

THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE, PLEASE CONSULT YOUR STOCKBROKER, ACCOUNTANT, BANKER, SOLICITOR, OR AN INDEPENDENT INVESTMENT ADVISER. THIS SHELF PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE MEMBERS OF THE BOARD OF DIRECTORS OF LAPO MFB SPV PLC 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.

INVESTMENT IN THE BONDS IS STRICTLY FOR QUALIFIED INSTITUTIONAL INVESTORS AND HIGH NETWORTH INVESTORS AS DEFINED IN THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION.

Investing in securities to be offered under this Bond Issuance Programme involves risks. For information about risks factors which should be considered by prospective investors, please refer to Risk Factors on pages 52 to 55.

INVESTORS MAY CONFIRM THE CLEARANCE OF THE PROSPECTUS AND THE REGISTRATION OF THE SECURITIES WITH THE SEC BY CONTACTING THE COMMISSION ON sec@sec.gov.ng or +234(0)2094621168; +234(0) 9167723240



RC:688867

(The Sponsor)

LAPO MFB SPV PLC
(The Issuer)

RC:1363556

(Incorporated for the sole purpose of purchasing Senior and Subordinated Underlying Bonds to be issued by LAPO Microfinance Bank Ltd)

SHELF PROSPECTUS

₦30,000,000,000 BOND ISSUANCE PROGRAMME

Under this Bond Issuance Programme ("the Programme"), LAPO MFB SPV Plc may from time-to-time issue bonds or any other type of debt securities, in separate series, in amounts, at prices, and on terms to be set out in any accompanying Pricing Supplement.

The maximum aggregate nominal amount of all Bonds or any other type of securities issued from time to time and outstanding under this Programme shall not exceed ₦30,000,000,000 over the three years (or such extended period that the Securities and Exchange Commission (the "Commission" or "SEC") may approve) that this Shelf Prospectus, including any amendments thereto, remains valid. This Shelf Prospectus is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference and, in relation to any series of the Programme, together with the relevant Pricing Supplement.

This Shelf Prospectus, together with documents specified herein, have been delivered to the Commission for registration. This Shelf Prospectus and the securities that it offers have been approved and registered by the Commission. It is a civil wrong and criminal offence under the Investments & Securities Act 2025 (the "Act" or "ISA") to issue a prospectus which contains false or misleading information. The clearance and registration of this Shelf Prospectus and the securities which it offers does not relieve the parties from any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact. 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 113 and 114 of ISA.

This Shelf Prospectus has been issued in compliance with Part IX of the Act, Part F Rule 279 of the 2013 Rules and Regulations of the Commission and the listing requirements of Nigerian Exchange Limited ("NGX") and the FMDQ Securities Exchange Limited ("FMDQ") and contains particulars which are compliant with the requirements of the Commission for the purpose of giving information with regard to the ₦30,000,000,000 LAPO MFB SPV Plc Bond Issuance Programme ("the Programme")

The registration of the Shelf Prospectus and any Pricing Supplement thereafter does not in any way suggest that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statement made or opinion or report expressed therein.

No instrument will be allotted or issued based on this Shelf Prospectus read together with any supplementary Shelf Prospectus or Pricing Supplement later than 3 (three) years from the date of this Shelf Prospectus unless the validity period (as subsequently defined) is renewed by the Commission.

LEAD ISSUING HOUSE/BOOK RUNNER



RC:446599

JOINT ISSUING HOUSE/BOOK RUNNER



RC:1167339

THIS SHELF PROSPECTUS IS DATED 27 APRIL 2026

This Shelf Prospectus will be available on the following websites:

www.lapo-nigeria.org; www.sec.gov.ng

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NOTICE TO PROSPECTIVE INVESTORS

This Shelf Prospectus has been prepared on behalf of LAPO MFB SPV Plc (the “Company”, “LAPO SPV” or “Issuer”) in connection with its ₦30,000,000,000 (Thirty Billion Naira) Bond Issuance Programme and is issued in accordance with the provisions of the Act, Rules and Regulations of the SEC, the listing and quotation requirements of FMDQ, as well as other exchanges, and for the purpose of giving information with regard to the Company and the Bonds which, according to the particular nature of the Company and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company.

The Board of Directors of the Issuer, having taken all reasonable care to ensure that is the case, confirms that the information contained in this Shelf Prospectus is in accordance with the Rules and Regulations of SEC and accepts full responsibility for the information contained herein.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Shelf Prospectus or any other information supplied in connection with the Programme and, if given or made, such information must not be relied upon as having been authorised by either the Company, the Sponsor or any of the parties to the Programme.

