

THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. If you are in any doubt about its contents or the action to be taken, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately.

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS, WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO THE SECTION ON "RISK FACTORS" ON PAGES 37 TO 41 HEREOF.

SHELF PROSPECTUS



COMPANY FOR HABITAT AND HOUSING IN AFRICA (SHELTER AFRIQUE)

₦200,000,000,000 Domestic Bond Issuance Programme

The Securities and Exchange Commission (the "SEC" or the "Commission"), established pursuant to the Investments and Securities Act (No. 29) 2007 (as amended) ("ISA" or the "Act"), has cleared and registered this Shelf Prospectus in connection with the ₦200,000,000,000 Domestic Bond Issuance Programme by the Company for Habitat and Housing in Africa ("Shelter Afrique" or "SHAF" or "the Issuer") (the "Programme"). The Programme provides that an application may be made for bonds issued under the Programme (the "Bonds") to be listed and traded on The Nigerian Exchange Limited and/or the FMDQ Securities Exchange Limited (the "Relevant Exchange"). Unlisted Bonds may also be issued pursuant to the Programme. It is a civil wrong and a criminal offence under sections 85 and 86 of the Act to issue a prospectus, which contains false or misleading information. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Shelf Prospectus is provided in sections 85 and 86 of the ISA.

This Shelf Prospectus has been approved by the members of the Board of Directors of Shelter Afrique and they jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made inquiries which are reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

References in this Shelf Prospectus to Bonds being "listed" (and all related references) shall mean that such Bonds have been admitted to listing and trading on the Relevant Exchange. Any Pricing Supplement (each a "Pricing Supplement") in respect of the issue of any Bonds will specify whether such Bonds will be listed or unlisted. The Bonds will be issued in uncertificated book-entry form ("Book-Entry Bonds").

Issuing House / Book Runner



FSDH Capital Limited RC: 276208

This Shelf Prospectus is dated 18 October 2021

A copy of this Shelf Prospectus and the documents specified herein have been delivered to the SEC for clearance and registration. The registration of this Shelf Prospectus and any Pricing Supplement thereafter does not in any way whatsoever suggest that the SEC endorses or recommends the securities or assumes responsibility for the correctness of any statement made or opinions or reports expressed therein.

This Shelf Prospectus has been issued in compliance with the Rules and Regulations of the SEC (2013) (as amended) and the listing requirements of the Relevant Exchange and contains particulars in compliance with the requirements of the SEC, for purposes of giving information regarding the Programme.

<https://sec.gov.ng/>

<https://www.shelterafrique.org>

IMPORTANT NOTICE

This Shelf Prospectus is to be read in conjunction with any Pricing Supplement issued by the Issuer and all documents that are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below – see page 2).

The Issuer has taken all reasonable care to ensure that the information concerning the Issuer contained in this Shelf Prospectus is true and accurate in all material respects on the date of this Shelf Prospectus and that to the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Shelf Prospectus in relation to the Issuer is in accordance with the facts and there are no other material facts the omission of which would make misleading any statement herein, whether of fact or of opinion. The Issuer accordingly accepts responsibility for the information contained in this document.

Except to the extent required under section 85 of the Act, the Issuing Houses/Bookrunners appointed by the Issuer, in their capacity as Issuing Houses and Bookrunners, accept no responsibility for the contents of this Shelf Prospectus or for any other statement, made or purported to be made by the Issuing Houses or on their behalf in connection with either the Issuer or the Issue and offering of the Bonds. The Issuing Houses/Bookrunners accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise be subject to in respect of this Shelf Prospectus or any such statement. The Issuing Houses/Bookrunners have not separately verified the information contained herein, accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by them as to the accuracy or completeness of the information contained in this Shelf Prospectus or any other information provided by the Issuer.

No person is authorised to give any information or to make any representation not contained in the Shelf Prospectus or any Pricing Supplement in connection with the offering of the Bonds. If any such information or representation is nevertheless given or made by any dealer, broker, seller or other person, it must not be relied upon as having been authorised by the Issuer or by any of the Issuing Houses/Bookrunners.

The issue of this Shelf Prospectus or any Pricing Supplement and the issue, subscription, offering and sale of the Bonds are not a waiver by the Issuer of any of the rights, immunities or privileges conferred upon it by the Constituent Charter for the establishment of the Company for Habitat and Housing in Africa, entered into among the Issuer's member countries signatory thereto, including the Federal Republic of Nigeria (the "Constituent Charter") or by any statute, law or regulation of any member of the Issuer or any political subdivision of any member, all of which are hereby expressly reserved.

THE BONDS ARE NOT OBLIGATIONS OF ANY GOVERNMENT

The Bonds may not be offered, sold or delivered, nor may this Shelf Prospectus, any Pricing Supplement or any other offering material be distributed, in any country or jurisdiction except in circumstances that will result in compliance with all applicable laws and regulations. No action has been or will be taken by the Issuer or the Issuing Houses/Bookrunners that would (other than in Nigeria) permit a public offering of the Bonds or the circulation or distribution of this Shelf Prospectus, in proof or final form, any Pricing Supplement, or any offering material in relation to the Issuer or the Bonds in any country or jurisdiction where action for that purpose is required. This Shelf Prospectus (or any Pricing Supplement issued in connection with it) does not constitute an offer of, or an invitation by or on behalf of the Issuer or any of the Issuing Houses/Bookrunners to subscribe for or purchase, any of the Bonds. Neither this Shelf Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation by the Issuer or any of the Issuing Houses/Bookrunners that any potential investor should purchase any Bonds. Each investor

contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. The information contained in this Shelf Prospectus does not constitute and is not to be construed as legal, business or tax advice. Each investor contemplating purchasing any Bonds should consult its legal, financial or tax adviser or other professional adviser for advice in connection with such purchase. In this Shelf Prospectus, unless otherwise specified, references to "₦", "NGN" or "Naira" are to the lawful currency of Nigeria.

WAIVERS AND EXEMPTIONS - SPECIAL DISPENSATION FOR THE ISSUER

The offer of Bonds under the Programme shall be made in accordance with certain concessions, forbearances, waivers and exemptions granted by the SEC and the Federal Ministry of Finance, Budget and National Planning ("FMOF") in favour of the Issuer, in recognition of the Issuer's supranational status. These concessions, forbearances, waivers and exemptions are recorded in various correspondence by the Issuer with the SEC and other regulatory authorities.

The form and contents of this Shelf Prospectus may, therefore, differ in certain material respects from the standard form and information usually required for transactions of this nature in the Nigerian capital market and thus constitutes a special regulatory dispensation for the issue of the Bonds by the Issuer in Nigeria.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and to form part of, this Shelf Prospectus:

- (i) the Issuer's latest annual report (the "Annual Report") which describes the Issuer, including its capital, operations and administration, the Issuer's legal status, and its principal financial policies, and containing the Issuer's most recent audited financial statements;
- (ii) any unaudited quarterly or audited annual financial statements of the Issuer;
- (iii) any amendment or supplement to this Shelf Prospectus; and
- (iv) the relevant Pricing Supplement with respect to any Bonds issued by the Issuer.

Notwithstanding the above, any statement contained in this Shelf Prospectus and any of the documents incorporated by reference in, and forming part of, this Shelf Prospectus shall be deemed to be modified or superseded for the purpose of this Shelf Prospectus to the extent that a statement contained in a document subsequently incorporated by reference in this Shelf Prospectus modifies or supersedes that statement.

References to "this Prospectus" shall mean this document and any documents incorporated by reference in, and forming part of, this document, except, and to the extent that, any such document is superseded or modified by any subsequent document incorporated by reference in, and forming part of, this Prospectus. Documents incorporated by reference in, and forming part of, this document may not have been submitted to the same review and clearance procedures to which this Shelf Prospectus has been submitted as of the date hereof by the SEC, the Relevant Exchange or any other regulatory authority referred to herein.

The Issuer will, in the event of any material change in the financial position of the Issuer which is not reflected in this Shelf Prospectus, prepare an amendment or supplement to this Shelf Prospectus, publish a new prospectus for use in connection with any subsequent issue and listing of the Bonds by the Issuer or provide such disclosure in the Pricing Supplement for an issue of the Bonds.

If the terms of the Programme are modified or amended in a manner that would make this Shelf Prospectus inaccurate or misleading in any material respect, the Issuer will prepare a supplementary prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the office of the Issuer at the address set out at the end of this Prospectus and/or the website of the Issuer (www.shelterafrique.org).

The Issuer will provide (without charge) at the specified offices of the Issuing Houses and Trustees upon the written request of any person, a copy of this Shelf Prospectus (or any document incorporated by reference in this Shelf Prospectus). Written requests for such documents should be directed to the specified office of the Trustee(s) or Issuing House(s).

TABLE OF CONTENTS

SUMMARY OF THE PROGRAMME	5
PARTIES TO THE PROGRAMME.....	10
COMPANY FOR HABITAT AND HOUSING IN AFRICA (SHELTER AFRIQUE)	11
THE ISSUER'S SELECTED FINANCIAL INFORMATION	12
TERMS AND CONDITIONS OF THE NOTES	16
USE OF PROCEEDS.....	36
RISK FACTORS	37
TAXATION.....	42
STATUTORY AND GENERAL INFORMATION	44
FORM OF PRICING SUPPLEMENT	64

SUMMARY OF THE PROGRAMME

The following is a summary only and must be read as an introduction to this Shelf Prospectus only. In relation to any series of Bonds, it should be read in conjunction with the relevant Pricing Supplement and, to the extent applicable, the Terms and Conditions of the Bonds set out on pages 16 to 35 hereof. Any decision to invest in any Bonds should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference, by any investor. Words and expressions defined or used in "Terms and Conditions of the Bonds" shall have the same meaning in this Summary.

TERMS	DESCRIPTION
Issuer	The Company for Habitat and Housing in Africa (Shelter Afrique).
Description	₦ 200,000,000,000 Domestic Bond Issuance Programme.
Programme Amount / Size	Up to ₦ 200,000,000,000 (Two Hundred Billion Naira) aggregate principal amount of Bonds outstanding at any one time.
Issuing House/Bookrunner	FSDH Capital Limited or such other issuing house as may be specified in the applicable Pricing Supplement.
Joint Issuing Houses/Bookrunners	Any other Issuing House(s)/Bookrunner(s) appointed from time to time by the Issuer as issuing house(s) and bookrunner(s) and as may be specified in the relevant Pricing Supplement and/or a vending agreement entered into in respect of a particular Series (a "Series Vending Agreement"), which documents shall also designate the Lead Issuing House/Bookrunner and/or Joint Issuing House(s)/Bookrunner(s) for the purposes of a specific issue under the Programme where there is more than one Issuing House/Bookrunner.
Trustees	United Capital Trustees Limited and/or such other trustee as may be appointed by the Issuer.
Registrar	CardinalStone Registrars Limited or any other person so appointed by the Issuer.
Rating Agency	Global Credit Rating Co. Limited or any other Rating Agency appointed by the Issuer.
Form of Bonds	The Bonds will be issued in dematerialised form and are transferable in accordance with the Terms and Conditions, the provisions of the Programme Trust Deed and, if applicable, the rules and procedures of the Depository (as defined below).
Depository	Central Securities Clearing System PLC (the "CSCS") or FMDQ Depository Limited.
Status of Bonds	Unless otherwise specified in the Supplementary Shelf Prospectus /Pricing Supplement, the Bonds shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference or priority among themselves.

	<p>The payment obligations of the Issuer under the Bonds in respect of principal and any Coupon thereon shall, save for such obligations as may be preferred by applicable legislation relating to a creditor's rights, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future.</p>
Coupon Rates	<p>The Bonds may be interest bearing or non-interest bearing. Where Bonds are interest bearing, interest may be at a fixed or floating rate as specified in the Pricing Supplement. Where Bonds are non-interest bearing, the applicable Pricing Supplement and the other transaction documents shall be compliant with all relevant requirements in relation to the issuance of non-interest-bearing securities.</p>
Initial Delivery of Bonds	<p>The manner of delivery of any Bonds will be specified in the applicable Pricing Supplement.</p>
Negative Pledge	<p>The Issuer shall not create any Security Interest encumbrance "except for a Permitted Security Interest (as defined below) upon the whole or any part of its present or future undertaking, business, assets or revenues to secure any indebtedness for listed bonds or other listed securities, unless the Issuer's obligations under the Bonds are secured equally and rateably therewith or have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem not to be materially less beneficial to the Bondholders.</p>
Events of Default	<p>Upon the occurrence of an Event of Default, the Trustee at its discretion may, or if directed to do so by a Special Resolution, and in each case if indemnified to its satisfaction, give notice in writing to the Issuer, (a "Bond Acceleration Notice"), declaring the Bonds to be immediately due and payable. When a Bond Acceleration Notice is given, all Bonds will become immediately due and payable at their principal amount outstanding together with accrued but unpaid interest without further action or formality.</p> <p>The Events of Default are:</p> <ol style="list-style-type: none">i. Non-Payment of Principal;ii. Non-Payment of Coupon;iii. Breach of Other Obligation;iv. Failure to take Action;v. Cross Default;vi. Enforcement Proceedings;vii. Insolvency;viii. Winding-Up;ix. Cessation of Business;x. Illegality;xi. Material Adverse Change <p><i>(Please refer to the Programme Trust Deed for detailed information regarding the Events of Default)</i></p>
Currency	<p>The Bonds will be denominated in Naira.</p>

SUMMARY OF THE PROGRAMME

Issuance in Series	<p>The Bonds will be issued in series (each a "Series") having one or more dates of issue and on terms otherwise identical (other than in respect of the first payment of interest), the Bonds of each Series being intended to be interchangeable with all other Bonds of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different dates of issue. The specific terms of each Tranche will be set out in the applicable Pricing Supplement.</p>
Issue Price	<p>Bonds may be issued at their nominal value or at a discount or premium to their nominal value. The Issue Price of a specific Series shall be defined in the applicable Pricing Supplement.</p>
Maturity of Bonds	<p>The Bonds may be issued with such maturity periods as may be agreed between the Issuer and the Issuing Houses and as indicated in the Pricing Supplement, subject to such minimum or maximum maturity period as may be allowed or required from time to time by the Issuer or any laws or regulations applicable to the Issuer or the relevant specified currency.</p>
Denominations	<p>Subject to compliance with all relevant laws, regulations and directives, Bonds will be in such denominations as may be specified in the applicable Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements.</p>
Optional Redemption	<p>The applicable Pricing Supplement will state whether Bonds may be redeemed prior to their stated maturity in whole or in part at the option of the Issuer and/or the Bondholders, and, if so, the terms applicable to such redemption and then only subject to any applicable legal or regulatory limitations.</p>
Redemption	<p>Bonds may be redeemable at par or at such other redemption amount as may be specified in the relevant Pricing Supplement.</p>
Taxation	<p>Based on the Constituent Charter, the Memorandum of Understanding, the Host Country Agreement and the current practice of the Federal Government of Nigeria, the Issuer is exempt from any obligation for the payment, withholding or collection of any tax (including but not limited to duties, charges, levies, impost, deduction or stamp duty). Accordingly, all payments in respect of the Bonds made by the Trustees, on behalf of the Issuer, will be made without deduction for taxes imposed within Nigeria.</p> <p>The Bonds are currently exempt from corporate income tax imposed under the Companies Income Tax Act (Chapter C21) Laws of the Federation of Nigeria 2004 (as amended by the Companies Income Tax (Amendment) Act No. 11 of 2007 as amended by the Finance Acts 2019 and 2020) ("CITA") up till January 2022. The implication of this is that in the hands of a corporate investor, the bonds and proceeds of the bonds are tax exempt i.e. will not be liable to companies' income</p>

tax (for corporate entities) during the period of the exemption. However, after the 2nd January 2022, income earned from the Bonds by corporate Bondholders may become liable to tax in the hands of such holders. In that case, each corporate Bondholder will have an obligation to pay its taxes on such income as the Issuer has no obligation to deduct and remit tax to the tax authorities in Nigeria.

Furthermore, by virtue of the Personal Income Tax Act (Chapter P8) Laws of the Federation of Nigeria 2004 (as amended by the Personal Income Tax (Amendment) Act 2011 and the Finance Acts 2019 and 2020) ("PITA"), the income earned from bonds issued by corporate entities including supranational organisations are exempt from taxation under the PITA. The implication of this is that in the hands of an individual investor, the bonds and proceeds of the bonds are tax exempt i.e. will not be liable to personal income tax for individuals without limitation as to time.

The proceeds from the disposal of the Bonds are also currently exempt from tax imposed under the Value Added Tax Act (Chapter V1) Laws of the Federation of Nigeria 2004 (as amended by the Value Added Tax (Amendment) Act 2007 and the Finance Acts 2019 and 2020) ("VAT Act") up till January 2022. Furthermore, by virtue of the Finance Act, 2020 which expressly excludes securities from the definition of goods under the Value Added Tax Act, corporate bonds may be exempt from VAT even after the expiration of the VAT Order.

For further information, please refer to the "Taxation" on page 42 below.

Ratings	The Bonds issued under this Programme will be rated by at least one rating agency duly registered and/or recognized with the SEC and such rating shall be reviewed annually in accordance with the SEC Rules and Regulations.
Governing Law	The Bonds and all agreements pertaining thereto will be governed by, and construed in accordance with, Nigerian law.
Listing and Trading	Each Series of Bonds may be listed and traded on the Relevant Exchange, or they may be unlisted, as specified in the relevant Pricing Supplement.
Terms and Conditions	The terms and conditions applicable to each Series (the "Terms and Conditions") will be agreed between the Issuer and the relevant Issuing House/Bookrunner or other purchaser at or prior to the time of issuance of such Series, and will be specified in the relevant Pricing Supplement. The Terms and Conditions applicable to each Series will therefore include those set out on pages 16 to 35 hereof as supplemented, modified or replaced by the relevant Pricing Supplement.

