At the meeting of the Board of Directors (the "**Board**") of Citibank Nigeria Limited (the "**Company**") duly convened and held on December 12, 2024 at 27, Kofo Abayomi Street, Victoria Island, Lagos the following resolutions were proposed and duly passed as resolutions of the Board of the Company:

1. That the Company be and is hereby authorized to establish a commercial paper programme of up to a maximum value of ₦300,000,000,000 (Three Hundred Billion Naira) (the "**Programme**") in such tranches, series or proportions at such coupon or interest rates, within such maturity periods and on such terms and conditions, as may be determined by the Board and the financial adviser(s) in compliance with applicable rules and regulations and subject to obtaining approvals of the relevant authorities;
2. That the terms of and the transaction contemplated by all the relevant transaction documents, to which the Company is a party and as may be varied or supplemented from time to time be and are hereby approved;
3. That the Company be and is hereby authorized to enter into the transactions contemplated under the transaction documents on the terms contained therein;
4. That the Company be and is hereby authorized to appoint such professional advisers and, together with such professional advisers, undertake such actions as may be necessary or incidental to give effect to the foregoing resolutions; and

*JS*

Chairman: Dr. Mahmoud Isa-Dutse, Managing Director: Nneka Enwereji, Directors: Dilpo Adebo, Adebola Adefope, Adebayo Adeyemo, Oluwale Awotundun, Silas Findley (American), Ngozi Omoke-Enyi, Oyesoji Oyeleke SAN, Dr. Evans Woherem

TIN: 00384149-0001

RC No.: 62430

Citibank Nigeria Limited

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Victoria Island  
PO Box 6391, Lagos




Citibank Nigeria Limited is regulated by the Central Bank of Nigeria  
NDIC maximum insured deposit cover for each depositor is N5, 000,000.00

5. That authority be and is hereby given to any two (2) directors of the Company or a Director and the Company Secretary to execute all applicable documents, notices, letters or certificates that are in the opinion of the legal and/or financial adviser(s) considered necessary for the purpose of the Programme.

Dated this 23<sup>rd</sup> day of January 2025

  
DIRECTOR (Ngozi Omoke-Enyi)

  
SECRETARY (Oluola Fagbure)

Chairman: Dr. Mahmoud Isa-Dutse, Managing Director: Nneka Enwereji, Directors: Dipo Adebo, Adebola Adefope, Adebayo Adeyemo, Oluwale Awotundun, Silas Findley (American), Ngozi Omoke-Enyi, Oyesoji Oyeleke SAN, Dr. Evans Woherem

TIN: 00384149-0001

RC No.: 62430



March 3, 2025

The Directors  
Citibank Nigeria Limited  
27, Kofo Abayomi Street  
Victoria Island  
Lagos

Dear Madams/Sirs,

Re: Legal Opinion with Respect to the ₦300,000,000,000 (Three Hundred Billion Naira)  
Commercial Paper Issuance Programme by Citibank Nigeria Limited

1. **INTRODUCTION**

- 1.1. We have acted as legal counsel in respect of the ₦300,000,000,000 (Three Hundred Billion Naira) Commercial Paper Issuance Programme by Citibank Nigeria Limited (the “**Issuer**”) (the “**Programme**”).
- 1.2. In this Legal Opinion (this “**Opinion**”), unless otherwise defined or the context otherwise requires, the following capitalised terms shall have the following meanings:
  - 1.2.1. “**CAC**” means the Corporate Affairs Commission;
  - 1.2.2. “**CBN**” means the Central Bank of Nigeria;
  - 1.2.3. “**Collecting and Paying Agency Deed**” means the deed of the same name dated on or about the date hereof and executed by the Issuer as a deed poll in favour of the Noteholders;
  - 1.2.4. “**Collecting and Paying Agent**” means Citibank Nigeria Limited;
  - 1.2.5. “**Deed of Covenant**” means the deed of the same name dated on or about the date hereof and executed by the Issuer as a deed poll in favour of the Noteholders;
  - 1.2.6. “**FMDQ Exchange**” means FMDQ Securities Exchange Limited;
  - 1.2.7. “**FMDQ Exchange Rules**” means the FMDQ Exchange Commercial Paper Registration and Quotation Rules issued in November 2024 and as may be amended and/or supplemented from time to time;
  - 1.2.8. “**Guidelines**” means the CBN Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on September 11, 2019 as may be amended and/or supplemented from time to time, Guidelines for the Regulation and Supervision of Institutions offering Non-Interest Financial