Neither this Shelf Prospectus nor any other information supplied in connection with the Programme: (a) is intended to provide the basis of any credit or other evaluation, or (b) should be considered as a recommendation by either the Company, the Sponsor or any of the parties to the Programme that any recipient of this Shelf Prospectus 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 Company or the Sponsor. Neither this Shelf Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Company or Sponsor or any of the parties to the Programme to any person to subscribe for or to purchase any Bonds.

Neither the delivery of this Shelf Prospectus nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer/Sponsor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme continues to remain correct as of any time subsequent to the date indicated in the document containing the same.

1. Presentation of Information

The information set forth herein has been obtained from official sources that are believed to be reliable, but is not guaranteed as to accuracy, reliability or completeness. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Shelf Prospectus nor any issue made hereunder or any future use of this Shelf Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company and Sponsor since the date hereof.

All financial and other information presented or incorporated by reference in this Shelf Prospectus have been provided by the Sponsor and the Company from their records, except for information expressly attributed to other sources. The presentation of certain information, including tables of receipts and other revenues, is intended to show recent historic financial information and is not intended to indicate future or continuing trends in the financial position or other affairs of the Company and Sponsor. No representation is made that the trends, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

A wide variety of other information concerning the Sponsor, including financial information, are available on the Sponsor's website – www.lapo-nigeria.org - and in other authorised publicly available publications. Any such information that is inconsistent with the information set forth in this Shelf Prospectus should be disregarded. No such information is a part of or incorporated into this Shelf Prospectus.

2. Financial Information

Unless otherwise indicated, the financial information regarding the Sponsor indicated in this Shelf Prospectus has been derived from the Reporting Accountants' Report on the Sponsor's audited consolidated financial statements for the years ended 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024. The Sponsor's audited financial statements have been prepared in accordance with IFRS and the requirements of the CAMA and the Financial Reporting Council of Nigeria Act and are presented in Naira: the reporting currency of the Company.

3. Rounding

Certain numerical figures included in this Shelf Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown in totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

4. Forward-Looking Statements

Certain statements included herein and in any Pricing Supplement may constitute forward-looking statements that involve a number of risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements can be identified using forward-looking terminologies such as "believes", "expects", "may", "are expected to", "intends", "will", "will continue", "should", "would be", "seeks", "approximately" or "anticipates" or similar expressions or the negative thereof or other variations thereof or comparable terminologies. These forward-looking statements include all matters that are not historical facts and include statements regarding the Company's intentions, beliefs or current expectations concerning, amongst other things, the Company's operating results, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Issuer's actual results of operations, financial condition and liquidity, and the development of the industry in which it or the Sponsor operates may differ materially from those made in or suggested by the forward-looking statements contained in this Shelf Prospectus. In addition, even if the Company's results of operations, financial condition and liquidity and the

development of the industry in which it operates are consistent with the forward-looking statements contained in this Shelf Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Factors that could cause actual results to differ materially from the Issuer's expectations are contained in cautionary statements in this Shelf Prospectus and include, among other things, the following:

- overall political, economic and business conditions in Nigeria;
- changes in government regulations;
- changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- economic and political conditions in international markets, including governmental changes;
- the demand for the Company's products and services;
- pandemics or epidemics;
- Sponsor's ability to achieve its strategic objectives, including improved performance, reduced risks, lowered costs and more efficient use of capital;
- operational factors such as systems failure, human error or the failure to implement procedures properly;
- hostilities and disruption in Nigeria;
- FGN restrictions on movement;
- competitive factors in the industries in which the Company, the Sponsor and its customers operate;
- interest rate fluctuations and other capital market conditions;
- exchange rate fluctuations; and
- the timing, impact and other uncertainties of future actions.

The list above is not exhaustive. The sections of this Shelf Prospectus entitled "**Risk Factors**" and "**Statutory and General Information**" contain more detailed discussions of the factors that could affect the Company's future performance and the industry in which the Sponsor operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Shelf Prospectus may not occur.

The Issuer and Sponsor do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Shelf Prospectus

5.Third Party Information

The Company obtained certain statistical and market information that is presented in this Shelf Prospectus in respect of the Nigerian economy and the Nigerian political landscape in general from certain government, intergovernmental agencies and organisations, ministries, and other governmental and intergovernmental organisations, including the Central Bank of Nigeria; the International Monetary Fund; the Debt Management Office; the National Bureau of Statistics, the Organization of Petroleum Exporting Countries, and other third-party sources as identified where it appears herein.