SUMMARY OF THE PROGRAMME

Pricing Supplements	The commercial terms of each issue of Bonds will be set forth in Pricing Supplements which will (i) define the legal terms of the issue, (ii) act as a mechanism for listing the Bonds and (iii) set out any other terms which may be applicable to the issue of Bonds. Where there is any inconsistency between the terms of a Pricing Supplement and this Shelf Prospectus, the Pricing Supplement will prevail.
Relevant Exchange	The Nigerian Exchange Limited and/or the FMDQ Securities Exchange Limited or any other securities exchange that the Issuer may designate as such from time to time.
Sale and Transfer	The sale or transfer of Bonds by Bondholders will be subject to the rules of the Relevant Exchange, the Depository, the terms and conditions of the Bonds and the provisions of the Programme Trust Deed. See "Taxation" on page 43 below for a description of exchange controls applicable to any non-resident investors.
Selling Restrictions	The sale and delivery of Bonds, and the distribution of offering material relating to the Bonds, are subject to certain restrictions in jurisdictions other than Nigeria as set forth in this Shelf Prospectus and as may be set forth in the applicable Pricing Supplement.
Underwriting	The Bonds may be underwritten in the manner as may be specified in the applicable Pricing Supplement.

Company for Habitat and Housing in Africa

(Shelter Afrique)

Longonot Rd, Shelter Afrique Centre

P.O. Box 41479 - 00100 Nairobi

Nairobi, Kenya

<https://www.shelterafrique.org>

info@shelterafrique.org

projectgida@shelterafrique.org

+254 20 4978000

ISSUING HOUSE

FSDH Capital Limited

4th Floor, UAC House,

1/5 Odunlami Street,

Lagos, Nigeria

Tom OSINIBI
Dini


ANDREW CHIPHONDAH


Solicitor to the Issue / Issuer

Aluko & Oyeboade

1 Murtala Muhammed Drive

Ikoyi

Lagos, Nigeria


Ayodeji Oyeboade
Aluko & Oyeboade

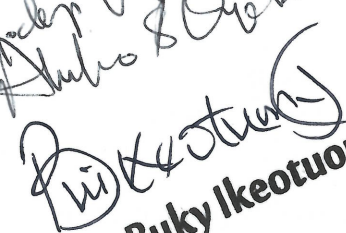
TRUSTEE

United Capital Trustees Limited

3rd and 4th Floors, Afriland Towers,

97/105 Broad Street,

Lagos, Nigeria


Buky Ikeotuonye

Trustee Advised By:

Banwo & Ighodalo

48 Awolowo Road, Ikoyi,

Lagos, Nigeria

REGISTRAR

CardinalStone Registrars Limited

335/337 Herbert Macaulay Way,

Sabo, Yaba, Lagos, Nigeria

<https://cardinalstoneregistrars.com/>

Registrars.projectgida@cardinalstone.com



Ayoola Adeola

RATING AGENCY

GLOBAL CREDIT RATING CO. LIMITED

11th Floor, New Africa House,

31 Marina, Lagos, Nigeria


Hafiz Zakunola

Shelter Afrique

The Issuer is a supranational financial institution headquartered at the Shelter Afrique Centre in Nairobi, Kenya, whose founding purpose is to promote financing in housing and urban development, and build strategic partnerships and alliances to provide decent and affordable homes for all in Africa. The Issuer was established by a Constituent Charter in 1982, and incorporated in Kenya under the Shelter Afrique Act, chapter 493C of the Laws of Kenya. Shelter Afrique was formed by forty-four (44) African governments, African Development Bank (AfDB), African Reinsurance Corporation (Africa-Re) and CDC Group (UK Development Finance Institution) with a mandate to mobilise resources for housing development in Africa.

Shelter Afrique is the only Pan-African development finance institution exclusively dedicated to housing finance in Africa. As such, it was established to serve multiple functions which include mobilising capital from which loan and equity resources shall, based upon policies and procedures approved by the Board from time to time, be made available for approved housing and related schemes in African countries and to national housing development institutions in African countries.

Other functions include promoting, encouraging and contributing directly through equity participation, and indirectly through financing and technical assistance through a special fund or otherwise, in the investment of public and private capital for housing and related schemes and in the establishment and development of viable housing institutions in African countries. In carrying out its functions, Shelter Afrique seeks to cooperate with national, regional and sub-regional development institutions in Africa. To the same end, it cooperates with international organisations pursuing a similar purpose and with other institutions concerned with the development of Africa.

Business Overview and Strategy

Shelter Afrique's vision is to provide decent and affordable housing for all in Africa, while its mission is to be the pre-eminent provider of financial, advisory and research solutions towards addressing the severe need for decent and affordable housing in Africa and to achieve sustainable developmental impact through public and private partnerships.

The Issuer offers project finance and institutional lending services to public sector institutions and partners with national housing agencies, cooperatives, and other public institutions on a range of housing development initiatives. The Issuer also serves private sector clients, offering public-private partnership opportunities, trade and housing finance, lines of credit and equity and joint venture investments to financial institutions and private sector developers.

Shelter Afrique seeks to assist Private and Public Sector institutions to identify, finance and implement housing related urban infrastructure projects through the implementation of Key Strategic Goals centred on:

- Financial Sustainability – Strengthening of its capital base, Achieving Non-Performing Loan ratio of 10% and mobilisation of new debt and equity capital.
- Enhancing Shareholder Value and Development Impact – Achieving development impact, strengthening of strategic partnerships with financial Institutions, research and industry bodies; and be the preferred provider of affordable housing financial services and solutions.
- Organisational Sustainability - Enhancing staff performance and raising employee engagement; and implementing a customer centric engagement model to improve customer satisfaction.

THE ISSUER'S SELECTED FINANCIAL INFORMATION

The following financial information for the year ended 31 December 2018, 31 December 2019 and 31 December 2020 has been derived from the Issuer's audited financial statements for those periods. The Issuer's accounting methods are in accordance with international financial reporting standard ("IFRS"). All of the following selected financial information should be read in conjunction with the Issuer's audited financial statements and notes thereto and with "analysis of financial condition and Result of Operations" in this offering circular.

Statement of Comprehensive Income

<i>Figures In US\$</i>	2018	2019	2020
Interest Income	17,616,667	15,337,668	9,698,631
Interest Expense and Similar Charges	(9,984,283)	(6,703,964)	(1,802,687)
Net Interest Income	7,632,384	8,633,704	7,895,944
Fees And Commissions Income	1,512,971	1,303,730	760,891
Grant Income	3,879	3,879	3,879
Other Income	335,896	256,413	366,026
Operating Income	9,485,130	10,197,726	9,026,740
Operating Expenses	(9,059,639)	(8,441,643)	(8,353,553)
Net Foreign Exchange Gains	263,233	234,959	(675,441)
Impairment Charge On Loans And Advances	(9,917,984)	(4,399,090)	(3,193,487)
Recoveries On Impaired Loans And Advances	12,768	2,043,128	4,448,828
Recoveries On Impaired Bank Deposits	902,436	-	-
Other Impairment Charges	-	(250,142)	(16,764)
Other Impairment Charges - Joint Ventures	(785,283)	-	-
Share Of (Loss) In Joint Ventures	(133,732)	21,426	89,443
Profit / (Loss) For The Year	(9,233,071)	(593,636)	1,325,766

THE ISSUER'S SELECTED FINANCIAL INFORMATION

Statement of Financial Position

<i>Figures In US\$</i>	2018	2019	2020
Assets			
Bank and cash balances	13,681,945	6,491,129	5,206,525
Short term bank deposits	30,777,049	50,482,387	42,200,586
Derivative financial assets	1,914	346,386	431,607
Properties held for sale	4,727,903	4,643,805	4,570,850
Loans and advances to customers	165,186,856	114,634,813	101,668,959
Other receivables	2,200,067	3,836,796	6,573,107
Investments in joint ventures	3,667,233	3,696,255	3,687,279
Equity investments	3,998,034	3,960,000	5,840,000
Property and equipment	4,957,618	4,758,284	4,443,772
Intangible assets	124,786	177,674	139,218
Government grant	108,626	104,746	100,867
Total Assets	229,432,031	193,132,275	174,862,770
Equity			
Share capital	91,760,000	97,388,000	106,781,000
Share premium	38,899,748	43,250,192	50,510,981
Revaluation reserve	2,809,279	2,777,594	2,566,150
Accumulated deficit	(27,521,509)	(28,083,460)	(27,096,417)
Credit Loss Reserve	1,000,000	1,000,000	1,000,000
Investment revaluation reserve	(1,831,417)	(2,496,610)	(1,421,925)
Special reserve – SHAF Foundation	1,670,352	1,585,277	1,320,044
Total Equity	106,786,453	115,420,993	133,659,833
Liabilities			
Derivative financial liability	-	-	258,246
Other payables	1,885,281	1,746,653	1,427,501
Provisions	1,558,940	2,166,391	2,892,961
Dividends payable	1,548,143	1,369,118	1,369,118
Deferred income	878,257	772,094	541,440
Medium term notes	8,285,023	4,763,406	1,579,852
Lines of credit	108,489,934	66,893,621	33,133,819
Total Liabilities	122,645,578	77,711,283	41,202,937
Total Equity and Liabilities	229,432,031	193,132,275	174,862,770

THE ISSUER'S SELECTED FINANCIAL INFORMATION

Cash Flow Statement

Figures In US\$	2018	2019	2020
Cash Flows from Operating Activities			
Loss for the Year	(9,233,071)	(1,258,829)	1,325,766
<i>Adjustments for:</i>			
Interest expense on funds from financial institutions and capital markets	9,984,283	6,703,964	2,099,008
Gain on disposal of Investment property held for sale	-	(1,122)	(2,577)
Depreciation of property and equipment	270,069	244,277	249,809
Amortization of grant income	3,879	3,879	3,879
Amortization of intangible assets	102,639	146,525	92,124
Impairment loss on equity investment	-	665,193	-
Share of (Profit)/loss from joint ventures	133,732	(21,426)	(89,443)
Impairment joint venture	785,283	-	-
Net foreign exchange loss - joint venture	(28,705)	(6,366)	98,419
Net foreign exchange loss/(gain) - equity invest	-	25,029	150,823
Net foreign exchange loss/(gain) - lines of credit	(113,097)	(51,241)	(388,364)
Net foreign exchange loss/(gain) – medium term notes	4,962	(170,748)	195,537
Cash flows from operating profits before changes in operating assets and liabilities	1,909,973	6,279,135	3,734,981
<i>Movements in:</i>			
Loans and advances to customers	82,215,132	50,552,043	12,965,854
Equity Investments	2,166,353	-	-
Other receivables	184,982	(1,636,729)	(2,736,311)
Derivative financial assets	-	(344,472)	173,025
Other payables and provisions	308,166	483,007	407,419
Derivative financial liabilities	(587,872)	-	-
Deferred income	(362,929)	(106,163)	(230,654)
IFRS 9 Impairment through retained earnings	(19,046,454)	-	-
IFRS 9 Impairment through investment revaluation reserve	(2,166,353)	-	-
Net cash generated from operations	64,620,998	55,226,821	14,314,314

THE ISSUER'S SELECTED FINANCIAL INFORMATION

<i>Figures In US\$</i>	2018	2019	2020
Cash Flows from Investing Activities			
Purchase of equipment	(35,790)	(45,052)	(115,056)
Purchase of intangible assets	(21,752)	(199,413)	(53,668)
Investment in equity instruments	(424,871)	(652,188)	(2,215,860)
Proceeds from sale of equity investments	-	-	889,314
Proceeds from sale of property held for sale	82,205	84,098	75,532
Net cash used in investing activities	(400,208)	(812,554)	(1,419,738)
Cash Flows from Financing Activities			
Special Reserves - SHAF Foundation payment	(13,300)	(85,075)	(265,233)
Proceeds from capital subscriptions	5,563,674	9,785,235	16,653,789
Repayment of borrowed funds - lines of credit	(35,990,714)	(42,221,877)	(31,024,084)
Interest paid on borrowed funds - lines of credit	(7,083,591)	(5,629,472)	-
Repayment of medium-term notes	(20,090,873)	(3,426,791)	(3,442,775)
Interest paid on medium term notes	(2,129,423)	(356,634)	-
Other finance charges paid	(1,455,715)	34,869	-
Net cash used in financing activities	(61,199,942)	(41,899,745)	(18,078,303)
Increase in Cash and Cash Equivalents	3,020,848	12,514,522	(9,566,405)
Cash and Cash Equivalents at 1 January	41,438,146	44,458,994	56,973,516
Cash and Cash Equivalents at 31 December	44,458,994	56,973,516	47,407,111

TERMS AND CONDITIONS OF THE BONDS

The following is the text of the terms and conditions of the Bonds which subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are attached to the applicable Series Trust Deed, and Supplementary Shelf Prospectus/Pricing Supplement (the "Final Terms") and save for the italicised text will be deemed to be incorporated by reference into the Bonds issued under this Deed.

The provisions of these Terms and Conditions of the Bonds (the "General Conditions") which are applicable to the Bonds issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Bonds will be issued in individual Tranches which, together with other Tranches, may form a Series of Bonds. Any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these General Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these General Conditions; alternative or optional provisions of these Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these General Conditions; and all provisions of these General Conditions which are inapplicable to the Bonds shall be deemed to be deleted from these General Conditions as required to give effect to the terms of the relevant Final Terms.

Introduction

The Bonds are constituted by a trust deed dated 18 October 2021 between the Company for Habitat and Housing in Africa (Shelter Afrique) (the "Issuer") and United Capital Trustees Limited (the "Trustee") (the "Programme Trust Deed").

Any Tranche or Series of Bonds which is to be created and issued pursuant to the Programme Trust Deed shall be constituted by, be subject to and have the benefit of a Series Trust Deed (the "Series Trust Deed") between the Issuer and the Trustee. The Issuer shall execute and deliver such Series Trust Deed to the Trustee containing such provisions (whether or not corresponding to any of the provisions contained in the Programme Trust Deed) as the Trustee and the Issuer may agree. Each Series Trust Deed shall set out the form of the Tranche of Bonds to be so constituted thereby and may be accompanied by legal opinions (in form and substance satisfactory to the Trustee) or supporting authorisations/approvals as may be required by the Trustee.

The Bondholders are entitled to the benefit of and are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed and the relevant Series Trust Deed applicable to them. The Programme Trust Deed and any Series Trust Deed are hereinafter collectively referred to as the Trust Deed. Copies of the Programme Trust Deed are available for inspection between the hours of 10:00am and 3:00pm on any Business Day at the principal office of the [Trustee], and at the specified offices of the Registrar

These terms and conditions include summaries of, and are subject to the detailed provisions of the Programme Trust Deed and the Series Trust Deed.

Interpretation and General Definitions

Except otherwise stated, words and expressions defined in the Programme Trust Deed shall bear the same meanings when used herein. Unless inconsistent with the context or separately defined in the Supplementary Shelf Prospectus/Pricing Supplement, the following expressions shall have the following meanings:

- (i) "Business Day" means any day excluding Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria and on which banks in Nigeria are open for business;
- (ii) "Call Option" if specified as applicable in the Supplementary Shelf Prospectus/Pricing Supplement, means the option of the Issuer to redeem the Bonds early in that Tranche of Bonds, in whole or, if so specified in the Supplementary Shelf Prospectus/Pricing Supplement,

- in part at the Optional Redemption Amount(s) on the Optional Redemption Date(s) in accordance with Condition 4(d) (*Redemption at the Option of the Issuer (Call Option)*);
- (iii) "Coupon Period" means the period beginning on (and including) the Coupon Commencement Date and ending on (but excluding) the first Coupon Payment Date and each successive period beginning on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date.
 - (iv) "Coupon Termination Date" means the date specified in the applicable Supplementary Shelf Prospectus/Pricing Supplement;
 - (v) "Early Redemption Amount" means the amount at which the Bonds will be redeemed by the Issuer pursuant to the provisions of Conditions 4(d) (*Redemption at the Option of the Issuer (Call Option)*) and/or Condition 9 (*Events of Default*), or as set out in the applicable Supplementary Shelf Prospectus/Pricing Supplement;
 - (vi) "Fixed Rate Bonds" mean Bonds that carry a predetermined Coupon rate payable in arrears on a fixed date or fixed dates in each year and on redemption or on such other dates as may be indicated in the applicable Supplementary Shelf Prospectus/Pricing Supplement;
 - (vii) "Floating Rate Bonds" mean Bonds on which the Coupon payable in arrears changes periodically based on some pre-determined benchmark, in respect of such period or on such date(s) as may be indicated in the applicable Supplementary Shelf Prospectus/Pricing Supplement;
 - (viii) "Instalment Amount" means the amount expressed as a percentage of the nominal amount of an Instalment Bond, being an instalment of principal (other than the final instalment) on an Instalment Bond;
 - (ix) "Instalment Bonds" means Bonds redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as specified in the applicable Supplementary Shelf Prospectus/Pricing Supplement;
 - (x) "Optional Redemption Amount" means in respect of any Bond, its nominal amount or such other amount as may be specified in, or determined in accordance with, the Supplementary Shelf Prospectus/Pricing Supplement;
 - (xi) "Optional Redemption Date" means the date(s) specified as such in the Supplementary Shelf Prospectus/Pricing Supplement in relation to a Series or Tranche of Bonds pursuant to which the Issuer is specified as having an option to redeem in accordance with Condition 4(d) (*Redemption at the option of the Issuer (Call Option)*); and
 - (xii) "Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

CONDITION 1 CURRENCY, FORM, TITLE AND DENOMINATION

- (a) Issue and Currency

The Bonds may be issued by the Issuer in Series or Tranches pursuant to the Programme Trust Deed. A Tranche of Bonds may, together with a further Tranche or Tranches, form a Series of Bonds issued, provided that the aggregate nominal amount of all Bonds Outstanding under the Programme at any one point in time does not exceed the Programme Limit. The Supplementary Shelf Prospectus/Pricing Supplement for each Tranche of Bonds is (to the

extent relevant) incorporated herein for the purposes of those Bonds and supplements these General Conditions.