GELIAS/Citibank/ProjectIntersect/SO/001/03032025/ExecutionCopy





Services in Nigeria, AAOIFI Standards, and the Central Bank of Nigeria Circular dated July 12, 2016 titled "Mandatory Registration and Listing of Commercial Papers";

- 1.2.9. **"ISA"** means Investments and Securities Act, 2007 (as amended) and as may be amended and/or supplemented from time to time;
- 1.2.10. **"Issuing and Placing Agency Agreement"** means an agreement of the same name dated on or about the date hereof and executed by the Issuing and Placing Agent and the Issuer;
- 1.2.11. **"Issuing and Placing Agent"** means Stanbic IBTC Capital Limited;
- 1.2.12. **"Nigerian Courts"** means the Supreme Court of Nigeria, the Court of Appeal, the Federal High Court and the various State High Courts;
- 1.2.13. **"Nigerian Law"** includes without limitation, any statutes or regulations made or imposed by any Nigerian authority and any treaty or international convention, which the Federal Republic of Nigeria has ratified and incorporated into domestic law;
- 1.2.14. **"Notes"** means the debt instruments issued by the Issuer under the Programme;
- 1.2.15. **"Noteholders"** means the persons who have invested in the Notes and **"Noteholder"** shall be construed accordingly;
- 1.2.16. **"Programme Memorandum"** means the memorandum dated on or about the date hereof disclosing details of the Programme for the issuance by the Issuer of Notes for tenors not exceeding two hundred and seventy days (270) days;
- 1.2.17. **"SEC"** means the Securities and Exchange Commission established pursuant to the ISA;
- 1.2.18. **"SEC Rules"** means the SEC Rules and Regulations, 2013 (as amended); and
- 1.2.19. **"Transaction Documents"** means the Programme Memorandum, the applicable pricing supplement to be issued under the Programme, the Deed of Covenant, the Collecting and Paying Agency Deed and the Issuing and Placing Agency Agreement.

## 2. DOCUMENTS

In our capacity as solicitors to the Programme, we have reviewed the various agreements, documents and matters of law as we have deemed necessary, including the following documents:

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- 2.1. the Certificate of Incorporation of the Issuer;
- 2.2. a certified true copy of the Memorandum and Articles of Association of the Issuer;
- 2.3. a copy of the rating reports issued by DataPro Limited and Agosto & Co dated December 24, 2024 and November 11, 2024 respectively in respect of the Issuer;
- 2.4. the resolution of the board of directors of the Issuer dated December 22, 2024 (the “**Board Resolution**”) authorizing among other things the establishment of the Programme; and
- 2.5. the Transaction Documents.

### 3. **SCOPE**

- 3.1. This Opinion is confined to Nigerian Law as interpreted and applied by Nigerian Courts as at the date of this Opinion, and we neither express nor imply any opinion on any matter insofar as it may be affected by the law of a country other than Nigerian Law, or as to matters of fact. We express no opinion nor make any comment on the content, adequacy or sufficiency of the commercial terms negotiated by the parties to the Transaction Documents.
- 3.2. We have not assisted in the investigation or verification of the facts, or the reasonableness of any assumption or statement of opinion (including, without limitation, as to the solvency of any other person expressed to be a party to the Transaction Documents or any other person), contained in the Transaction Documents or in determining whether any material fact has been omitted therefrom.

### 4. **EXTENT OF REVIEW AND EXAMINATION**

- 4.1. For the purpose of providing this Opinion, we have examined only the Transaction Documents but not any document or agreement cross-referenced in any of the Transaction Documents save for such other documents we have considered necessary for purposes of giving this Opinion.
- 4.2. We have made no searches or enquiries concerning any party to the Transaction Documents nor have we examined any documents, other than the documents referred to in clause 2 (*Documents*) of this Opinion.