There is no uniformity of views among such sources as to such information provided. The Issuer has not independently verified the information included in those segments of this Shelf Prospectus. Some of the information in this Shelf Prospectus have been derived substantially from publicly available information, such as annual reports, official data published by the Nigerian government or regional agencies or other third-party sources as indicated in the text. The Issuer has accurately reproduced such information and, so far as the Issuer is aware and is able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Issuer has relied on the accuracy of this publicly available information without independent verification.

Nevertheless, prospective investors are advised to consider these data with caution. Market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and

speculative. Neither the Issuer, the Sponsor nor the Issuing Houses have independently verified the figures, market data or other information on which third parties have based their studies.

ISSUE OF PRICING SUPPLEMENTS

Following the publication of this Shelf Prospectus, a Pricing Supplement would be prepared by the Issuer and the Issuing Houses for the approval of the SEC in accordance with the SEC Rules and Regulations for each series of Bonds issued under the Programme.

Statements contained in any such Pricing Supplement, shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Shelf Prospectus.

The Issuer and the Sponsor declare, to the best of their knowledge and honest belief, that no material facts have been omitted from nor is there any material misstatement in this Shelf Prospectus, which would make any statement contained herein misleading or untrue. The issuer and the Sponsor shall, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Shelf Prospectus which can affect the assessment of the Bonds, prepare a supplementary Shelf Prospectus for use in connection with any subsequent issue of Bonds.

Validity Period of the Shelf Prospectus and Delivery of Documents:

This Shelf Prospectus is valid until [...] 2029 unless otherwise extended by the SEC. No Bonds shall be issued on the basis of this Shelf Prospectus read together with any Pricing Supplement issued pursuant hereto later than three (3) years after the Issue Date indicated on the cover of this Shelf Prospectus, except where same is extended by the SEC. This Shelf Prospectus can be obtained at the office of the Issuer and the Issuing Houses not later than 3 years from the date of registration.

DEFINITION OF TERMS

Unless the context otherwise requires, the following expressions shall have the meanings respectively assigned to them:

"Affiliates"	A person that directly, or indirectly, through one or more intermediaries, controls/is controlled by, or is under common control with, the Issuer
"Allotment Date"	Date on which the Bonds are allotted to investors
"Applicable Pricing Supplement" or "Pricing Supplement"	The document(s) to be issued pursuant to this Shelf Prospectus, which shall provide final terms and conditions of a specific Series or Tranche of Bonds under the Programme, and to be read in conjunction with this Shelf Prospectus
"Auditor"	KPMG Professional Services or if not so appointed, any successor firm of auditors appointed from time to time by the Company
"AVA"	AVA Capital Partners Limited
"Board" or "Directors"	Board of Directors of the Issuer or the Sponsor as applicable
"Bonds"	The registered bonds issued under the Programme, from time to time, by the Issuer in accordance with the terms of the Shelf Prospectus and any subsequent Pricing Supplement
"Bondholder" or "Holder"	Any registered owner or beneficial owner of Bonds to be issued under the Programme
"Bond Issuance Programme" or the "Programme"	The ₦ 30,000,000,000 Bond Issuance Programme being undertaken by LAPO MFB SPV Plc as described in this Shelf Prospectus, pursuant to which the Issuer may issue series or tranches of Bonds from time to time with varying maturities, terms and conditions and variable rates of interests; provided that the aggregate value does not exceed ₦ 30,000,000,000
"Business Day"	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which commercial banks are open for business in Nigeria.
"Business Day Convention"	in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings: (i) "Following Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day; (ii) "Modified Following Business Day Convention" or "Modified Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