The Supplementary Shelf Prospectus/Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these General Conditions for the purposes of those Bonds.

The Bonds shall be in registered form or as may be specified in the applicable Final Terms, in Naira and in specified denomination(s).

(b) Form and Title

The Bonds shall be issued in dematerialised (uncertificated, book-entry) form, which shall be registered with a separate securities identification code with the CSD and each Holder shall be issued an E-allotment Notification. Each Holder shall be entitled to deal in the same in accordance with the CSD procedures and guidelines

The CSD Statement of Account shall be conclusive and binding for all purposes save in the case of manifest error and such person stated in the CSD Statement of Account shall be treated by the Issuer, the Trustee and the Registrar as the legal and beneficial owner of such aggregate number of Bonds for all purposes.

(c) Listing

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

(d) Denomination

The aggregate nominal amount, currency and denomination of a Series or Tranche of Bonds will be specified in the Supplementary Shelf Prospectus/Pricing Supplement.

(e) Closed Periods

No Holder may require the transfer of the Bonds (i) during the period of fifteen (15) days ending on the due date for redemption of, or payment of any Coupon or Instalment Amount in respect of that Bond; (ii) after any Bonds has been called for redemption by the Issuer or a Bondholder pursuant to Condition 4 (*Redemption, Purchase and Options*) or (iii) following the issuance of default notice to the Issuer by the Trustee pursuant to Condition 9 (*Events of Default*).

CONDITION 2 STATUS OF THE BONDS

a) Status of the Senior Bonds

Unless otherwise specified in the Supplementary Shelf Prospectus/Pricing Supplement, the Senior Bonds shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Issuer under the Senior Bonds in respect of principal and any Coupon thereon shall, save for such obligations as may be preferred by applicable legislation relating to creditor's rights, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

b) Status of the Subordinated Bonds

Unless otherwise specified in the Supplementary Shelf Prospectus/Pricing Supplement, the Subordinated Bonds shall constitute direct, unconditional, subordinated and unsecured obligations of the Issuer, and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds in respect of principal and any Coupon thereon shall, save for such obligations as may be preferred by applicable legislation relating to creditor's rights, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future.

The provisions of this Condition 2(b) apply only to the principal and Coupon in respect of the Subordinated Bonds and nothing in this Condition 2(b) or in Condition 10 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

CONDITION 3 COVENANTS

For as long as any of the Bonds remain Outstanding (as defined in the Programme Trust Deed), the Issuer shall/undertakes to comply with the following covenants:

(a) Negative Pledge

The Issuer shall not create any Security Interest "except for a Permitted Security Interest (as defined below) upon the whole or any part of its present or future undertaking, business, assets or revenues to secure any indebtedness for listed bonds or other listed securities, unless the Issuer's obligations under the Senior Bonds are secured equally and rateably therewith or have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem not to be materially less beneficial to the Bondholders.

In this Condition:

"Permitted Security Interest " means:

- (a) Security Interest existing on the date of the most recently published Supplementary Shelf Prospectus or Pricing Supplement relating to the Bonds;
- (b) any netting or set-off arrangement entered into by the Issuer in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (c) any Security Interest arising by operation of law or court or government body in the ordinary course of trading;
- (d) any Security Interest over or affecting any asset acquired by the Issuer after the issue of the Bonds if such Security Interest was not created in contemplation of the acquisition of that asset, the principal amount secured has not been increased in contemplation of or since the acquisition of that asset, and such Security Interest is removed or discharged within six months of the date of the acquisition; and
- (e) Security Interest in respect of indebtedness up to a maximum of [\$50,000,000 (Fifty Million United States Dollars)]

(b) Financial Covenants
Capital Adequacy

The Issuer shall ensure that, unless it currently holds at least two Investment Grade Ratings (in which case this Condition 3 (b) shall be disapplied for the duration of the existence of such Investment Grade Ratings) and it maintains a minimum capital adequacy ratio of 25% (twenty-five per cent) of capital against risk weighted assets calculated in accordance with the provisions of the Basel II Framework.

In this Condition 3 (b):

“Basel II Framework” means the framework titled “Basel II: The International Convergence of Capital Measurement and Capital Standards - A Revised Framework”;

“Investment Grade Rating” means a long-term debt rating (or its equivalent) in respect of the Issuer given by Global Credit Rating Company Limited (GCR)

(c) Compliance with the Conditions

The Issuer shall furnish the Trustee annually with a certificate which the Trustee may rely on to confirm the Issuer’s compliance with the Conditions (including Conditions 3(a) and 3(b) and the Trustee shall not be obliged to monitor compliance by the Issuer with the Conditions

In addition, if at any time that it is required to comply with the financial covenants set out under Condition 3(b) above, the Issuer is not in compliance with Condition 3(b) then it shall immediately inform the Trustee that it is no longer in compliance.

CONDITION 4 REDEMPTION, PURCHASE AND OPTIONS

A Series or Tranche of Bonds will be redeemed on the Maturity Date in accordance with Condition 4(a) (*Scheduled Redemption*). If “Redemption at the option of the Issuer (Call Option)” and/or “Redemption at the option of the Bondholders of Bonds (Put Option)” is specified as applicable in the Supplementary Shelf Prospectus/Pricing Supplement, a Tranche of Bonds may, or upon the occurrence of an Event of Default as set out in Condition 9 (Events of Default) be redeemed prior to its Maturity Date in accordance with this Condition 4 (Redemption, Purchase and Options).

(a) Scheduled Redemption

Unless previously redeemed or purchased and cancelled as specified below, the Bonds will be redeemed at the Final Redemption Amount on the Maturity Date subject to the provisions contained in Condition 5 (*Payments*).

(b) Redemption by Instalments and Final Redemption

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 4, Bonds of a Series or Tranche that provide for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in respect of such Bonds. The outstanding nominal amount of such Bonds shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Bonds, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount. The Registrar shall update the Register to reflect the amount outstanding within 5 Business days of the Instalment Date.

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

(c) Early Redemption

The Early Redemption Amount payable in respect of Bonds of a Series (upon redemption of such Bonds pursuant to Condition 4(c) or upon it becoming due and payable as provided in *Condition 9 (Events of Default)*), shall be the Final Redemption Amount unless otherwise specified in the Final Terms in respect of the Bonds.

(d) Redemption at the Option of the Issuer (Call Option)

If Call Option is specified in the Supplementary Shelf Prospectus/Pricing Supplement, the Bonds may, be redeemed at the option of the Issuer in whole or, if so specified in the Supplementary Shelf Prospectus/Pricing Supplement, in part, upon the Issuer, having given:

- (i) not less than thirty (30) and not more than 60 (sixty) days, or such other period as specified in the Supplementary Shelf Prospectus/Pricing Supplement, notice to the Bondholders in accordance with *Condition 12 (Notices)*; and
- (ii) not less than 7 (seven) days before giving the notice referred to above, notice to the Trustee, to redeem all or some of the Bonds then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Supplementary Shelf Prospectus/Pricing Supplement together, if appropriate, with Coupon accrued up to (but excluding) the Optional Redemption Date(s).

Any such redemption amount must be of a nominal amount equal to or greater than the minimum redemption amount or equal to or less than the maximum redemption amount, both as specified in the Supplementary Shelf Prospectus/Pricing Supplement, if applicable. In the case of a partial redemption of Bonds, the notice to the Holders shall also specify the nominal amount of the Bonds to be redeemed ("Redeemable Bonds") and the Redeemable Bonds will be selected individually by lot; and in each such case not more than 30 (thirty) days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date").

(e) Redemption for Taxation Reasons

If so specified in the Supplementary Shelf Prospectus/Pricing Supplement, the Bonds may be redeemed at the option of the Issuer in whole, or in part,

- (i) at any time (if neither the Floating Rate Bonds provisions nor the Indexed Bonds provisions are specified in the Supplementary Shelf Prospectus/Pricing Supplement as being applicable or, if they are, such provisions are not applicable at the time of redemption); or
- (ii) on any Coupon Payment Date (if the Floating Rate Bonds Provisions or the Indexed Bonds provisions are specified in the Supplementary Shelf Prospectus/Pricing Supplement as being applicable and are applicable at the time of redemption),

- (iii) on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Bondholders (which notice shall be irrevocable) at their Early Redemption Amount together with the Coupon accrued to the date fixed for redemption, if:
- 1) the Issuer satisfies the Trustee and the SEC immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of Nigeria or any political subdivision or any authority thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the Series or Tranche of the Bonds; and
 - 2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee and the SEC a certificate signed by its authorised representative stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

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

- (i) where the Bonds may be redeemed at any time, 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or would be entitled (as such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities; or
 - (ii) where the Bonds may be redeemed only on a Coupon Payment Date, 60 (sixty) days prior to the Coupon Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities
- (f)** Redemption at the Option of the Holders (Put Option)

If a Put Option is specified in the Supplementary Shelf Prospectus/Pricing Supplement, the Issuer shall, at the option of the Holder, giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in respect of the Bonds), redeem such Bonds on the Optional Redemption Date(s) at its Optional Redemption Amount together with Coupon (if any) accrued to the date fixed for redemption.

In order to exercise the Put Option, the Holder must deposit with the Issuer at the Office (with a copy to the Trustee), a duly completed put option exercise notice ("Exercise Notice") within the notice period and give the Trustee such instructions as may be necessary to give effect to the exercise of the Put Option. Once such option has been exercised by the deposit of an Exercise Notice, it may not be withdrawn without the prior consent of the Issuer.

CONDITION 5 PAYMENTS

- (a) Only Bondholders whose names appeared in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "Record Date") shall be entitled to payment of amounts due and payable in respect of Bonds.

- (b) Payments of an Instalment Amount (where applicable), the Principal Amount, periodic distribution, final Instalment Amount and Coupon (where applicable) will be made in the relevant currency and by credit/electronic funds transfer to the specified bank account of the Bondholder. Provided however that the Issuer shall withhold amounts due to a Bondholder until a bank account is specified in writing by the Bondholder and the Bondholder shall not be entitled to any further Coupon, return or other payment in respect of any such delay. Coupon or returns on Bonds due will be paid to the Bondholder shown on the Register of Bonds of a Series at the close of business on the Record Date. The Bondholder shall be the only person entitled to receive payments in respect of Bonds and the Issuer will be discharged by payment to, or to the order of, the Bondholder in respect of each amount so paid.
- (c) If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking laws and practice) of any such amounts made payable to the relevant Bondholder. Such payments by cheque shall be sent by registered post to the address of the Bondholder of registered Bonds as set forth in the Register or, in the case of joint Bondholders of Registered Bonds, the address set forth in the Register of that one of them who is first named in the Register in respect of that Bond. Payment by electronic transfer to the Bondholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Bonds. Cheques may be posted by registered post, provided that the Issuer shall not be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Bondholders for the purposes of all cheques posted in terms of this Condition 5(c) (*Payments*).
- (d) If the due date for payment of any amount in respect of the Bonds is not a Business Day, then the Bondholder thereof shall not be entitled to payment of the amount due until the following day unless the day falls in the next calendar month, in which case the due date will be the immediately preceding day that is a Business Day, and the Bondholder shall not be entitled to any further Coupon, return or other payment in respect of any such delay.
- (e) All payments of all amounts (whether in respect of principal, coupon or otherwise) due and payable in respect of any Bonds shall be initiated by the Trustee or the Registrars (if so instructed by the Trustee) promptly from the Designated Account for onward payment to the Bondholders on behalf of the Issuer.
- (f) Interpretation of the Principal Amount:
- (i) Any reference in the General Conditions to the Principal Amount in respect of the Bonds shall be deemed to include, as applicable any additional amounts which may be payable with respect to the Principal Amount under any undertaking or covenant given in addition thereto, or in substitution therefore, pursuant to the Programme Trust Deed:
- (a) the Final Redemption Amount of the Bonds;
 - (b) the Early Redemption Amount of the Bonds;
 - (c) the Optional Redemption Amount(s) (if any) of the Bonds;
 - (d) in relation to Bonds redeemable in instalments, the Instalment Amounts; and
 - (e) any premium and any other amounts (other than Coupon) which may be payable by the Issuer under or in respect of the Bonds.

CONDITION 6
TRANSFER OF BONDS

(a) Transfer of Bonds

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

Any Person becoming entitled to registered Bonds in consequence of the death or liquidation of the Holder of such Bonds may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 6 or of his title as the Issuer shall require, be registered himself as the holder of such Bonds or, subject to any procedure/requirements the Issuer shall require and the provisions on transfer, may transfer such Bonds.

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

The Register shall reflect the number of registered Bonds issued and Outstanding, the date upon which each of the Bondholders was registered as such. The Register shall contain the name, address, and bank account details of the Bondholders of the registered Bonds. The Register shall set out the nominal amount of the Bonds issued to such Bondholders and shall show the date of such issue. The Register shall be open for inspection during the normal business hours of the Registrar to any Bondholder or any person authorised in writing by any Bondholder.

Each Tranche or Series shall be registered in the applicable Register. The transfer of the Bonds shall be regulated by the CSD procedures and guidelines.

The Register shall be closed during such periods, not exceeding an aggregate of thirty (30) days in any year and no transfer of Bonds shall be registered during that period.

(b) Prohibition on Stripping

Where so specified in the Supplementary Shelf Prospectus/Pricing Supplement, Bonds which shall be issued subject to the condition that the relevant Bonds (including rights to Instalment Amounts and/or Coupon thereon, as applicable) may only be transferred to a single transferee at a time and accordingly that the various rights in respect of such Bonds may not be stripped and transferred to various transferees at different times.

Stripping of Bonds is otherwise permitted.

CONDITION 7
TAXATION

- a) Pursuant to the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 ("CIT Order"), and the Value Added Tax (Exemption of Proceeds of Disposal of Government and Corporate Securities) Order 2011 ("VAT Order"), income earned from bonds issued by supranational entities in Nigeria are exempted from taxes ordinarily imposed under the Companies Income Tax Act, for a period of 10 years from the date the order became effective (being January 2, 2012). Furthermore, by virtue of the Personal Income

Tax (Amendment) Act 2011, income earned from bonds issued by supra-nationals are also exempt from personal income tax.

- b) Therefore, all amounts payable under the Bonds will be paid without deduction or withholding for or on account of any income tax. Thus, the Bondholders will not be required by law to pay tax on Coupon payments received until January 1, 2022, where the CIT order is not extended. In relation to Bonds with a maturity date later than January 1, 2022, where the CIT Order is not extended, Coupon payments to corporate Holders may become liable to tax. In such circumstance, corporate Holders may be obliged to pay tax on such Coupon payment directly to the tax authorities as the Issuer, pursuant to the Agreement is not obliged to deduct and remit tax to the tax authorities in Nigeria.
- c) Furthermore, by virtue of the Finance Act, 2020 which expressly excludes securities from the definition of goods under the Value Added Tax Act, the Bonds may be exempt from VAT even after the expiration of the VAT Order.

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

CONDITION 8 PRESCRIPTION

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

As used in these General Conditions, "Relevant Date" in respect of any payment means the date on which such payment first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven (7) Business Days after that on which notice is duly given to the Bondholders that such payment will be made.

CONDITION 9 EVENTS OF DEFAULT

Upon the happening of any of the following events ("Events of Default"), the Issuer shall forthwith notify all the Bondholders and the Trustee. The Trustee at its discretion may, and if so requested in writing by Holders of at least one-tenth in nominal amount of the Bonds of the relevant Series then outstanding, or if so directed by a Special Resolution of the Bondholders of the relevant Series, shall give written notice to the Issuer at its specified office, effective upon the date of receipt thereof by the Issuer, that the Bonds are immediately due and repayable, whereupon the Early Redemption Amount (if any) of the Bonds together with any accrued interest to the date of payment shall become immediately due and payable:

- (i) Non-Payment of Principal: default is made in the payment on the due date of the Principal Amount in respect of any Tranche or Series of Bonds;
- (ii) Non-Payment of Coupon: default is made in the payment on the due date of Coupon in respect of any Tranche or Series of Bonds; provided that non-payment as a result of a technical or administrative error which is remedied within 5 (five) Business Days shall not be deemed an Event of Default; or
- (iii) Breach of Other Obligations: the Issuer does not perform or comply with any one or more of its other covenant, condition, provision, agreement or obligations in the Bonds or the Programme Trust Deed which default is incapable of remedy (when no notice as is hereinafter mentioned will be required) or if in the opinion of the Trustee, is capable of remedy, is not remedied within 30 (thirty) days (or such longer period as the Trustee may

permit in writing) after written notice of such default shall have been given to the Issuer by the Trustee at its specified office; or

(iv) Failure to take action: any action, condition or thing (including the obtaining of any consent, licence, approval or authorisation) now or hereafter necessary to enable the Issuer comply with its obligations under the Programme Trust Deed for the issuance of the Bonds is not taken, fulfilled or done, or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect, resulting in the Issuer being unable to perform any of its obligations in terms of the Bonds or the Programme for the issuance of the Bonds.