### 5. **ASSUMPTIONS**

This Opinion is issued based on the following assumptions:

#### 5.1. **Genuineness and Authenticity**

- 5.1.1 the genuineness of all signatures and seals on all and any document reviewed by us;





- 5.1.2 the completeness and conformity to the originals of all Transaction Documents and other documents supplied to us as certified, electronic, faxed or photocopies;
  - 5.1.3 the documents in paragraph 2 above have not been amended, altered or tampered in any way;
  - 5.1.4 the genuineness and authenticity of all approval letters, consents and authorizations sighted;
  - 5.1.5 the accuracy and completeness of all corporate minutes, resolutions, certificates and records which we have seen;
  - 5.1.6 the accuracy of any and all representations of facts expressed in or implied by the documents that we have examined;
  - 5.1.7 the absence of any amendments or variations to the terms of the Transaction Documents and the authenticity of the originals of such Transaction Documents;
  - 5.1.8 that each Transaction Document has been duly authorised, and would be duly executed, by or on behalf of each of the parties thereto and that the performance thereof is within the capacity and powers of each of the parties thereto;
  - 5.1.9 that the terms of the Transaction Documents are or will be observed and performed by the Issuer; and
  - 5.1.10 the absence of any other contractual or similar arrangements between any of the parties to the Transaction Documents which modify or supersede any of the terms of the Transaction Documents.
- 5.2. **Completeness**
- All statements as to matters of fact contained in the Transaction Documents are correct and complete save to the extent that they relate to matters specifically opined upon herein.
- 5.3. **Good Faith, *e.t.c.***
- The lack of bad faith, absence of fraud, coercion, duress, undue influence or any similar vitiating element on the part of any of the parties to the Transaction Documents, their respective directors, officers, employees, agents and advisers and that:
- 5.3.1 no party has entered into or executed any document or any transaction contemplated therein in order to prejudice any creditor of any party to such document; and



5.3.2 each of the Transaction Documents has been entered into, and each of the transactions referred to therein is carried out, by each of the parties thereto, for the purpose of carrying on their respective businesses, for the benefit of each of them respectively and on arms' length commercial terms.

**5.4. Consents**

5.4.1. All necessary consents, authorizations and licenses for the execution, delivery and performance of the Transaction Documents have been obtained and have not been withdrawn as at the date hereof.

5.4.2. The Board Resolution was duly passed, has not been amended or rescinded and is in full force and effect.

**5.5. Restrictions**

There are no agreements, letters or other arrangements having contractual effect which render a party to the Transaction Documents incapable of performing its obligations under such documents and there are no contractual or similar restrictions contained in any agreement or arrangement (other than those in the Transaction Documents) that are binding on any party to such Transaction Document which would affect the conclusions made in this Opinion.

**6. OUR OPINION**

Based on the foregoing assumptions and subject to the qualifications set out below, we are of the following opinion:

**6.1. Enforceability**

6.1.1. There is no provision in the Issuer's constitutional documents and no Nigerian Law which will be contravened by:

6.1.1.1. any provision in any Transaction Document; or

6.1.1.2. the carrying out of any relevant transaction contemplated by the Transaction Documents.

6.1.2. There has been obtained and there is in full force and effect every consent, approval or authorization by any Nigerian authority which is either necessary or desirable in connection with:

6.1.2.1. the execution by the Issuer of any of the Transaction Documents;  
or

6.1.2.2. the validity or enforceability of any of the Transaction Documents.

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- 6.1.3. All the Transaction Documents are governed by Nigerian Law and constitute obligations of the parties thereto that are legal, valid, and binding upon the parties and enforceable against the parties in accordance with their terms.
  - 6.1.4. Without prejudice to Clause 6.1.3 above, all the Transaction Documents are in a proper form to be enforced under Nigerian Law and would be recognised by Nigerian Courts as constituting legal, valid, and binding obligations of the parties thereto, enforceable against the parties thereto in accordance with their terms.
  - 6.1.5. Each Note, when issued by the Issuer, will constitute the legal, valid and binding obligations of the Issuer, enforceable in accordance with its terms.
  - 6.1.6. It is not necessary for any Noteholder to exercise or enforce any of its rights under the Transaction Documents that it should be licensed, registered, resident, or otherwise authorized to carry on any business in Nigeria.
- 6.2. **Legal Status of the Issuer**
- 6.2.1. The Issuer is duly incorporated and validly exists under Nigerian Law. To the best of our knowledge, no steps have been taken to wind up the Issuer or to terminate its existence or to appoint a receiver in respect of it or otherwise to place its business or any of its assets outside the control of its directors.<sup>1</sup>
  - 6.2.2. The Issuer is empowered to issue the Notes in compliance with the Guidelines and the FMDQ Exchange Rules and perform its obligations under the Transaction Documents.
  - 6.2.3. The Issuer holds all licences, approvals and authorizations from all governmental authorities in Nigeria necessary for the conduct of its business as set out in the Programme Memorandum.
- 6.3. **Authorisation**
- 6.3.1. The Issuer has the full power, authority and capacity to execute, deliver, perform and observe the terms and conditions of the Transaction Documents to which it is a party.
  - 6.3.2. All corporate and other actions that are necessary or advisable to authorise the Issuer to enter into, execute, deliver, perform and observe the terms and conditions of the Transaction Documents have been taken.
  - 6.3.3. The Board Resolution referred to under Clause 2 (Documents) is valid under the respective constitutional documents of the Issuer and under the laws of Nigeria. The Board Resolution is sufficient corporate authorization for the