DEFINITION OF TERMS

	(iii) "Preceding Business Day Convention" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
"CAMA"	Companies and Allied Matters Act No. 3 of 2020 (as amended)
"CBN"	Central Bank of Nigeria
"CITA"	Companies Income Tax Act Chapter C21 LFN, 2004 (as amended)
"Coupon"	The interest paid on the Bonds periodically, expressed as a percentage of the Face Value of the Bond
"Coupon Commencement Date"	The Issue Date for any particular Series of Bonds, or such other date as may be specified in the Applicable Pricing Supplement or applicable Series Trust Deed, from which interest on the Bonds begins to accrue
"Coupon Payment Date"	The date on which a Coupon falls due for payment to the Bondholders, as specified in the Applicable Pricing Supplement or applicable Series Trust Deed
"Coupon Period"	The period from (and including) a Coupon Payment Date (or the Coupon Commencement Date) to (but excluding) the next Coupon Payment Date
"Coupon Rate"	Interest rate stated on the Bonds when it is issued, expressed as a percentage of the Face Value of the Bond, as specified in the Applicable Pricing Supplement
"CSCS" or the "Clearing System" or "CSD"	Central Securities Clearing System PLC, FMDQ Depository Limited or any other clearing and settlement organization subsequently appointed by the Parties hereto with the approval of the Commission
"DMB"	Deposit Money Banks
"Event of Default"	As provided in [Condition 10] of the Programme Trust Deed (the "Trust Deed")
"Face Value"	The par value of a Bond

DEFINITION OF TERMS

"FDI"	Foreign Direct Investment
"Federal Government" or "FGN"	Federal Government of Nigeria
"Finance Act(s)"	The Finance Act, 2019, The Finance Act, 2020, The Finance Act, 2021 and The Finance Act, 2023
"FirstCap"	FirstCap Limited
"Fixed Rate Bonds"	Bonds in respect of which interest is to be calculated and paid on a fixed rate basis as at the time of the issue, and will not change during the life of the Bonds
"Floating Rate Bonds"	Bonds in respect of which interest is to be calculated and paid on a floating rate basis as prescribed in the relevant Pricing Supplement
"FMDQ"	FMDQ Securities Exchange Limited, a SEC licensed securities exchange
"GCR"	Global Credit Rating Co
"GDP"	Gross Domestic Product
"High Net Worth Investor" or "HNI"	As defined in the SEC Rules and Regulations
"IASB"	International Accounting Standards Board
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time)
"Interest Period"	Interest Period is as defined in the Applicable Pricing Supplement
"ISA or "the Act""	Investments and Securities Act, 2025
"Issuer" or the "Company" or "LAPO SPV"	LAPO MFB SPV Plc
"Issue Date"	The date on which the relevant Series of the Bonds are issued, as specified in the Applicable Pricing Supplement
"Issue Price"	The price of issue of the Bonds under the relevant Series as specified in the Applicable Pricing Supplement
"Lead Issuing House"	FirstCap Limited
"Joint Issuing House"	AVA Capital Partners Limited
"LFN"	Laws of the Federation of Nigeria, 2004

"Maturity Date"	The date as specified in each Applicable Pricing Supplement on which the principal amount is due
"MBPA"	The Master Bonds Purchase Agreement dated 27 April 2026 between LAPO, the Trustees and the Issuer under which LAPO issues the LAPO Bond
"MPC"	Monetary Policy Committee
"MPR"	Monetary Policy Rate
"Naira", "NGN" or "₦"	The Nigerian Naira
"NDIC"	Nigeria Deposit Insurance Corporation
"NBS"	National Bureau of Statistics
"Nigeria"	The Federal Republic of Nigeria and the term "Nigerian" shall be construed accordingly
"NIPC"	Nigerian Investment Promotion Commission
"NGX"	The Nigerian Exchange Group
"NUPRC"	Nigeria Upstream Petroleum Regulatory Commission
"Pension Reform Act 2014"	Pension Reform Act, 2014
"PFA"	Pension Fund Administrator and its plural form shall be construed accordingly
"PITA"	Personal Income Tax Act Cap, P8, LFN 2004 (as amended) by the Personal Income Tax (Amendment) Act 2011
"Principal Amount"	The nominal amount of each Bond, as specified in the Applicable Pricing Supplement
"Professional Parties"	Professionals engaged by the Issuer and the Sponsor to advise in the establishment of the Programme and the issuance of Bonds thereunder
"Programme Trust Deed" or "Deed"	The Trust Deed between LAPO MFB SPV Plc, LAPO Microfinance Bank Ltd and the Trustees dated 27 April 2026 as may be amended, supplemented or restated from time to time.
"Purchase Confirmation"	An agreement for the issue and subscription of the LAPO Bonds substantially in the form set out in schedule 2 of the MBPA;
"Qualified Institutional Investor"	A purchaser of securities that is financially sophisticated. These include Banks, Fund Managers, Pension Fund Administrators, Insurance Companies, Investment/Unit Trusts, Multilateral and Bilateral Institutions, Registered and/or Verifiable Private Equity Funds, Registered and/or verifiable Hedge Funds, Market Makers, Staff Schemes, Trustees/Custodians, Stockbroking Firms and any

other category as the Commission may determine as stipulated by Rule 321 of the Rules and Regulations of the SEC.