(v) Cross-Default

- a. any other present or future indebtedness of the Issuer, for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any default by the Issuer; or
- b. any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or
- c. any commitment in respect of such indebtedness is cancelled or suspended by a creditor of the Issuer by reason of any event of default or the like (howsoever described); or
- d. the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (v) have occurred equals or exceeds [\$50,000,000 (Fifty Million United States Dollars)] or its equivalent (as reasonably determined by the Trustee); or

(vi) Enforcement Proceedings: Any expropriation, distress, attachment, sequestration or execution (or any analogous procedure) or other legal process is levied, enforced or commenced on or against any part of the property, assets or revenues of the Issuer where the value of such asset or revenue equals or exceeds [\$50,000,000 (Fifty Million United States Dollars)]; or

(vii) Insolvency: The Issuer is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or the value of the assets of the Issuer is less than its liabilities (taking into account contingent and prospective liabilities); or

(viii) Winding-up: Any resolution passed for the suspension or termination of the Issuer pursuant to the provisions of the Convention, or the Issuer otherwise ceases to exist; or

(ix) Cessation of Business: The Issuer ceases, or threatens to cease, to carry on all or substantially all of its business or operations;

(x) Illegality: It is or will become unlawful for the Issuer to perform or comply with any one or more of its material obligations under the Trust Deed.

(xi) Material Adverse Change: Upon the occurrence of an event which has a Material Adverse Effect;

CONDITION 10
ENFORCEMENT

- (a) The Trustee may, at its discretion and without notice institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Bonds including the repayment of the Bonds at any time after the Bonds shall have become repayable under the terms of issue, but shall not be bound to do so unless:
- i. It has been so directed by a Special Resolution of the Bondholders passed at a meeting duly convened in accordance with clause 1.2 of Schedule 1 of the Trust Deed or so requested in writing by the holders of not less than one tenth in principal amount of the outstanding Bonds of the relevant Series; and
 - ii. It has been indemnified, prefunded and/or secured to its satisfaction.
- (b) No Bondholder shall be entitled to proceed directly against the Issuer to enforce the provisions of the Trust Deed unless the Trustee having become bound so to proceed, fails so to do within 30 (thirty) Business Days and the failure shall be continuing, in which case the Bondholder, shall have only such rights against the Issuer as those which the Trustee is entitled to exercise.
- (c) The Trustee or the Bondholders shall be entitled to all remedies available under the law for the recovery of amounts owing in respect of the Bonds or under the Trust Deed.
- (d) The Trustee shall also file a notice of any default and remedies being pursued with the SEC within ten (10) days of becoming aware of the occurrence of an Event of Default.
- (e) If the Floating Rate Bonds or Index Linked Coupon Bonds of any Series become immediately due and repayable under Condition 9 (*Events of Default*) the rate and/or amount of coupon payable in respect of them will be calculated by a calculation agent (where so specified in the applicable Supplementary Shelf Prospectus/Pricing Supplement) at the same intervals as if such Bonds had not become due and repayable, the first of which will commence on the expiry of the Coupon Period during which the Bonds of the relevant Series become so due and repayable *mutatis mutandis* in accordance with the provisions of *Condition 11 (Coupon and Other Calculations)* except that the rates of Coupon need not be published.
- (f) Upon the occurrence of an Event of Default, the Trustee shall at its discretion be entitled to liquidate the Designated Account for the payment of the amounts outstanding on the Bonds, provided however the Trustee shall only be obliged to distribute to the Bondholders up and to the extent of such amounts as it realises from the Designated Account and such amounts shall be applied to meet the obligations of the Issuer in accordance with the Programme Trust Deed and the applicable Series Trust Deed.

CONDITION 11
COUPON AND OTHER CALCULATIONS

If the Supplementary Shelf Prospectus/Pricing Supplement so specifies, the Bonds of any Tranche will bear Coupon from the Coupon Commencement Date at the Coupon Rate(s) specified in, or determined in accordance with, the Supplementary Shelf Prospectus/Pricing Supplement and such Coupon will be payable in respect of each Coupon Period on the Coupon Payment Date(s) specified in the Supplementary Shelf Prospectus/Pricing Supplement. The Coupon payable on the Bonds of any

TERMS AND CONDITIONS OF THE BONDS

Series or Tranche for a period other than a full Coupon Period shall be determined in accordance with the Supplementary Shelf Prospectus/Pricing Supplement.

(a) Coupon on Fixed Rate Bonds

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

Accrual of Coupon

The Bonds bear Coupon from the Coupon Commencement Date at the Coupon Rate payable in arrears on each Coupon Payment Date, subject as provided in Condition 5 (*Payments*). Each Bond will cease to bear Coupon from the Coupon Termination Date.

Fixed Coupon Amount

The Coupon Amount payable in respect of each Bond for any Coupon Period shall be the relevant Fixed Coupon Amount and, if the Bonds are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

Calculation of Coupon Amount

The amount of coupon payable in respect of each Bond for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Coupon Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the specified denomination of such Bond divided by the Calculation Amount, provided that:

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

(b) Coupon on Floating Rate Bonds and Indexed Bonds

Accrual of Coupon

The Bonds bear Coupon from the Coupon Commencement Date on the outstanding nominal amount at the Coupon Rate payable in arrears on each Coupon Payment Day, subject as provided in Condition 5 (*Payments*). Each Bond will cease to bear Coupon from the Coupon Termination Date.

Floating Coupon Rate

The Floating Coupon Rate which is applicable to a Series or Tranche of Floating Rate Bonds for a Coupon Period will be determined in the manner specified in the relevant *Supplementary Shelf Prospectus/Pricing Supplement*.

Indexed Coupon

If the Indexed Coupon Bond provisions are specified in the Supplementary Shelf Prospectus/Pricing Supplement as being applicable, the Coupon Rate(s) applicable to the

Bonds for each Coupon Period will be determined in accordance with the manner specified in the Supplementary Shelf Prospectus/Pricing Supplement.

Maximum and/or Minimum Coupon Rate

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

Determination of Floating Coupon Rate and Calculation of Coupon Amount

The Trustee, in the case of Floating Rate Bonds will, at or as soon as practicable after each time at which the Coupon Rate is to be determined in relation to each Coupon Period, procure the calculation of or calculate the Coupon Amount payable in respect of each Bond for such Coupon Period. The Coupon Amount will be calculated by applying the Coupon Rate for such Coupon Period to the Calculation Amount and multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Bond divided by the Calculation Amount.

Calculation of Other Amounts

If the Supplementary Shelf Prospectus/Pricing Supplement specifies that any other amount is to be calculated (by the Calculation Agent, if any), the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the Supplementary Shelf Prospectus/Pricing Supplement.

Publication

The calculation agent, if any, will cause each Coupon Rate determined by it, together with the relevant Coupon Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s) to be notified to the Issuer, the Trustee, any Exchange on which the relevant Floating Rate Bonds are for the time being listed, as soon as possible after their determination and in any event not later than the later of the day that is 3 (three) Business Days before the relevant Coupon Payment Date and the relevant Coupon Determination Date for that Coupon Period. Notice thereof shall also promptly be given to the Bondholders in accordance with Condition 12 (*Notices*).

Each Coupon Rate determined by the calculation agent, together with the relevant Coupon Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s) shall be made available to the Bondholders in respect of any unlisted Floating Rate Bonds promptly upon request.

The calculation agent will be entitled to recalculate any Coupon Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Coupon Period. Any such amendment will be promptly notified to the Issuer, the Trustee and to the Bondholders in accordance with Condition 12 (*Notices*) and, the relevant Exchange where the Tranche of Bonds is listed. If the Calculation Amount is less than the minimum Specified Denomination the calculation agent shall not be obliged to publish each Coupon Amount but instead may publish only the Calculation Amount and Coupon Amount in respect of a Bond having the minimum Specified Denomination.

(c) Coupon on Mixed Rate Bonds

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

(d) Coupon on Partly Paid Bonds

In the case of Partly Paid Bonds, coupon will accrue on the paid-up nominal amount of such Bonds and otherwise as specified in the Supplementary Shelf Prospectus/Pricing Supplement from the Coupon Commencement Date to the Coupon Termination Date.

(e) Coupon on Instalment Bonds

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

(f) Coupon on Unpaid Amounts

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

(g) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the *Floating Rate Business Day Convention*, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the *Following Business Day Convention*, such date shall be postponed to the next day that is a Business Day, (C) the *Modified Following Business Day Convention*, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the *Preceding Business Day Convention*, such date shall be brought forward to the immediately preceding Business Day.

(h) Margin, Maximum/Minimum Rates of Coupon, Instalment Amounts and Redemption Amounts Rate Multipliers and Rounding

(i) If any Margin or Rate Multiplier is specified in respect of the Bonds (either (i) generally, or (ii) in relation to one or more Coupon Accrual Periods), an adjustment shall be made to all Rates of Coupon, in the case of (i), or the Rates of Coupon for the specified Coupon Accrual Periods, in the case of (ii), calculated in accordance with Condition 11(d) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Coupon, Instalment Amount or Redemption Amount is specified in respect of the Bonds, then any Rate of Coupon, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (i) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures shall be rounded to seven significant figures (with halves being rounded up); and (iii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up. For these purposes, "unit" means the lowest amount of such currency that is available as legal tender, in the country of such currency).

(i) Calculations

The Coupon payable in respect of any Bond for any Coupon Accrual Period shall be calculated by multiplying the product of the Rate of Coupon and the calculation amount as specified in the applicable Supplementary Shelf Prospectus/Pricing Supplement (the "Calculation Amount") by the Day Count Fraction for such Coupon Accrual Period, unless a Coupon Amount (or formula for its calculation) is specified in respect of such Coupon Accrual Period, in which case the Coupon Amount payable per Calculation Amount in respect of such Bonds for such Coupon Accrual Period shall equal such Coupon Amount (or be calculated in accordance with such formula). Where any Coupon Period comprises two (2) or more Coupon Accrual Periods, the Coupon Amount payable per Calculation Amount in respect of such Coupon Period shall be the sum of the Coupon Amount payable in respect of each of those Coupon Accrual Periods. In respect of any other period for which Coupon is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which Coupon is required to be calculated.

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

- (i) if "Actual/365" or "Actual/Actual-ICMA" is specified in respect of the Bonds, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in respect of Bonds of a Series, the actual number of days in the Calculation Period divided by 365;
- (iii) if "Actual/360" is specified in respect of Bonds of a Series, the actual number of days in the Calculation Period divided by 360;
- (iv) if "30/360", "360/360" or "Bonds Basis" is specified in respect of the Bonds, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

- (v) if "30E/360" is specified in respect of the Bonds, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (vi) if "**Actual/Actual**" is specified in respect of the Bonds:
 - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and (b) if the Calculation Period is longer than one Determination Period, the sum of: (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"Coupon Accrual Period" means the period beginning on (and including) the Coupon Commencement Date and ending on (but excluding) the first Coupon Period Date and each successive period beginning on (and including) a Coupon Period Date and ending on (but excluding) the next succeeding Coupon Period Date.

"Coupon Amount" means

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

"Coupon Determination Date" means, with respect to a Rate of Coupon and Coupon Accrual Period, the date specified as such in respect of the Bonds.

"Coupon Period Date" means each Coupon Payment Date unless otherwise specified in the Supplementary Shelf Prospectus/Pricing Supplement.

"Coupon Rate" or "Rate of Coupon" means the rate of interest payable from time to time in respect of Coupon bearing Bonds of a Series or Tranche and that is either specified or calculated in accordance with the provisions in respect of such Bonds.

"Determination Date" means the date specified in respect of the Coupon of a Series or, if none is so specified, the Coupon Payment Date.

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

CONDITION 12
NOTICES

(a) Notices to the Bondholders

All notices to the Bondholders will be valid if mailed to them at their respective addresses of record in the relevant register of Bonds of a Series maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with this the SEC Rules and the rules and regulations of any securities exchange or other relevant authority on which the Bonds are for the time being listed. Any notice shall be deemed to have been given in the case of a notice of meeting at the expiration of seven (7) Business Days after the mail containing same is posted and in any other case at the expiration of five (5) Business Days following the date on which the notice was posted or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication. Where a notice is served personally or sent by courier, it shall be deemed to have been duly given or made at the time of actual receipt. Where a notice is sent by electronic mail transmission it shall be deemed to be duly given or made upon receipt of an electronic mail from the recipient, confirming that the said notice has been duly received or upon receipt of an electronic mail confirming that the said electronic mail has been read by the recipient provided that in the case of any electronic mail transmission sent after 4.30 pm, it shall be deemed to have been duly received on the next Business Day.

A meeting of the Holders may be called by giving not less than twenty-eight (28) days' notice in writing if consent is accorded thereto by Holders holding not less than seventy-five per cent (75%) of the nominal amount of the Bonds for the time being outstanding.

(b) Notices from the Bondholders

Notices to be given by any Bondholder shall be in writing and given by lodging the same with the Registrar.

Any change of name or address on the part of the Holder shall forthwith be notified to the Issuer and subsequently, the Register shall be altered accordingly

CONDITION 13
MEETINGS OF BONDHOLDERS

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

CONDITION 14
ENTITLEMENT AND INDEMNIFICATION OF THE TRUSTEE

In connection with the exercise of its functions (including but not limited to those referred to in this Condition), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

The Programme Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibilities. The Programme Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and to act as trustee for the Bondholders of any other securities issued or guaranteed by, or relating to, the Issuer, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation

to any such transactions or, as the case may be, any such Trusteeship without regard to the interest of, or consequence for, the Bondholders and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

CONDITION 15 TRUST PROVISIONS

(a) Declaration of Trust

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

(b) Representative of Holders

The Trustee is the representative of the Bondholders and is authorised to act on behalf of the Bondholders in accordance with the General Conditions and the Trust Deed and is hereby further authorised to contact the Registrar and/or the CSD for the purposes of obtaining information (i) as to the aggregate nominal amount outstanding of any Series of Bonds, (ii) relating to the identity of Bondholders, and (iii) for the purposes of giving notices to Bondholders under Condition 12 (*Notices*).

(c) Binding Effect of the Conditions and the Trust Deed

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

CONDITION 16 MODIFICATION OF THE TRUST DEED

The Trustee may agree with the Issuer, without the consent of the Bondholders but subject to the prior review and approval of the SEC, to (i) any modification of any of the provisions of the Trust Deed which is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. PROVIDED that such consolidation, modification, alteration or addition does not prejudice the interests of the Bondholders and that such consolidation, modification, alteration or addition does not operate to release the Trustee or the Issuer from any responsibility to the Bondholders.

No such consolidation, modification, alteration or addition shall impose any further payment on the Bondholders in respect of the Bonds held by them or any liability in respect thereof.

CONDITION 17 FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Bondholders to create and issue further Bonds directly or through special purpose vehicle(s), subject to the Programme Limit (the "Additional Bonds"), having terms and conditions which are identical to any of the other Bonds already issued under the Programme (the "Existing Bonds") or the same in all respects save for their respective Issue Prices, issue dates and aggregate nominal amounts, so that the Additional Bonds shall be consolidated by the Issuer to form a single Series with the Existing Bonds.

CONDITION 18
GOVERNING LAW

The provisions of these General Conditions and the Bonds are governed by, and shall be construed in accordance with, the laws of Nigeria. The Issuer has agreed for the benefit of the Trustee and the Bondholders that the courts of Nigeria are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Trust Deed, the Bonds and/or the Coupons or any non-contractual obligation arising out of or in connection with them.

USE OF PROCEEDS

The net proceeds from the Issue will be used to fund the Issuer's Naira denominated operational requirements in Nigeria in accordance with its mandate. Specific details would be provided in the relevant Pricing Supplement.

RISK FACTORS

The following section does not describe all of the risks and investment considerations (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Bonds. The risks in the following section are provided as general information only. Before making any investment decision, prospective investors should refer to, and carefully consider, amongst others, the risk factors highlighted in this Prospectus together with all of the other information included in this Prospectus and, the relevant pricing supplement for each particular issue of Bonds, which may describe additional risks and investment considerations associated with such Bonds.

In addition, prospective investors should consult their own financial and legal advisors as to the risks and investment considerations arising from an investment in an issue of Bonds, the appropriate resources to analyse such investment (in particular, to evaluate the sensitivity of such investment to changes in economic conditions, interest rate, exchange rate or other indices, and other factors which may have a bearing on the merits and risks of an investment), and the suitability of such investment in such investor's particular circumstances. Words and expressions defined or used in "Terms and Conditions of the Bonds" shall have the same meaning in this section.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Bonds issued under the Programme are also described below. The Issuer disclaims any responsibility for advising prospective investors of such risks as they exist at the date of this Prospectus or as such risks may change from time to time.

A. Risk Factors Relating to the Issuer

As a supranational institution, the Issuer is not subject to Nigerian regulatory supervision, including corporate governance or disclosure laws

Under the Constituent Charter and the Host Country Agreement, the Issuer enjoys freedom from restrictions, regulations, supervision or controls, moratoria and other legislative, executive, administrative, fiscal and monetary restrictions of any nature.

To the extent that the capital management strategy elected by the Board differs from expectations of investors or other market participants, it could result in negative market perceptions of the Issuer. Dissatisfaction of some of the Issuer's shareholders or a negative market perception of the Issuer with regard to the use of capital could adversely affect the Issuer's access to capital and thus its financial position.

Changes in the credit quality of the Issuer's borrowers and counterparties could materially adversely affect the Issuer's financial performance

The Issuer's business is subject to inherent risks regarding borrower credit quality and the recoverability of loans and amounts due from counterparties. Credit risk is defined as the risk that a customer or counterparty will be unable or unwilling to meet a commitment that it has entered into and that pledged collateral does not fully cover the lender's claims. Changes in the credit quality of the Issuer's borrowers and counterparties, and a failure by the Issuer to manage such change in credit policy, could reduce the value of the Issuer's assets and require increased provisions for bad and doubtful debts.