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<sup>1</sup> We say to the best of our knowledge, because winding-up petitions (including other analogous steps) are filed and heard before the courts and there are no systematic records of court filings to allow for such a check. Public notice of such events only occurs when such an order is published in the newspapers or filed at the CAC.



Issuer to execute the Transaction Documents to which it is a party and to carry out all relevant transactions; and the Board Resolution need not be filed, recorded nor registered with any authority in Nigeria.

#### 6.4. SEC Matters

6.4.1. Prior to the amendment of the SEC Rules by the Amendment of the SEC Rules on December 23, 2024 (the “**New SEC CP Rules**”), the erstwhile provisions of the SEC Rules provided that securities not exceeding nine (9) months, exclusive of days of grace or the maturity, are exempted from the scope of the ISA and the SEC Rules. By the FMDQ Exchange Rules, all commercial papers sought to be registered on the FMDQ Exchange are required to comply with the provisions of the FMDQ Exchange Rules. However, the New SEC CP Rules has amended the SEC Rules to (i) provide a new rule on the issuance of commercial papers, and (ii) remove, among others, the exemption to securities not exceeding nine (9) months from the scope of the ISA and the SEC Rules.

6.4.2. Following the New SEC CP Rules, the FMDQ Exchange by a Market Notice dated January 2, 2025 and with effect from December 30, 2024<sup>3</sup> suspended the processing of new and ongoing commercial paper programmes on the FMDQ Exchange. However, the FMDQ Exchange, by another Market Notice dated January 2, 2025 and with effect from December 30, 2024<sup>4</sup> confirmed its resumption of admission of securities pending the finalisation on the operation of the New SEC CP Rules.

6.4.3. The SEC is yet to issue a public notice or direction on the registration of commercial papers or denounce any of the FMDQ Exchange notices.

#### 6.5. CBN and FMDQ Exchange Compliance

6.5.1. The Notes have been issued in compliance with the Guidelines and the FMDQ Exchange Rules.

6.5.2. The Issuer has been rated by two rating agencies as required by and in compliance with the Guidelines and the FMDQ Exchange Rules.

#### 6.6. Exchange Control Compliance

6.6.1. The issuance of the Notes in Nigerian Naira is permitted by law.

6.6.2. Residents and non-residents of Nigeria may deal in, invest in, acquire or dispose of the Notes.

6.6.3. Non-residents of Nigeria who have brought funds into Nigeria for subscription to the Notes through approved and lawful channels may upon liquidating

<sup>2</sup> SEC New Rules and Sundry Amendments to the Rules and Regulations of the Commission, 2024.

<sup>3</sup> with the Reference No: FMDQX/RLG/010225/MN-50.

<sup>4</sup> with the Reference No: FMDQX/RLG/010225/MN-51.



their investment in the Notes repatriate the proceeds of their investment upon presentation of certificates of capital importation issued in respect of the funds brought into Nigeria.

6.6.4. Nigerian Courts will give judgment in foreign currency.

**6.7. Registration**

6.7.1. Other than the stamping of the Transaction Documents at the stamp duties office of the Federal Inland Revenue Service, it is not necessary or desirable for any further action to be taken in the future (including the making of any registrations or filings) in order to preserve as a matter of law, the interests of the Noteholders.

6.7.2. Save for the stamping of the Transaction Documents, no consent, licence, authorization or similar approval or other action by, and no notice to or filing or registration with, any governmental authority or regulatory body is required in Nigeria for the due execution, delivery and performance by the Issuer of the Transaction Documents.