A decline in the value of collateral or the illiquidity of the collateral securing the Issuer's loans may adversely affect its loan portfolio

Downturns in the relevant markets or a general deterioration of economic conditions may result in reductions in the value of collateral securing a number of loans to levels below the amounts of the

outstanding principal and accrued interest on such loans. If collateral values decline, the collateral may not be sufficient and will result in uncollectable amounts on the Issuer's secured loans in case there is a default the foreclosure process is initiated. A failure to recover the expected value of collateral may expose the Issuer to losses, which could, in turn, have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Operational problems and IT infrastructure errors could have a material adverse impact on the Issuer's business, financial condition and results of operations

The Issuer, like all financial institutions, is exposed to operational risks resulting from inadequate or failed internal processes, including the risk of fraud by employees and third parties, failure to obtain proper internal authorisations, failure to properly document transactions, equipment failures, and errors by employees. Although the Issuer has put in place a system of internal controls, there can be no assurance that operational problems or errors will not occur, and that their occurrence will not have a material adverse effect on the Issuer's business, financial condition, growth, prospects, cash flows and results of operations.

The Issuer is exposed to market risks, including interest rate, currency and price change risk

Market risk generally represents the risk that the values of assets and liabilities, or revenues will be adversely affected by changes in market conditions such as interest rate levels, yield curves and spreads, which may affect margins realised between lending and borrowing. Market risk is inherent in the financial transactions associated with many of the Issuer's operations and activities, including loans, short-term borrowings and long-term debt. Market risk for the Issuer relates primarily, to interest rate and currency risk.

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of a change in interest rates. The Issuer is exposed to the effects of fluctuations in the prevailing level of market interest rates on both the fair values and future cashflows of its financial instruments.

Currency risk is the risk that the fair value or future value of financial cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Issuer undertakes certain transactions in foreign currencies mainly, the Kenyan Shilling, CFA and Euro. This results in exposures to foreign exchange fluctuations.

Brand and Reputation Risk

This is the risk of brand erosion and reputational loss as well as a change in the ability to deliver on brand promise. The Issuer's products, systems and brand could be susceptible to counterfeiting and/or unauthorized access. The failure to understand, identify or subsequently manage developments could negatively impact the Issuer's brand and its value. The Issuer's reputation may also be affected by the corrupt behaviour of any of its employees or agents, hence affecting its shareholder's value and ability to retain and generate business.

B. Exchange Rate Risks and Exchange Controls

The Bonds will be denominated or payable in Naira. For investors whose financial activities are denominated principally in a currency (the "**Investor's Currency**") other than the Nigerian Naira, an investment in the Bonds entails significant risks that are not associated with a similar investment in a security denominated in that Investor's Currency.

Such risks include, without limitation, the possibility of significant changes in the rate of exchange between the Naira and the Investor's Currency and the possibility of the imposition or modification of exchange controls by Nigeria or the country of the Investor's Currency. Such risks generally depend on economic and political events over which the Issuer has no control. In recent years, rates of exchange have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future. Depreciation of the Nigerian Naira against the Investor's Currency would result in a decrease (i) in the Investor's Currency equivalent yield on a Bond denominated in Naira; (ii) in the Investor's Currency equivalent value of the principal payable at maturity of such Bonds; and (iii) generally in the Investor's Currency equivalent market value of such Bonds.

Furthermore, the importation of foreign currency into Nigeria and the repatriation of foreign capital or any income thereon are subject to the laws and regulations of the Federal Republic of Nigeria, more specifically the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act (Chapter F34) Laws of the Federation of Nigeria 2004 and the Central Bank of Nigeria Foreign Exchange Manual (as amended). Such requirements may be modified or changed from time to time and may have an adverse impact on any particular exchange rate.

The Nigerian government has imposed from time to time, and may in the future impose or modify, exchange controls which could affect exchange rates as well as the availability of a specified foreign currency at the time of payment of principal of, premium, if any, or interest on a Bond. Even if there are no actual exchange controls, it is possible that Nigerian Naira for any particular Bond may not be available at the time when payments on such Bonds are due.

C. Market, Liquidity and Yield Risks

Bonds may be listed on the Relevant Exchange. However, there can be no assurance of an active trading secondary market for any Bonds or the liquidity of such market if one develops. Consequently, investors may not be able to sell their Bonds readily or at prices that will enable them to realise a yield comparable to that of similar instruments, if any, within a developed secondary market. Depending upon the type of Bonds, market conditions and other factors, investors seeking to sell relatively small or relatively large amounts of Bonds may not be able to do so at prices comparable to those that may be available to other investors.

The secondary market for an issue of Bonds will also be affected by a number of other factors independent of the creditworthiness of the Issuer. These factors may include the method of calculating the principal or any interest to be paid in respect of such Bonds, the time remaining to the maturity of such Bonds, the outstanding amount of such Bonds, any amortisation or optional redemption features of such Bonds, the amount of such Bonds being sold in the secondary market from time to time, any legal restrictions limiting demand for such Bonds, the availability of comparable securities, and the level, direction and volatility of market interest rates generally. These factors could also affect the market value of the Bonds.

No investor should purchase Bonds unless such investor understands and is able to bear the risk that certain Bonds may not be readily saleable, that the value of Bonds will fluctuate over time. This is particularly the case for investors whose circumstances may not permit them to hold the Bonds until maturity and/or investors who are required to use the mark to market valuation of their holding of the Bonds for accounting purposes.

D. Interest Rate Risks

Where Bonds are offered with a fixed rate of interest, such Bonds are subject to price risk; as such the Bonds may vary inversely with changes in prevailing interest rates. That is, where interest rates rise, prices of fixed rate securities fall and when interest rates drop, the prices increase. Accordingly, the extent of the fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of the prevailing interest rates. Increased interest rates, which frequently accompany inflation and/or a growing economy, are also likely to have a negative effect on the price of the Bonds.

E. Risk Factors relating to the Tax Status of the Bonds

The Bonds are exempt from tax imposed under the CITA by virtue of the CITA Order, commencing from 2nd of January 2012. This exemption is for a period of 10 years from the date of the CITA Order and, unless it is extended, will lapse on 1st January, 2022. The proceeds from the disposal of the Bonds are exempt from tax imposed under the VAT Order, commencing from 2nd of January 2012. This exemption is for a period of 10 years from the date of the VAT Order.

Notwithstanding the CITA Order, PITA and the VAT Order, pursuant to the Constituent Charter and the Memorandum of Understanding, the Issuer, its property, assets, operations and transactions have the same exemption from certain taxes and rates in Nigeria as would be accorded to a foreign sovereign power. The Federal Government of Nigeria from time to time, pursuant to the Diplomatic Immunities and Privileges Act (Chapter D9) Laws of the Federation of Nigeria 2004, exempt, among other entities, foreign sovereign powers from any public tax, duty, rate, levy, or fee applicable to the federation or the Federal Capital Territory and from any stamp duty and fee chargeable under any other Act including the obligation to withhold and remit taxes.

Consequently, the Issuer is exempt from any obligation for the payment, withholding or collection of any tax (including but not limited to duties, charges, levies, impost, deduction or stamp duty) and accordingly all payments in respect of the Bonds made by the Trustees, on behalf of the Issuer, will be made without deduction for taxes imposed within Nigeria.

Notwithstanding, the tax-exempt status of the Bonds is not a matter within the Issuer's control and there can be no assurance that the tax exemption will be maintained during the term of the Bonds. For reasons not within the Issuer's control, if the Federal Government elects not to extend the current tax exemption enjoyed by the Bonds as it relates to corporate bondholders or removes the current perpetual exemption enjoyed by individual bondholders, the Bonds will cease to benefit from such tax exemption, which could have a material impact on any secondary market that may develop for the Bonds. In the event that any withholding or deduction for or on account of tax is required to be made from payments due under the Bonds as a result of the tax exemption ceasing to apply or otherwise, the Issuer will not be obliged to pay any additional amounts to Bondholders or to otherwise compensate Bondholders for the reduction in amounts they would receive as a result of any withholding or tax deduction.

F. Regulatory Risks

In connection with the Programme, the Issuer has sought and obtained a number of waivers, concessions and forbearances from the regulatory authorities including the SEC, Central Bank of Nigeria, NAICOM and PENCOT. There can be no assurances that these waivers and concessions are permanent and will not be subject to change at any time in the future.

RISK FACTORS

As of the date of this Shelf Prospectus, the Bonds have the benefit of the following waivers from the SEC:

1. Waiver on the requirement under SEC Rule 567 (g) for a Reporting Accountant's report;
2. Waiver on the requirement that the annual financial statement be audited by an entity registered by SEC Rule 178 (l)
3. Waiver on the requirement under SEC Rule 297 to provide consent letters of directors who are representatives of member countries
4. Waiver to exempt the directors from signing the shelf prospectus and including their profiles in the prospectus following SEC Rule 279 (6)
5. Confirmation from the SEC that the Shelf Prospectus / Pricing Supplement and other documentation issued under the Programme will be deemed duly executed if signed by the Issuer's duly nominated representative

However, the continuing / ongoing / persisting validity of the above waivers are not within the Issuer's control and, while the Issuer is not aware of any risk that any of the above features is under threat of withdrawal, there can be no assurance that any of the above waivers will be maintained throughout the term of the Bonds. If for any reason beyond the Issuer's control, the Bonds were to cease to benefit from one or more of the above waivers, this could have a material impact on any secondary market that may develop for the Bonds.

The comments below are of a general nature based on the Host Agreement, Constituent Charter and taxation law and practice in Nigeria as at the date of this Shelf Prospectus and are subject to any changes thereafter. They relate only to the position of persons who are the absolute beneficial owners of the Bonds. It does not purport to be a complete analysis of all tax or exchange control considerations relating to the Bonds and so should be treated with appropriate caution.

Please note that this information about the tax status of the Bonds and income accruing therefrom is meant to serve only as a guide and should not be considered as or deemed to be tax advice which can be acted upon by an investor.

Prospective investors should consult their own professional advisors concerning the possible tax consequences of purchasing, holding and/or selling Bonds and receiving payments of interest, principal and/or other amounts under the Bonds under the applicable laws of their country of citizenship, residence or domicile.

Taxation

Taxation of the Issuer

Pursuant to the Host Agreement, the Issuer, its property, assets, operations and transactions have the same exemption from certain taxes and rates in Nigeria as would be accorded to a foreign sovereign power. The Federal Government of Nigeria from time to time, pursuant to the Diplomatic Immunities and Privileges Act (Chapter D9) Laws of the Federation of Nigeria 2004, exempt, among other entities, foreign sovereign power (such as sovereign states and supranational organisations of which Nigeria is a member) from any public tax, duty, rate, levy, or fee applicable to the federation or the Federal Capital Territory and from any stamp duty and fee chargeable under any other Act including the obligation to withhold and remit taxes to tax authorities in Nigeria. Consequently, based on the Host Agreement and the current practice of the Federal Government of Nigeria, the Issuer is exempt from any obligation for the payment, withholding or collection of any tax (including but not limited to duties, charges, levies, impost, deduction or stamp duty). Accordingly, all payments to Bondholders in respect of the Bonds made by the Trustees, on behalf of the Issuer, will be made without deduction for taxes imposed within Nigeria.

Tax Status of the Bonds

The Bonds are currently exempt from tax imposed under the Companies Income Tax Act (Chapter C21) Laws of the Federation of Nigeria 2004 (as amended by the Companies Income Tax (Amendment) Act No. 11 of 2007 (as amended by the Finance Acts 2019 and 2020) ("CITA") by virtue of the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2011 (the "CITA Order"), commencing from 2 January 2012 and this exemption is valid for a period of 10 years from the date of the CITA Order. The implication of this is that in the hands of the investor, the bonds and proceeds of the bonds are tax exempt i.e. will not be liable to companies' income tax (for corporate entities) during the period of the exemption. However, after the expiration of the CITA Order, income earned from the Bonds by corporate Bondholders may become liable to tax in the hands of such holders. In that case, each corporate Bondholders will have an obligation to pay its taxes on such income as the Issuer has no obligation to deduct and remit tax to the tax authorities in Nigeria.

Furthermore, by virtue of the Personal Income Tax Act (Chapter P8) Laws of the Federation of Nigeria 2004 (as amended by the Personal Income Tax (Amendment) Act 2011 and the Finance Acts 2019 and 2020) ("PITA"), the income earned from bonds issued by corporate entities including supranational organisations are exempt from taxation under the PITA. The exemption under the PITA does not currently have any time limitation. The implication of this is that in the hands of the investor, the bonds and proceeds of the bonds are tax exempt i.e. will not be liable to personal income tax for individuals without any limitation on period.

The proceeds from the disposal of the Bonds are also currently exempt from tax imposed under the Value Added Tax Act (Chapter V1) Laws of the Federation of Nigeria 2004 (as amended by the Value Added Tax (Amendment) Act 2007 and the Finance Acts 2019 and 2020) ("VAT Act") by virtue of the Value Added Tax (Exemption of the Proceeds of the Disposal of Government and Corporate Securities) Order 2011 (the "VAT Order"), commencing from 2 January 2012 and this exemption is valid for a period of 10 years from the date of the VAT Order. However, by virtue of the Finance Act, 2020 which expressly excludes securities from the definition of goods under the Value Added Tax Act, corporate bonds may be exempt from VAT even after the expiration of the VAT Order.

Capital gains accruing to a company or an individual from a disposal of the Bonds in Nigeria may be liable to capital gains tax ("CGT"). Any gains made upon the disposal of the Bonds will attract CGT at the rate of 10%. The Capital Gains Tax Act (Chapter C1) Laws of the Federation of Nigeria 2004 (the "CGT Act") states that any gain paid, used or enjoyed in or in any manner or form transmitted or brought to Nigeria by a company or an individual shall be treated as derived from Nigeria for the purposes of the CGT Act. With regards to an individual who is in Nigeria for some temporary purpose only and not with any view or intent to establish his residence in Nigeria, such gain will be subject to tax only if the period or sum of the periods for which he is present in Nigeria in that year of assessment exceeds 182 days.

Furthermore, section 22(4) of the Stamp Duties Act (Chapter S8) Laws of the Federation of Nigeria 2004 requires stamp duty to be paid at the rates specified in the Act, on instruments executed in Nigeria "or relating, wheresoever executed, to any property situate or to any matter or thing done or to be done in Nigeria", failing which payment such instruments shall, among other things, not be admissible in evidence in any civil proceedings in a Nigerian court or arbitrator. Under the Constituent Charter and the Memorandum of Understanding, however, all transactions entered into by the Issuer are exempted from, among other taxes, stamp duties. As a result, instruments in relation to such transactions on which stamp duty would be payable by the Issuer in Nigeria would be exempted from the payment of stamp duties. Consequently, subject to assessment of the transaction documents by the Commissioner for Stamp Duties of the Federal Inland Revenue Service to determine the stamp duties payable, no stamp duty, registration, documentary or similar taxes may be payable on the Bonds and any transaction documents in Nigeria.

Establishment

Shelter Afrique is a supranational financial institution, headquartered in Nairobi, Kenya, whose founding purpose is to provide financial, advisory and research solutions towards addressing the severe need for decent and affordable housing in Africa. The Issuer was established pursuant to the Memorandum of Understanding dated September 1981 and by a Constituent Charter, which was entered into in 1982, and incorporated in Kenya under the Shelter Afrique Act, chapter 493C of the Laws of Kenya. As of the date of this prospectus, 44 African Governments, the African Development Bank (“AfDB”) and the Africa Reinsurance Corporation (“Africa-Re”) have signed or subsequently acceded to the Memorandum of Understanding.

Pursuant to the Convention on the Constituent Charter of Shelter Afrique and a Hosting Agreement executed between the Company and the Government of the Federal Republic of Nigeria, the Company enjoys certain immunities and privileges in relation to its operations in Nigeria.

Share Capital and Ownership

The share capital of the Issuer is divided into three (3) classes, all of which rank “*pari passu*” in all respects.

- (i) Class “A” shares constitute forty percent (40%) of the authorised share capital of the Issuer and are issued for subscription by African countries (preferably through their respective Central Banks, Sovereign Wealth Funds, State Pension Funds or similar institutions).
- (ii) Class “B” shares constitute thirty percent (30%) of the authorised share capital of the Issuer and are issued for subscription by African regional or continental organisations and institutions.
- (iii) Class “C” shares constitute thirty percent (30%) of the authorised share capital of the Issuer and are issued for subscription by countries and legal personalities not falling into Class “A” or Class “B” above.

The authorised share capital of the Issuer is valued at One Billion United States Dollars (US\$ 1,000,000,000) and divided into one million (1,000,000) ordinary nominal shares of par value of One Thousand United States Dollars (US\$ 1,000). 109,039 ordinary shares of US\$1,000 each have been issued and fully paid.

Table 1: Issued and Fully Paid-up Capital at Par Value (US\$)

Shareholders	01/01/2021	31/03/2021	% of Paid-Up Capital
Class A: Member Countries			
Kenya	15,829,000	15,829,000	14.52%
Nigeria	15,722,000	15,722,000	14.42%
Others	55,510,000	57,768,000	52.97%
Class B: Institutions			
African Development bank	15,200,000	15,200,000	13.94%
Africa Reinsurance Corp.	4,520,000	4,520,000	4.15%
Total	106,781,000	109,039,000	100.00%

Corporate Strategy

Shelter Afrique is the only Pan-African development finance institution exclusively dedicated to housing finance in Africa. It strives to lead strategic partnerships among key stakeholders for the efficient delivery of housing solutions across the continent.

Further to this, the Issuer recently began implementation of a 2021 – 2025 with two main objectives of:

- I. Restoration of economic viability and financial sustainability; and
- II. Deliver development impact and enhance shareholder value to member states.

The initial strategic goals approved in the Issuer’s 2019 – 2023 Corporate Strategy formed the basis of the company’s business implementation over the period to date. These strategic goals, which remain relevant and valid are listed in the table below:

Table 2: Corporate Strategic Goals and Key Objectives

SG#	Strategic Goal	Key Objectives
SG1	Achieve Financial Sustainability	<ul style="list-style-type: none"> ▪ Mobilise Equity Capital from existing and new members of at least US\$20m per year ▪ Mobilise Debt Capital of a minimum US\$200m by 2023 ▪ Achieve international Credit Rating equivalent of “B” from GCR ▪ Reduce Non-Performing Loans (NPL) by at least US\$ 10 million annually until NPL ratio is at or below 15%
SG2	Enhance Shareholders’ Value and Development Impact	<ul style="list-style-type: none"> ▪ Achieve and report development impact ▪ Implement a customer centric engagement model ▪ Be the preferred provider of affordable housing financial services and solutions ▪ Build and strengthen strategic partnerships with financial Institutions, research and industry bodies ▪ Implement Corporate Social Responsibility strategy ▪ Increase Centre of Excellence (“CoE”) activities* ▪ Implement stakeholder engagement strategy
SG3	Organisational Sustainability	<ul style="list-style-type: none"> ▪ Operational Excellence: Improved business processes & turnaround times ▪ Launch SHAF Everywhere and digital transformation ▪ Attract, retain and develop talent ▪ Commence SHAF Rebranding

*The Centre of Excellence, launched in 2019, is an online / virtual repository for research and innovation material for housing development in Africa. The CoE houses and promotes all related research activities and acts as the point of contact for training and capacity building for developers and contractors, thus providing solutions to member countries in the form of Master Classes. The CoE had its pilot programme in March 2019 held in Nairobi, Kenya.

Key Achievements

The following are additional achievements that were registered within the period of the 2018 corporate strategic review:

- Significant reduction of losses leading to profitability projected in year 2020
- Retained BBB+ Bloomfield Long Term Credit Rating
- Attained ISO 9001:2015 Quality Management System accreditation
- Named among top 100 global financiers by World Finance Publication

STATUTORY AND GENERAL INFORMATION

- Improved governance - continued compliance with King IV Corporate Governance Code
- Revised robust Enterprise Risk Management framework
- New partnerships being forged
- High quality asset underwriting
- Stringent cost management entrenched
- Launched Centre of Excellence
- Unqualified Audit Opinions

Key Business Opportunities

- Capital Raising from current and prospective shareholders.
- New debt mobilization including bond issuance programs in local currencies.
- Growing non-funded income e.g. rentals, Arranger/Developer fees
- Tapping into Green Bond funds.
- Enhanced advocacy, research & eminence building in affordable housing.
- Aggressive push for launching PPP flagship projects for economic revival in member countries.
- Create a compelling value proposition for shareholders.
- Deliver to the market bankable affordable housing projects.
- Fully leverage on the unique institutional framework o SHAF to deliver mandate and create impact.
- De-risking the housing market by mitigating financial risk, execution risk, market risk etc.
- Digital transformation

Business Origination Model and Core Product Offering

Business Model and Focus Products

The company's business model is premised on the provision of necessary financing for the development of affordable housing supply and mortgage financing on the demand side to housing developers and financial institutions with a strong mortgage and housing construction lending book in Africa. The business model is operationalised through the provision of tailored housing finance products on both the supply and demand side. The following section illustrates the focus products to be availed during the strategy period.

Table 3: Products Offering

Product Type	Products Addressing Demand of Affordable Housing	Products Addressing Supply of Affordable Housing	Products Addressing Supply and Demand of Social Housing
Primary Products	(1) Flagship Line of Credit (LOC) Product (60% - 80%)	(2) Flagship Public Private Partnership (PPP) Product (Incubating Projects in the Pipeline)	Flagship Social Housing Product (Grow Pipeline)
Complimentary Products	Rental Housing	(3) Project Finance (20% - 40%)	
	Equity Investments & Joint Ventures	Equity Investments & Joint Ventures	
	Developers / Contractor Guarantees	Technical Assistance	
	Housing Microfinance	Last Mile Infrastructure	
(4) Financing Urban Regeneration & Alternative Building Technologies (Up to 20%)*			
		(5) Trade Finance (Fees)	

STATUTORY AND GENERAL INFORMATION

*Product # 4 - In response to requests from the market for rapid urban regeneration and use of alternative building technologies, which demand project financing to support such related projects (Greenfields and Brownfields) and the manufacturing of alternative technologies supporting affordable housing, SHAF have tailored a financing product to address the need. Up to 20% of the lending portfolio will be targeted for such financing needs in terms of new project approvals from 2021.

Market Segmentation

Shelter Afrique have segmented their markets into two larger regions covering both the Anglophone and Francophone zones. The regions have been further segmented based on their needs as far as affordable housing is concerned. The diagram below depicts the market segmentation of the company's member countries.

Figure 4: Market Segmentation of Member Countries

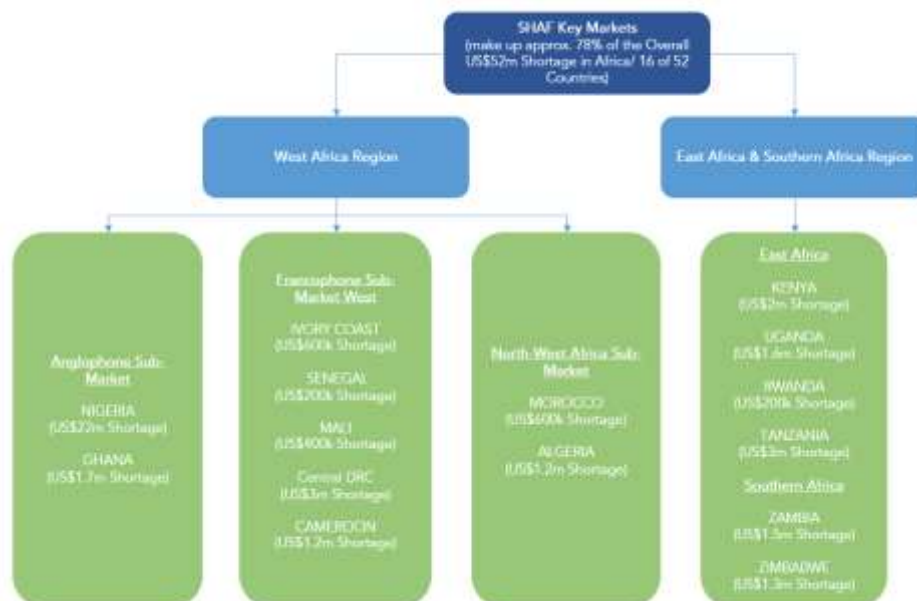
West, Central & North Africa			East and Southern Africa	
Central	North	West	East	South
1 Cameroon	9 Algeria	12 Benin	28 Burundi	38 Lesotho
2 Central Afr. Rep	10 Morocco	13 Burkina Faso	29 Djibouti	39 Malawi
3 Tchad	11 Tunisia	14 Cape Verde	30 Kenya	40 Namibia
4 Congo		15 Gambia	31 Madagascar	41 Swaziland
5 Democratic Republic of Congo		16 Ghana	32 Mauritius	42 Zambia
6 Gabon		17 Guinea Conakry	33 Rwanda	43 Zimbabwe
7 Guinea Equatorial		18 Guinea Bissau	34 Seychelles	44 Botswana
8 Sao Tome & Principe		19 Ivory Coast	35 Somalia	
		20 Liberia	36 Tanzania	
		21 Mali	37 Uganda	
		22 Mauritania		
		23 Niger		
		24 Nigeria		
		25 Senegal		
		26 Sierra Leone		
		27 Togo		

Source: Shelter Afrique

Key Markets

Shelter Afrique’s key markets in terms of both current operations and most important potential penetration based on the affordable housing supply deficit is as detailed in the diagram below.

Figure 5: Shelter Afrique’s Key Markets and Affordable Housing Supply Deficit



Key Customers

Shelter Afrique’s target customers are varied within the housing finance and development value chain. The company has clearly segmented its customers based on their needs and matched the product offerings accordingly. The following table highlights the target customers and indicative financing products to meet both the critical supply and demand needs of affordable housing.

Table 4: Customer Segmentation

Products	Customers	Products	Customers	Products	Customers
Flagship Line of Credit (LOC) product	Mortgage Refinance Companies (RMCs), Primary Mortgage Lenders and Commercial Banks	Flagship Private Public Partnership (PPP) Product	Member States & Pension Funds	Flagship Social Housing Product	The off-take arrangement for the Social Housing developments will be Local Municipalities, Municipal Housing Agencies, Regulated Social Landlords, Housing Associations, Quasi-autonomous non-governmental organizations (QUANGOS).
Rental Housing	Rental Housing Companies	Last Mile Infrastructure	Metropolitan Authorities, Municipal Authorities, State Governments and County Governments		
Equity Investments & Joint Ventures	Mortgage Refinance Companies (RMCs), Rental Housing Companies	Equity Investments & JVs	PPP SPVs		
Technical Assistance	Mortgage Refinance Companies (RMCs), Rental Housing Companies, Microfinance Institutions (MFIs)	Technical Assistance	PPP SPVs, Developers, Contractors		
Housing Microfinance	Microfinance Institutions (MFIs) focused on Incremental Housing	Trade Finance	PPP SPVs, Developers, Contractors		

STATUTORY AND GENERAL INFORMATION

Business Development Channels

The New Business team combine a mix of its own channels and partner channels as tabulated below.

Table 5: Marketing Channels

Own Channels	This is direct through the New Business team reaching out directly to the identified customer segments. To a smaller extent, the direct web sales are applied as the SHAF website now allows for customers to engage with products and to submit applications online via the website.
Partner Channels	Partner Channels are direct through the New Business team reaching out to partners such as Bankers and Housing Finance associations to access referrals to strong counterparties.
Existing Customers	Retention of Strong and performing customers is key for the New Business team in collaboration with the Loans Management Unit. Consistent review of top 10 – 20 customers and engaging of those customers is a key focus.

Table 6: Business Development Pipeline Segmentation Per Product – 2021 to 2025

S/N	Product	%	No. of Houses	Amount (US\$)
1.	Line of Credit (LOC)	60.1%	16,992	427,064,000
2.	Project Finance (PF)	37.4%	170,674	266,002,981
3.	Equity	2.5%	-	17,600,000
	Total	100.0%	187,666	710,666,981

Table 7: Previously Issued Local Currency Bonds

Shelter Afrique has an established repayment track record in the debt capital markets as demonstrated below:

Issue Date	Amount in KShs	US\$ Equivalent	Repayment Date
2000	350,000,000	6,279,266	2004
2006	500,000,000	7,204,954	2009
2009	1,000,000,000	13,189,132	2012
2011	2,500,000,000	29,388,220	2014
2012	500,000,000	5,808,375	2015
2013	5,000,000,000	57,930,916	2018
Issue Date	Amount in CFA Franc	US\$ Equivalent	Repayment Date
2003	3,500,000,000	6,790,911	2010
2004	2,500,000,000	4,947,906	2009
2008	2,792,770,000	5,998,889	2014
2009	6,000,000,000	13,100,249	2014
2014	10,000,000,000	18,538,458	2021

Corporate Governance Framework

The overall objective of Shelter Afrique's Corporate Governance Framework is to ensure continuous performance improvement while meeting its governance obligations and, simultaneously, adhering to legislative requirements. The Framework provides a summary of the principles, methodologies and procedures used in Shelter Afrique to support effective governance and corporate values. The framework is underpinned by the recommendations of the King IV Code of Corporate Governance

(South Africa) as well as recommendations of other international governance codes such as the UK Corporate Governance code 2018, Sarbanes Oxley Act 2002, OECD Corporate Governance Principles, EU Guidelines on Corporate Governance, and locally, the Kenyan Code of Corporate Governance.

Purpose

Shelter Afrique is committed to implementing and maintaining sound corporate governance practices as set out in its Statutes, Board Charter, By-Laws and Kind IV. The Board of Directors recognises that corporate governance practices must be appropriate and relevant to the size, nature and complexity of its operations, while promoting robust practices within the context of economic performance.

The purpose of the Shelter Afrique Corporate Governance Framework (“CG Framework” or “the Framework”) is to provide for the prudent management and oversight of the businesses with Shelter Afrique and to adequately protect the interests of all key external stakeholders. This Framework describes the governance structure and decision-making processes applicable to Shelter Afrique.

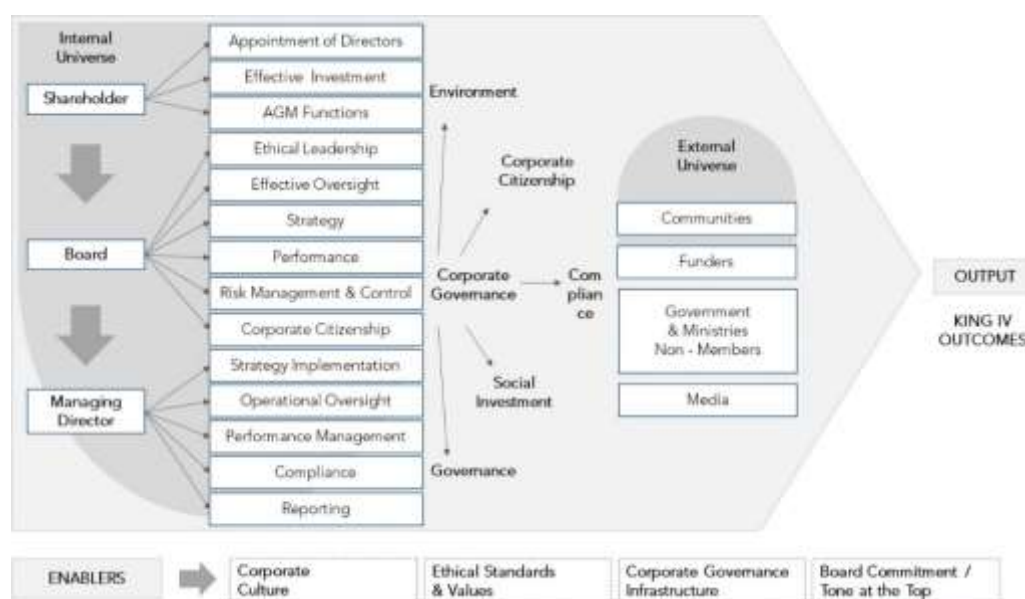
Based on this understanding, the Issuer applies the following corporate governance pillars in its governance, management, operations and stakeholder relationships:

- i. Accountability – taking responsibility for all of a Company’s activities and presenting a fair, balanced and understandable assessment of Shelter Afrique’s position and prospects to stakeholders.
- ii. Transparency – a willingness by Shelter Afrique to provide clear information to shareholders and other stakeholders.
- iii. Responsibility – the Board of Directors has authority and has delegated some of its powers to Management. Both the Board and those with delegated powers therefore accept full responsibility for the powers given and the authority exercised. Such authority/powers are exercised in the best interests of the Issuer.
- iv. Fairness and Equity to all Stakeholders – fairness in the treatment of all stakeholders including employees, communities and public officials.

Scope

The Framework applies to Shelter Afrique as defined with focus on the internal governance universe, external governance universe and the different stakeholder interests thereunder. Implementation will also focus on putting into place the enablers to support and drive a good governance culture. The final outcome of implementation is expected to be the achievement of the governance outcomes outlined in the King IV Code of Governance: Ethical culture, performance and value creation, effective control and legitimacy.

Figure 5: Shelter Afrique Governance Framework



Source: Shelter Afrique

Legal Framework

Shelter Afrique was established in 1982 through a Memorandum of Understanding signed by several African governments, the African Development Bank (AfDB), African Reinsurance Corporation (Africa-Re) and CDC (UK's Development Finance Institution). Subsequent members joined Shelter Afrique after signing a deed of adherence.

Shelter Afrique derives its legal status from the Constituent Charter agreed by Shareholders at inception. In Kenya, the Issuer operates under the Shelter Afrique Act, Cap. 493C of the laws of Kenya. The Issuer also signed a Headquarters Agreement with the Government of Kenya, which grants the Issuer certain privileges and immunities. Including seizure of assets, tax exemptions and exchange controls. The said privileges and Immunities are conferred by the Privileges and Immunities Act, Cap.179 of the Laws of Kenya and the Privileges and Immunities (Shelter Afrique) Order, 1984.

Shelter Afrique is guided by the following legal instruments in its day-to-day operations:

- i. Convention on the Constituent Charter signed at the meeting in Lusaka, Republic of Zambia, on May 11, 1982
- ii. Statutes of Shelter Afrique
- iii. General By-Laws of Shelter Afrique
- iv. Board Charter of Shelter Afrique
- v. Shelter Afrique Act Cap 493C, Laws of Kenya
- vi. Host Country Agreement signed with Kenya on October 19, 1983
- vii. Privileges and Immunities Act Cap.179, Laws of Kenya
- viii. Privileges and Immunities (Shelter Afrique) Order, 1984
- ix. Vienna Convention on Diplomatic Relations, 1961
- x. With respect to the Shelter Afrique Nigerian office, the Host Country Agreement signed with Nigeria on January 16, 2014.
- xi. With respect to the Shelter Afrique Cote d'Ivoire office, the Host Country Agreement signed with Cote d'Ivoire on November 10, 2016.