**6.8. Insolvency**

6.8.1. Subject to bankruptcy and insolvency laws generally applicable in bankruptcy or insolvency proceedings involving the Issuer, the obligations of the Issuer under the Transaction Documents will remain valid, binding and enforceable.

6.8.2. Subject to bankruptcy and insolvency laws generally applicable to Nigerian companies and banks in particular, upon the maturity of the Notes, in the event that the Issuer is unable to discharge any of its obligations to the Noteholders, the unsatisfied Noteholders as creditors of the Issuer are entitled to apply for the winding up of the Issuer on the ground of the Issuer's inability to pay its debts.

6.8.3. The Notes are unsecured, and no security interests have been created in favour of the Noteholders by any Transaction Documents.

6.8.4. Upon the insolvency of the Issuer, Nigerian Law would treat the Noteholders as unsecured creditors of the Issuer for all purposes.

**6.9. Tax Matters**

6.9.1. Corporate Noteholders, with the exemption of pension funds will be required to pay income taxes on the discount enjoyed on the Notes.<sup>5</sup>

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<sup>5</sup> Section 10(2) of the Pension Reform Act, 2014 exempts all interests, dividends, profits, investment and other income accruable to pension funds and assets from taxation. In addition, individual bondholders are exempt from taxation in Nigeria in accordance with the Personal Income Tax (Amendment) Act 2011.





6.9.2. Subject to 6.9.1 above, the Issuer may be entitled or required to withhold tax on payments to any Corporate Noteholders, with the exemption of pension funds, on the zero-coupon Notes.

6.9.3. On the buying or selling of the Notes, the investors will not pay value added tax. The VAT Act excludes securities from the definition of “goods and services”.<sup>6</sup>

6.9.4. Value Added Tax will be payable on the commission payable for services rendered with respect to the Notes (with the exemption of services by microfinance banks, people’s banks, and mortgage institutions).

**6.10. *Pari passu* ranking**

The obligations of the Issuer under the Transaction Documents to which it is a party and the Notes (when issued) will rank at least *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer, other than those claims which are preferred by any bankruptcy, insolvency, liquidation, or other similar laws of general application.

**6.11. Choice of Law and Jurisdiction**

The choice of Nigerian law as the governing law of the Transaction Documents is a valid choice of law and a Nigerian court or arbitral tribunal will apply the relevant governing law of a Transaction Document to give effect to the provisions contained therein.

**6.12. Dispute Resolution**

The submission to arbitration by the parties under the Issuing and Placing Agency Agreement is permitted under the laws of Nigeria and an arbitral award rendered by a recognised arbitral tribunal would be enforced by the courts of Nigeria as a legal, valid, and binding submission to arbitration subject to the provisions of the Arbitration and Mediation Act, 2023.

**6.13. Miscellaneous**

6.13.1. The assets of the Issuer are not entitled to any immunity from service of process, suit, judgment, execution or attachment (including pre-judgment attachment) in respect of any obligation under any of the Transaction Documents; and

6.13.2. The Transaction Documents do not contain any provision or provide for any transaction or other action which could have the consequence of making the Noteholders liable in Nigeria in respect of any debt, liability or obligation of

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<sup>6</sup> VAT Act, s. 46 (as amended by Finance Act, 2020, s. 44).



the Issuer or in respect of any non-compliance by the Issuer with any Nigerian Law.

**7. QUALIFICATIONS**

This Opinion is subject to the following qualifications:

- 7.1. that an obligation or document is enforceable means that the obligation or document is of a type and form which Nigerian Courts generally will enforce. It does not mean that the obligation or document can necessarily be enforced in all circumstances and with regard to a final judgment or award, certain defences to its application or grounds for setting it aside may be accepted or applied, in spite of an agreement to the contrary;
- 7.2. a judgment given in any foreign currency may be satisfied by the payment of the Naira equivalent thereof at the time of payment;
- 7.3. upon the presentation of a winding-up petition against a Nigerian company, proceedings commenced against it to enforce a liability under a Transaction Document may be stayed or restrained by a Nigerian Court;
- 7.4. no attachment or execution can be levied against the assets of a Nigerian company after the commencement of its winding-up;
- 7.5. the enforcement of the rights of the parties under the Transaction Documents may with the passage of time become statute-barred under the limitation laws of the Federal Republic of Nigeria;
- 7.6. the assessment of stamp duties on documents by the Stamp Duties Office of the Federal Inland Revenue Service is mostly inconsistent and largely untested in Nigerian Courts;
- 7.7. the power of Nigerian Courts to order specific performance of an obligation or to order any other equitable remedy is discretionary and, accordingly, a Nigerian Court might make an award of damages where specific performance of an obligation or any other equitable remedy was sought;
- 7.8. it is expressed as of the date hereof and we assume no obligation to update or supplement any opinion contained herein to reflect any fact or circumstance that may hereafter come to our attention or any changes in law that may hereafter occur or become effective; and
- 7.9. we express no opinion as to any issue, agreement, instrument, or other document other than as specified or expressly addressed in this Opinion.