Figure 6: Shelter Afrique Governance Structure



Source: Shelter Afrique

Shareholders

All the powers of the Issuer are vested in the General Meeting. Article 16 of the Statues of Shelter Afrique outline the powers of the General Meeting, some of which are delegated to the Board of Directors. Every year, the Issuer holds an Annual General Meeting in accordance with Article 15 of its Statues. The Issuer may hold other meetings other than the Annual General Meeting, known as Extraordinary General Meetings.

AGM Bureau

The AGM Bureau comprises the Chairman, and 2 Vice-Chairmen from among Class A members. Members of the Bureau are elected at each Annual General Meeting and they hold office until the election of other members at the nest Annual General Meeting. The Powers and authority of the AGM Bureau are laid down in the Statutes of Shelter Afrique and are exercisable at the General Meeting.

The Shelter Afrique Board of Directors

The Board of Directors is the senior most decision-making body. It not only provides leadership but is also responsible for the long-term success of the Issuer. The Board is appointed by the Shareholders to direct and control Shelter Afrique in accordance with its Statutes. The Board also has an approved Charter which outlines the roles and responsibilities of the Board, its composition as well as its committees.

Shelter Afrique’s Board comprises 7 (seven) Class ‘A’ Directors representing 44 African member countries, 2 (two) Class ‘B’ Directors representing 2 (two) Institutions, and 2 (two) Independent Directors. All Directors are non-executive. The Directors have diverse skills and expertise and are drawn from various sectors critical to the delivery of the Issuer’s mandate to its key stakeholders.

The Board has 4 (four) substantive committees: The Audit, Risk & Finance Committee, Investment Committee, Human Resource and Governance Committee and the Strategy Committee. The Board committees were established to enable the Board fulfill its oversight responsibilities relating to the medium to long-term strategy for the Issuer, risks and opportunities relating to such strategy, and strategic decisions regarding investments, expansion, acquisitions and divestitures by the Issuer. All the committees have specific terms of reference and hold meetings on a quarterly basis or as frequent as necessary. The Board may delegate some of its powers to any committee and may appoint any other committee, including ad hoc committees, as and when it is deemed necessary.

- i. **Audit, Risk and Finance Committee**
The Audit, Risk and Finance Committee provides independent and constructive oversight of the governance of audit, risk and finance functions on behalf of the main Board to which it reports. The Committee is guided by its Terms of Reference which also outlines its operating principles.
- ii. **Human Resources and Governance Committee**
The Human Resources and Governance Committee assists the Board in fulfilling its obligations relating to human resource, administration and effective procurement planning, and to establish a plan for continuity and development of the Senior Management Team. The Committee discharges its functions with a focus on corporate governance that enhances the Issuer's performance. It also assesses and makes recommendations regarding Board efficiency and effectiveness towards the fulfilment of stakeholder aspirations and enhancement of Shareholder value.
- iii. **Investments Committee**
The Investment Committee's responsibilities and duties include recommending to the Board for approval all loans, facilities, credits, guarantees, equities, country limits and purchase of securities. The Committee also recommends to the Board new lending products, market instruments and standard format for submission of projects. The Committee is guided by its Terms of Reference and reports to the Board on all matters falling within its mandate.
- iv. **Strategy Committee**
The Strategy Committee assists the Board in fulfilling its oversight responsibilities relating to the medium to long-term strategy for the Issuer, risks and opportunities relating to strategy, and strategic decisions regarding investment, expansion, acquisitions, and divestitures by the Issuer. The Committee develops and annual Work Plan and is accountable to the Board for meeting the approved plan.

Managing Director and Senior Management

The Managing Director is responsible for the day-to-day management of Shelter Afrique. They are assisted by the Senior Management, who are tasked with the execution of the Issuer's strategy as approved by the Board of Directors. Senior Management is assisted by 5 governance committees.

Senior Management Committee

The members of the Senior Management Committee of Shelter Afrique are appointed by the Managing Director, who is the Chair of the Committee. The Committee comprises the following:

- i. Managing Director
- ii. Chief Operations Officer
- iii. Chief Finance Officer
- iv. Company Secretary
- v. Head, Risk and Compliance
- vi. Head of Business
- vii. Head, Policy, Research and Partnerships
- viii. Head, Human Resource and Corporate Services

Management Sub-Committee

The Chairpersons and members of the formal sub-committees of the Senior Management Committee are appointed by the Managing Director. The sub-committees are as follows:

- i. Loans Committee
The sub-committee makes decisions on credit/credit reviews, and loan approvals and re-structuring. Oversees Portfolio Management & Administration, review of project management and advisory and provisioning review / management.
- ii. ALCO Management Committee
The sub-committee oversees balance sheet management (treasury management and optimisation management).
- iii. Specialised Committees
 - a) *Procurement & Disposal Committee* – Handles the Issuer’s procurement matters and is appointed by the Managing Director
 - b) *Disciplinary Committee* – Handles the Issuer’s disciplinary matters and is appointed by the Managing Director

Senior Management of Shelter Afrique

Mr Andrew Chimphondah

Managing Director/Chief Executive

Andrew was appointed Group Managing Director and Chief Executive of Shelter Afrique in 2018. Andrew has more than 20 years Finance and Business executive leadership experience in real estate finance, retail, and wholesale banking. He is a Chartered Accountant and member of both the Institute of Chartered Accountants in South Africa (SAICA) and the Institute of Chartered Accountants in Zimbabwe (ICAZ). He holds a Master’s in Business and International Finance from Durham University in The United Kingdom and is completing his PHD with the Davinci Institute of Management South Africa. He has served as Chief Executive and Board member of large banking financial institutions in South Africa and other countries in Africa.

Kingsley Muwowo

Chief Financial Officer & Director of Corporate Resources

Kingsley is a Zambian national. He holds an MBA (Finance) from State University of New York and a Bachelor of Accountancy from the University of Zambia. He is a Fellow of the Institute of Chartered Certified Accountants (United Kingdom), Fellow of the Zambia Institute of Accountants, and a Certified Risk and Compliance Professional (USA). He previously worked as Investments, and Finance Director, Zambia State Insurance Corporation; Director, Risk and Compliance, PTA Bank; Chief Finance Officer, PTA Bank; Director, Advisory Services, PTA Bank; and most recently Principal Consultant, Gold pillar Advisory Ltd.

Alfred Nicayenzi

Chief Operations Officer

Alfred holds an MBA from Clark Atlanta University, USA, a BSc. in Economics from the University of Burundi, and a certificate in Economics from the University of Colorado, USA. He has an overall of 29 years’ experience of which 20 years are in senior executive and governance position in financial and investment companies including Executive Chairman, African Century Group; Vice president Alnv, SPC, USA; Vice president- International Operations, ACCION; Senior Advisor, CALMEADOW, Canada.

His experience spans investment banking, financial analysis and modelling, structuring, portfolio management, mortgage refinance, private equity, investments funds and fundraising. Over the years, he has built strong international experience, knowledge of African markets and high-level engagements with African governments. He has a wider contract networks in the Americas, Europe, Middle East and Asia. He has established working relationships with key lenders including USAID, IDA/World Bank, SIDA, FMO, DEG, KfW, FinnFund, NorFund, Swedfund, IFU and Bill Gates Foundation.

C.S. Natasha Koli-Muhire
Acting Company Secretary

C.S. Natasha Koli-Muhire is a dynamic and seasoned Legal professional with 14 years' experience, an Advocate of the High Court of Kenya, a Certified Public Secretary (Kenya), Commissioner for Oaths, Notary Public and trained Governance Auditor. She is also a Member of the Law Society of Kenya, East Africa Law Society and the Institute of Certified Public Secretaries of Kenya. Natasha is the holder of bachelor's degree in law (Hons.) from Moi University, Master's Degree in Property Law from University of South Africa and a Post Graduate Diploma from the Kenya School of Law.

She commenced her legal profession at Kilonzo & Company Advocates and has worked both locally and regionally within the financial sector at Kenya Commercial Bank and Shelter Afrique. She has a wealth of experience involving corporate law, litigation management, property law, intellectual property law, international law, legal operations, governance, regulatory compliance and commercial law among others. She also has vast experience in corporate finance, mortgage finance, project and trade finance as well as structuring cross border transactions. Natasha prides herself as being a transformational and versatile leader who effectively manages cross-cultural teams, oversees multiple projects, an advisor to senior management and boards of directors.

Yankho Chitsime
Head of New Business

Mr. Yankho Chitsime has 14 years' experience in executive management and deals making in the affordable housing space, including principal investing, property development, project finance advisory work, debt capital raising, and financial management in South Africa and numerous countries across the African continent. Yankho holds a BBA in Accounting (Andrews University, Michigan, USA), Postgraduate training in Property Development (UCT, RSA) and Management Development (GIBS, RSA).

Bernard Oketch
Head of Enterprise Risk Management

Bernard is a Kenyan national. He holds a Master's Degree in Business Administration majoring in strategic management from the University of Nairobi and a Bachelor Degree in Business Information Technology from Strathmore University. He has over fifteen years of work experience in enterprise risk management. He previously worked for Deloitte & Touche in the Risk Advisory practice for nine years before joining the Co-operative Bank of Kenya, a top tier one bank, as a Senior Risk Manager, where he worked for three years before joining Shelter Afrique. His key achievements include many years of developing and implementing enterprise risk management programmes.

Muhammad Gambo
Head of Policy and Partnerships

Dr. Gambo is a Nigerian National. He is a Quantity Surveyor, Public Private Partnerships (PPP) transaction advisor and Sustainable Development advocate with expertise in consulting, lecturing, strategic and policy research. He holds a Doctor of Philosophy and Master's in Real Estate and Facilities Management from Universiti Tun Hussein Onn Malaysia; And a bachelor's degree in Quantity Surveying from Ahmadu Bello University, Zaria, Nigeria. He is a registered Quantity Surveyor and a member of the Nigerian Institute of Quantity Surveyors.

Furthermore, Dr Gambo is a member of the United Nations University acknowledged Regional Center of Expertise (RCE) on Education for Sustainable Development; Member of Community of Practice (CoP) on Financing for Development, United Nations Institute for Training & Research (UNITAR); And Expert, Inclusive Policy Lab at the United Nations Educational, Scientific and Cultural Organization (UNESCO). Dr Gambo has a track record of publications including several International Council for Research and Innovation in Building and Construction (CIB) recognized journals and conference proceedings. His

research and policy interests includes affordable housing delivery, innovative financing techniques for infrastructure projects, infrastructure reform and regulation, built environment research techniques & methodology and sustainable development.

Houda Boudlali

Head of Legal Services

Houda is a Moroccan national. She is the proud holder of two Master's degree, one in International law from Hassan II University in Casablanca, Morocco and the other in Business Law from the University of Perpignan Via Domitia (UPVD) in France. She brings on board 14 years' experience of practising law from established law firms and the banking industry. Her last engagement was at the Bank of Africa holding where she was the Group Corporate Legal Manager. In her previous roles, she provided legal counsel to project financing, investment appraisals, contracts management, undertaking legal audits among others. She is trilingual as she speaks Arabic, English and French fluently.

Mohamed Barry

Head of Internal Audit

Mr. Mohamed Barry has been Shelter Afrique's Head of Internal Audit since 2012. Mr. Barry has an MBA from the University of Liverpool. He has 18 years of experience in Audit, Finance and Risk Management. As a former E&Y employee, Mr. Barry spent 8 years auditing banks, mining companies and infrastructure projects. He has a strong exposure to international environments and is bilingual, fluent in French and English. He is an all-round expert in Risk, Control and Governance. He also possesses strong experience in creation, deployment and implementation of auditing; management control and reporting; preparation of annual budgets; management of OPEX/CAPEX; supervision of analytical and general accounting; risk management; preparation of performance reviews and reporting to Senior Management and the Board. Additionally, Mr. Barry is a Certified Coach in leadership, coaching and mentoring.

Kenneth Kithinji

Manager, ICT

Kenneth is the head of ICT responsible for delivery ICT services and implementation ICT projects. He is an accomplished, multifaceted IT Professional with over 15 years of experience implementing, managing and supporting innovative ICT infrastructures, architectures and systems to increase operational efficiency. He holds a Master of Science in Computer Science, Bachelor of Science in Applied Computer Science and several ICT industry certifications.

Macharia Kihuro

Manager, Special Operations Unit

Macharia Kihuro a passionate investments and credit specialist and self-driven person with over 15 years' experience from various top-tier commercial banks in Kenya and Shelter Afrique, A Pan African Housing Finance institution operating in 44 African countries and head quartered in Nairobi, Kenya. He has strong experience is development finance including debt and equity financing. He is a holder of Bachelor of Commerce (Accounting Option) (Honours) from the university of Nairobi. Also holds a master's degree in business administration (MBA- Finance) from the same university. He is also a Certified Public Accountant of Kenya (CPA) and is also PhD candidate in Finance at the University of Nairobi.

Kahumbya Bashige

Manager, Investor Relations

Kahumbya is a Tanzanian National. She holds a Masters in Finance from Strathclyde University in Glasgow, UK and a Bachelor of Commerce with an Accounting major from Catholic University of Eastern Africa, Nairobi. She is also a holder of a Diploma in Company Direction from Institute of Directors, UK. She has over 20 years' experience in Development Finance, Commercial Banking and Corporate Finance.

Zachary Munene

Regional Business Manager for Eastern & Southern Africa Regions

He was the first ever student to graduate with a First Class Honors Degree in Economics from Moi University – Eldoret. Zachary is also an African Economic Research Consortium Scholar and holds a Master's Degree in Economics from the University of Botswana – Gaborone. He is currently preparing for his final exams towards becoming a Certified Public Accountant. A career banker, Zachary's banking career spans over 19 years and began at Commercial Bank of Africa – Nairobi, before joining the East African Development Bank in Kampala as an Investment Officer through the institution's Young Professionals Programme. He has amassed a wealth of experience in Development Finance across various African Markets and is particularly quite passionate about housing finance and how it can be made to work in the African context.

Babatunde Oyateru

Head of Communication and External Affairs

Babatunde is a Nigerian national with over 15 years' experience in consulting, corporate communication and governmental relations. His experience ranges from countries in Europe and Africa, he is a frequent commentator on public affairs and published author of the novel, 'The Day the Madman Knew.' He holds a Bachelors in International Relations, a Master's in Business Management, a Masters in Global Diplomacy and is a Phd Candidate in International Relations.

Said Diaw

Senior Officer, Portfolio Management

Mr. Said is a Senegalese national, who holds an MBA in Civil Engineering, from Thiés Polytechnic, in Senegal. He has over 20years experience Portfolio Management and has extensive background in developing strategies to improve and secure investments and capacity building of SMEs in developing countries. Demonstrated knowledge of several African markets: infrastructure, policies, production capacity of stakeholders, the strengths and weaknesses of the real estate sector.

Nene Thiam Ag Oumar

Portfolio Manager

Néné is a Malian national who joined Shelter Afrique in October 2008 as Team Leader, Loans Administration Unit overseeing the performance of the Institution's loans book, recovery, and relationship management among others, before joining in 2015 the Credit Risk team as a Senior Officer. From February 2017 she was re-appointed to lead the Loans Management Team and recently promoted as Portfolio Manager in charge of the loans and assets management of the Issuer.

Prior to that she was the Head of Operations of the subsidiary of BNP PARIBAS in Bamako (Mali) and Finance and Administrative Officer of UNDP Kenya from 2005 to 2008. She holds a master's degree in Banking from Institut des Arts et Métiers, Paris and a Master's degree in Commercial Engineering from FUCAM University in Belgium. Néné has 27 years of experience in Financial Management, Credit and portfolio Management and relationship Management.

Beatrice Mburu,

Manager, Treasury

Beatrice holds an MBA from Warwick University- United Kingdom, and a Degree in International Business Administration. She is also a Certified Public Accountant Kenya. She has over 20 years' experience across the African Continent in Corporate Finance and Treasury including Fundraising from Euro Bond Capital markets, Debt restructuring Financial Control, Budgeting and Reporting.

Equity Investments

As of the date of this Prospectus, the Issuer has investments in the following Joint Ventures

- Everest Park Project: is a joint venture arrangement between Shelter Afrique and Everest Limited with effect from 1 February 2011. The purpose of the arrangement is to own, develop, construct and sell the subject property and improvements as an investment for production of income. Shelter Afrique has 50% interest in the joint venture.

- Glenwood Garden Project: is a joint venture arrangement between Shelter Afrique and Glenwood Garden Limited with effect from 20 May 2015. The purpose of the arrangement is to own, develop, construct and sell the subject property and improvements as an investment for production of income. Shelter Afrique has 50% interest in the joint venture. The term of the joint venture is up to 1 January 2022.

- Rugarama Park Estates Project: Rugarama Park Estates Limited is a joint venture between Shelter Afrique and Banque Rwandaise de Development (BRD) to undertake the development and subsequent implementation of an affordable housing project. The project is in collaboration with the city of Kigali. Shelter Afrique has 50% interest in the joint venture. The joint venture will terminate upon the completion and sale of all houses and the payment of all venture debt and distribution of all net sale proceeds. The project is currently under construction.

Material Contracts

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

- i. A Programme Trust Deed dated 18 October 2021 between Shelter Afrique and United Capital Trustees Limited in connection with the Programme.

Save as set out in this Shelf Prospectus, the Issuer has not entered into any contracts otherwise than in the ordinary course of business during the two years prior to the date of this Document. The Issuer has not entered into any contractual agreement with any controlling shareholder (of which there are none).

Agreements

The following agreements have been entered into and are considered material to the Programme and any issues thereunder:

- i. A Programme Trust Deed dated 18 October 2021 between Shelter Afrique and United Capital Trustees Limited in connection with the Programme.

Interests of the Directors and Other Matters

- i. At the date of this Document, none of the Directors held a legal and beneficial interest in the issued share capital of the Issuer.
- ii. There is no existing or proposed service contract between any of the Directors and the Issuer.
- iii. No options to purchase any securities of the Issuer have been granted to or exercised by any Director of the Issuer.
- iv. Except as stated in this Document, none of the Directors has or has had any direct or indirect beneficial interest in any property acquired by the Issuer during the two years preceding the date of this Document.
- v. Directors' fees estimated as being payable to the directors of the Issuer during the current financial year are not expected to change from the previous year.

- vi. No director of Company has any outstanding loans granted by the Issuer or any guarantees provided by the Issuer for the director's benefit.
- vii. Other than service agreements entered into with transaction advisors, the Issuer has not entered into service agreements with managers or secretary/ies or any underwriting, vendors' and promoters' agreements during the previous two financial years.]

Constituent Charter

Under the Charter, the purpose for which the Issuer is established is to promote financing in housing and urban development in African countries. To implement its statutory purpose, the Issuer has the following functions:

- (i) To mobilise capital from which loan and equity resources shall, based upon policies and procedures approved by the Board from time to time, be made available for approved housing and related schemes in African countries and to national housing development institutions in African countries.
- (ii) To promote, encourage and contribute directly through equity participation, and indirectly through financing and technical assistance through a special fund or otherwise, in the investment of public and private capital for housing and related schemes and in the establishment and development of viable housing institutions in African countries.
- (iii) To develop or acquire directly or by way of joint venture housing and related schemes in African countries and to sell or deal therewith in any manner deemed profitable to the Company.
- (iv) To borrow or receive money by the issue of shares, stock, debentures, debenture stock, bonds, obligations, income or deposit notes, or securities (and otherwise to underwrite any issue) and for any such purpose to grant mortgages as well as fixed or floating charges over the undertaking or all or any of its assets, both present and future, including its uncalled capital, upon such terms as to priority or otherwise and in such manner and in such amount as it shall think fit, and to purchase, redeem or pay off any such securities.
- (v) To buy, underwrite, invest in, subscribe for, acquire and hold share stock, bonds, obligations and securities issued or guaranteed by any company or body corporate or unincorporated, or by any person, cooperative society or association, or by any government, state, public body or authority, federal, regional, local, municipal or district and to sell, deal in or turn to account the same and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
- (vi) To engage in or finance the research of any aspect of housing and of construction and building industries in African countries and finance in whole or in part any housing project developed from such research.
- (vii) To apply for, acquire and hold any privileges, exemptions, immunities, licenses, concessions or other rights or powers from the government of any country in which it may operate.
- (viii) To carry on any other business which may profitably or usefully be combined with any of the said businesses which may seem to the Company, capable of being carried out in connection with or in combination with any of the aforementioned objects, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights and to do all such other things as are incidental or conducive to the attainment of the above objectives or any of them.

STATUTORY AND GENERAL INFORMATION

Miscellaneous

Bankruptcy proceedings

No bankruptcy, receivership or similar have been taken against the Shelter Afrique or any of its Directors.

No material changes, benefits, discounts, commissions and contracts

- I. Except as disclosed in this Shelf Prospectus, in the past two years there have been no material reclassifications, mergers or consolidations of the share capital of the Company and there have been no acquisitions or dispositions of any material amount of assets otherwise than in the ordinary course of business of the company.
- II. Except as disclosed in this Shelf Prospectus, in the past two years there have been no merger or take-over offers by third parties in respect of the company's securities and merger or take-over offers by the company in respect of another company's securities.
- III. Except as disclosed in this Document, no amount or benefit has been paid or given within the two years preceding the date of this Document or is intended to be paid or given to any promoter.
- IV. Save as disclosed herein in relation to the Issue, no commissions, discounts, brokerages or other special terms have been granted by the company, within the two years preceding the date of this Document, in connection with the issue or sale of any share or loan capital of the Company.
- V. The directors declare that there has been no material adverse change in the financial or trading position of the Bank since 31 December 2020.

Authorisation

The issuance of the Bonds has been duly authorised by the Shelter Afrique board of directors pursuant to a resolution no. BD/120/21 dated 10 March 2021.

Governing Law

This Shelf Prospectus shall be governed by, and construed in accordance with, Nigerian law.

Reporting

The Issuer intends to publish yearly, financial statements.

Properties, Plants and Equipment

The following table summarizes the valuations of the Bank's moveable and immovable properties carried out in the past three years:

Company	Date of Valuation	Valuation of:	Name of Valuer	Stated Value (US\$)
Shelter Afrique	31 December 2020	Leasehold land and buildings	Gimco Limited	4,128,814

Documents Available for Inspection

Copies of the following documents will be available for inspection, free of charge, at UAC House (4th floor) 1/5 Odunlami Street, Lagos between 9:00 a.m. and 5:00 p.m. on any day between Monday to Friday, including both days (except public holidays):

- a) the Series Vending Agreement;
- b) the Programme Trust Deed and Series Trust Deed in relation to a Series of Bonds;
- c) the latest Annual Report of the Issuer;
- d) each Pricing Supplement relating to a Series of Bonds which are listed on the Relevant Exchange;
- e) the Shelf Prospectus and any supplements thereto;
- f) A copy of the resolution authorising the programme and issuance of bonds under the Programme no. BD/120/21 dated 10 March 2021
- g) Schedule of Claims and Litigation
- h) the Constituent Charter;
- i) the respective letters conveying the regulatory concessions/waivers obtained from the SEC and other regulatory authorities in connection with the Programme;
- j) the letters from the SEC confirming the registration of the Programme and the respective Bonds;
- k) the letter conveying the approval of the Relevant Exchange for the listing of the Bonds; and
- l) Material contracts referred to above



GCR assigns Shelter Afrique an international scale long and short-term issuer credit rating of B-/ B

Rating Action

Johannesburg, 28 May 2021 - GCR Ratings ("GCR") has assigned The Company for Habitat and Housing in Africa ("Shelter Afrique") international scale long and short-term issuer ratings of B- and B respectively, with the outlook accorded as Stable. At the same time, the following long and short-term national scale issuer ratings have been assigned:

- Kenyan National Scale ratings at A+_{Ken}/A1_{Ken} with outlook accorded as Stable.
- Nigerian National Scale ratings at AA_{Nig}/A1+_{Nig} with outlook accorded as Stable.

Rated Entity	Rating class	Rating scale	Rating	Outlook / Watch
Shelter Afrique	Long term issuer	International	B-	Stable Outlook
	Short term issuer	International	B	

Rating Rationale

The ratings on Shelter Afrique ('the company') balance the geographical distribution of the development book, with a chequered history of timely member support and limited preferential creditor treatment ('PCT'), the relatively modest size and diversity of the organisation and the strong underpin of the mandate. We also factor in the very robust capitalisation of the entity, despite weak earnings, poor asset quality (from the legacy book), moderate funding position versus supranational peers and adequate liquidity.

Shelter Afrique is a relatively small regional Multilateral Development Bank ('MDB') established with a mandate to provide affordable housing in Africa. Its modest size (with developmental exposures of just over USD164mln at FY20) is a relative strain to its ability to self-fund very large developmental projects given a massive deficit of housing in Africa. The status of the institution is also constrained by some financial sustainability issues emanating from the disruptive event of 2016. This is reflected by core earnings which remain negative on the back of substantially low volumes in loan originations, although profitability has been on an improving trend supported by recoveries on the non-performing loan ('NPL') book. The company has a fairly diverse product range that addresses its housing mandate, with lines of credit and project finance having a meaningful impact.

We view the mandate to be strong, underpinned by the company's broad social, environmental, and economic development focus. Mandate strength is moderated for track record that has diminished in recent years. With limited funding, the company's balance sheet contracted in the last three years,

Printed on: Jun 2, 2021 / Last Date: <https://ratings.commissioners.co.za/issue/shelter-afrique-on-international-scale-long-and-short-term-issuer-credit-rating-of-b/> / Date of update: May 28, 2021



increasing replaceability risks for the institution in our opinion. Nonetheless, the company's non-financial capacity building initiatives meant to assist member countries formulate appropriate affordable housing policy frameworks and provide technical expertise supports the institution's relevance to its shareholders, in our opinion.

The company's balance sheet is exposed to the operating environment risks of Africa. We believe these risks, which reflects the direct and indirect impact of the COVID-19 pandemic, have somewhat constrained fiscal capacity of member countries. Furthermore, the track record of timely support by the shareholders has not been supportive of a higher credit rating. The company has some examples of preferred creditor status from member countries but as most are post-default, the ratings would benefit from sustained reduction in NPLs and minimised length of time in recoveries as proof of preferential treatment.

With a GCR leverage of c.73% at FY20, capitalisation is very strong, and we expect the ratio to trend within familiar levels of between 70% and 75% over the next 12-18 months, balancing ramped up capital subscriptions, improving profitability with significant retention levels, and anticipated expansion of the loan book. Internal capital generation has improved thanks to the improved recovery prospects of the NPL book. However, core earnings are negative returning -1.8% of adjusted assets at FY20 but expected to improve to around -0.7% by end of FY21, supported by a 19% increase in net interest income, substantial increase in non-funded income, and improved cost run rate. The downside risk of a weak GCR leverage ratio is contained over the next 2 years, given stronger capital collection levels expected between USD10min and USD20min per year, which is more than adequate to sustain potential drag on earnings. Loan loss reserve coverage of 71% as of Dec 2020 is considered adequate and in line with peers and we expect coverage to improve to between 94% and 120% over the next 2 years based on anticipated loan growth and the company's historical total book provision coverage.

Asset quality is a ratings' weakness, reflected by credit losses that are relatively higher in comparison to peers through the cycle. Impairments were booked lower at 1.2% as of Dec 2020 but we expect an increase to around 1.5% and 2% over the next 2 years. NPLs are also very high largely attributed to the legacy portfolio but are expected to lower on the back of improved recoveries. Concentrations are moderate and in favourable range to that of peers, with top 20 loans accounting for c.65% of the loan book at FY20. On the other hand, the risk management policies of the company were revised in 2018/2019 to address historical failures. We remain conservative in our view of asset quality metrics trends in the future, with the effectiveness of the aforementioned changes yet to be tested. Market risk is minimal with limited equity investments, and FX lending risks are well managed by natural hedging and sale of excess FX holdings.

The Funding structure is moderate in comparison to peers, reflected by confidence sensitive funding that has restrictive covenants under the debt restructuring agreement. The funding base is less diverse, but we anticipate with some confidence that the diversification of funders will gradually

Printed on Jan 1, 2021 / Last Dec: <https://ratings.com/issuereport/ratings-report-of-the-issuereport.aspx?reportid=101> / Date of update: May 28, 2021

Pro Forma Pricing Supplement for an issue by the Company for Habitat and Housing in Africa, under its Nigerian Naira Bond Issuance;

Pricing Supplement dated [●]



The Company for Habitat and Housing in Africa

(Established pursuant to the Agreement for the Establishment of the Company for Habitat and Housing in Africa)

Issue of [●] (Series [●]) Bonds Under the ~~N~~200,000,000,000 Domestic Bond Issuance Programme

This document constitutes the Pricing Supplement relating to the issue of Bonds described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Shelf Prospectus dated [●] [and the supplemental Shelf Prospectus dated [●]]. This Pricing Supplement contains the Pricing Supplement of the Bonds and must be read in conjunction with such Shelf Prospectus [as so supplemented]. Where there is any inconsistency between the terms of this Pricing Supplement and the Shelf Prospectus, this Pricing Supplement will prevail.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Shelf Prospectus with an earlier date.]

This document constitutes the Pricing Supplement relating to the issue of Bonds described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Shelf Prospectus dated [original date]. This Pricing Supplement contains the Pricing Supplement of the Bonds and must be read in conjunction with the Shelf Prospectus dated [●] [and the supplemental Shelf Prospectus dated [●], save in respect of the Terms and Conditions which are extracted from the Shelf Prospectus dated [original date] and are attached hereto.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Securities and Exchange Commission (the "SEC") endorses or recommends the securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. This Pricing Supplement contains particulars in compliance with the requirements of the SEC for the purpose of giving information with regard to the securities being issued hereunder. Application has been made to the Relevant Exchange.

The Issuer represents that it has taken all reasonable care to ensure that the information contained in this Pricing Supplement is true and accurate in all material respects as of the date hereof and there are no other material facts in relation to the Issuer the omission of which would make misleading any statement herein, whether of fact or of opinion.

FORM OF PRICING SUPPLEMENT

Lead Issuing House / Bookrunner
FSDH Capital Limited

1. Issuer The Company for Habitat and Housing in Africa
2. (i) Series Number []
(ii) Tranche []
(If fungible with an existing Series, details of that Series, including the date on which the Bonds become fungible)
3. Aggregate Nominal Amount
(i) Series Number []
(ii) Tranche []
4. (i) Issue Price [] per cent of the Aggregate Nominal Amount
[plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*]
5. Specified Denomination(s) []
6. (i) Issue Date []
(ii) Interest Commencement Date []
7. Maturity Date *[(for Fixed Rate Bonds) specify date or (for Floating Rate Bonds) Interest Payment Date falling in or nearest to the relevant month and year]*
8. Interest Basis [[] per cent. Fixed Rate] *[[specify reference rate] +/- [] per cent. Floating Rate] [Other (specify)]*
(further particulars specified below)
9. Redemption / Payment Basis [Redemption at par] [Instalment (specify)] [Other (specify)]
10. Change of Interest or Redemption / Payment Basis / *[Specify details of any provision for convertibility of Bonds into another interest or redemption/payment basis]*
11. Status of the Bonds []
12. Listing and Trading [The NGX/FMDQ (specify)]
13. Method of Distribution [Syndicated/Non-syndicated] [Book building / Underwriting/other (specify)]
14. Underwriting [Specify details of any underwriting, if applicable]
(If not applicable, state that the Bonds will not be underwritten)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Bond Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Rate(s) of Interest	[] per cent. per annum [payable [annually/semiannually/quarterly/monthly/other (specify)] in arrears] [on each Interest Payment Date]
(ii) Specified Interest Payment Date(s)	[] in each year up to and including the Maturity Date
(iii) Fixed Coupon Amount(s)	[] per [] in nominal / see Appendix
(iv) Broken Amount(s)	<i>[Insert particulars of any initial or final broken interest amount which do not correspond with the Fixed Coupon Amount{(s)} and the Interest Payment Date(s) to which they relate]</i>
(v) Day Count Fraction	[Actual/Actual or Actual/365 (Fixed) or Actual/360 or other (specify)]
(vi) Other terms relating to the method of calculating interest for Fixed Rate Bonds	[Not Applicable/give details]
16. Floating Rate Bond Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Interest Period(s)	[]
(ii) Specified Interest Payment Dates	[]
(iii) Business Day Convention	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(iv) Manner in which the Rates(s) of interest is/are to be determined	[Screen Rate Determination/other (give details)]
(v) Interest Period Date(s)	[Not Applicable/specify dates]
(vi) [Screen Rate Determination]	
- Interest Determination Date	[] Business Days prior to the first day in each Interest Accrual Period]
	[Specify relevant screen page]

FORM OF PRICING SUPPLEMENT

- Primary Source for Floating Rate *[Specify if screen quotations are to be given in respect of a transaction of a specified notional amount]*
 - Representative Amount
 - Effective Date *[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]*
 - Specified Duration *[Specify period for quotation if not duration of Interest Accrual Period]*
- (vii) Relevant Margin(s) [+/-][] per cent. per annum
- (viii) Day Count Fraction []
- (ix) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Bonds, if different from those set out in the Terms and Conditions []

PROVISIONS RELATING TO REDEMPTION

17. Final Redemption Amount of each Bond [Par/other/see Appendix]
18. Early Redemption *[Specify any early redemption and the related exercise procedures]*

GENERAL PROVISIONS APPLICABLE TO THE BONDS

19. Form of Bonds
- Book-Entry Bonds []
 - Registered Bonds []
 - Registrar []
20. Details relating to Instalment Bonds: Instalment Amount, date on which each payment is to be made (Instalment Date) *[Not Applicable/give details including of any minimum or maximum instalment amount]*
21. Consolidation provisions *[Not Applicable/The provisions annexed to this Pricing Supplement apply]*

FORM OF PRICING SUPPLEMENT

22. Other terms or special conditions [Not Applicable/give details including any details relevant to Other Bonds, being Bonds of a type not specifically contemplated elsewhere in this Pricing Supplement]
23. Governing law Nigerian law
24. Use of proceeds []

DISTRIBUTION

25. If syndicated, names of the Lead Issuing House/Bookrunner and the Joint Issuing House(s)/Bookrunner(s) (as defined in the Series Vending Agreement) [Not Applicable/give names]
26. If non-syndicated, name of the Issuing House/Bookrunner [Not Applicable/give names]

OPERATIONAL INFORMATION

27. [ISIN Code] []
28. [Common Code] []
29. Delivery Delivery [against/free of] payment
30. Changes to the Agent(s) (if any) []
31. Clearing System []

LISTING APPLICATION

An application has been made to list the Bonds on [●]. Bondholders who wish to sell the Bonds prior to the Maturity Date can sell at any time after the Issue Date upon the admission of the Bonds to the [●]

NO MATERIAL ADVERSE CHANGE

There has been no material adverse change in the financial position of the Issuer since 31st December 2020

AUDITORS

The annual accounts of the Issuer for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020, respectively, have been audited by Deloitte & Touche].

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.
Signed on behalf of The Company for Habitat and Housing in Africa:

By: _____
Duly Authorised