8. **BENEFIT OF OPINION**

- 8.1. This Opinion is prepared exclusively for the purpose of the Programme and for the benefit of the Issuer, its advisers and persons seeking to invest in the Notes. Other than for the Programme and for the benefit of the persons to whom it is meant, it is not to be used by any other person or for other purposes or quoted or referred to in any public document or filed with anyone without our express written consent which shall not be unreasonably withheld or delayed. This Opinion is not to be distributed, in whole or in part, to any person other than as agreed between the Issuer and us and then only for purposes directly relating to the Programme; provided however that this Opinion may be disclosed without our consent to:
- 8.1.1. any person to whom disclosure is required to be made by applicable law or court order or arbitral award or pursuant to the rules or regulations of any supervisory or regulatory body, or the rules of any applicable stock exchange or any rating agency; or
  - 8.1.2. the officers, employees, affiliates and related entities of the Issuer, auditors, rating agencies, regulators, and professional advisers of the Issuer on a strict need-to-know basis and only in relation to Programme.
- 8.2. Where this Opinion is sought to be disclosed in connection with any potential or actual judicial proceedings, prior written notice of its intended disclosure must be given to us.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'G. Elias'.

G. Elias



### Authorisation

The establishment of this CP Programme and issuance of Notes thereunder was approved by the resolution of the Directors of the Issuer dated 12 December 2024.

### Going Concern

The Issuer is at the date hereof, a going concern and can in all circumstances be reasonably expected to meet all of its commitments as and when they fall due.

### Auditors

KPMG Professional Services acted as auditors of the annual financial statements of the Issuer for the financial years ended 31 December 2023 and the 6-month period ended 30 June 2024 and was responsible for the audit and issued a report.

### Litigation

As of November 30, 2024, the Bank confirmed that it was involved in a total of sixty-one (61) cases ("**Total Cases**"). The scope of the Solicitor's audit was limited to threatened and pending litigation and arbitral proceedings involving the Bank with cases that may have an adverse impact on the Transaction (such as cases likely to impact the Bank's financial stability, reputation or ability to proceed with the Transaction) (the "**Threshold**").

Out of the Total Cases, sixteen (16) cases met the Threshold (the "**Reviewed Cases**"). From our review, none of the Reviewed Cases has any direct or indirect bearing on the Transaction. The reliefs in the Reviewed Cases are mostly monetary claims which are, in our view, spurious, highly exaggerated and/or outrightly frivolous. In the event that some of the claims succeed against the Bank, the portion of the contingent liability to crystalize against the Bank will not have an adverse effect on the Transaction or impact the operation of the Bank.

### Material Contracts

The following agreements have been entered into and are considered material to this Programme:

- i. The Issuing and Placing Agency Agreement between the Issuer and Stanbic IBTC Capital Limited;
- ii. The Collecting and Paying Agency Deed as a deed poll by the Issuer in favour of Noteholders; and
- iii. The Deed of Covenant as a deed poll by the Issuer in favour of Noteholders.

Other material contracts in respect of any issuance of Notes under the Programme will be disclosed in the Applicable Pricing Supplement issued in respect of that Series or Tranche.

### Ultimate Borrower

The Issuer is the borrower in respect of the Notes.

### ISSUER

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Nigeria

  
**Adebayo Adeyemo**  
Executive Director

### ARRANGER/ISSUING AND PLACING AGENT

**Stanbic IBTC Capital Limited**  
Stanbic IBTC Towers  
Walter Carrington Crescent  
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**Oladele Sotubo**  
Chief Executive

### LEGAL COUNSEL

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**Segun Omoregie**  
Partner

### AUDITORS TO THE ISSUER

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**Oseme Obaloje**  
Partner

### COLLECTING AND PAYING AGENT

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**Adebayo Adeyemo**  
Executive Director