"Rate of Interest"	The applicable rate of interest on any Bond (other than a Fixed Rate Bond) to be determined on a Coupon Determination Date for each Interest Period by the Trustee
"Record Date"	The date on which the list of Bondholders eligible to receive coupon payments is determined by reference to the Register
"Redemption Amount"	The aggregate Principal Amount outstanding in respect of a series of Bonds on the Maturity Date as specified in the applicable Pricing Supplement
"Register"	The record kept at the specific office of the Registrar into which shall be entered the names and addresses of each Bondholder and the particulars, transfers and redemption of the Bonds held by each Bondholder
"Registrar"	CardinalStone Registrars Limited or such other registrars duly licensed by the SEC, as may be appointed from time to time by the Issuer with prior written approval of the Trustees to maintain the Register
"Reverse Floating Rate"	Bonds in respect of which interest is calculated to have an inverse relationship to the referenced benchmark rate
"S&P"	Standard and Poors
"SEC" or the "Commission"	Securities and Exchange Commission
"Series"	A Tranche of Bonds together with any further Tranche or Tranches of Bonds which are (i) expressed to be consolidated and form a single series; and (ii) identical in all respects except for their respective Issue Dates, interest commencement and/or Issue Prices
"Series Trust Deed"	A deed supplementing or modifying the provisions of the Programme Trust Deed entered by the Issuer and the Trustees and empowering the Trustees in relation to a particular Series or Tranche of Bonds
"Shelf Prospectus"	This document issued in accordance with the Rules and Regulations of the SEC, which details the aggregate size and broad terms and conditions of the Programme
"Sinking Fund"	A reserve established by the Issuer into which specified periodic payments may be made for the purpose of redeeming, repurchasing, or retiring a portion of the Bonds prior to maturity or at maturity.
"Special Resolution"	Means a resolution passed by at least three fourths (3/4) majority of the total number of Bondholders in accordance with the provisions contained in the Second Schedule on page [.]
"Sponsor" or "LAPO"	LAPO Microfinance Bank Ltd
"SSA"	Sub-Saharan Africa

"Supplementary Shelf Prospectus" or "SSP"	The document(s) to be issued pursuant to the shelf prospectus which shall provide final terms and conditions of a specific issue of Debt Securities under the Programme
"The Programme"	The Bond Issuance Programme described in this Shelf Prospectus pursuant to which LAPO MFB SPV Plc may issue bonds from time to time, the aggregate value of which shall not exceed ₦30,000,000,000 (Thirty Billion Naira)
"Terms and Conditions"	The terms and conditions in accordance with which the Bonds will be issued, set out in the section headed "Terms and Conditions of the Bonds" as contained in the First Schedule to the Programme Trust Deed, and set out in this Shelf Prospectus
"Tranche"	In relation to any particular Series, all Bonds which are identical in all respects (including as to listing, save for Issue Price and Maturity Date)
"Transaction Documents"	The Shelf Prospectus, Pricing Supplement, the Trust Deeds, vending agreements, underwriting agreement (if any), Master Bond Purchase Agreement and all related documents
"Trust Deed"	The Programme Trust Deed and the Series Trust Deed(s)
"Trustees"	First Trustees Limited, Leadway Trustees Limited, and any other Trustee appointed by the Issuer
"Trustees Act"	Trustee Investments Act Chapter T22, LFN 2004
"Undertaking"	An undertaking on the Bonds to be provided by LAPO
"USD" or "US\$"	The United States Dollar, the lawful currency of the United States of America
"Validity Period"	A period not exceeding three (3) years from the date of issue of this Shelf Prospectus unless otherwise renewed by the Commission
"VAT"	Value Added Tax as provided for in the VAT Act as may be amended from time to time



3rd June 2025

The Director General,
Securities & Exchange Commission
SEC Towers
Plot 272 Samuel Adesujo Ademulegun Street
Central Business District
Garki, Abuja

Dear Sir,

DECLARATION BY THE SPONSOR IN RESPECT OF LAPO MFB SPV PLC'S ₦30,000,000,000 BOND ISSUANCE PROGRAMME

This Prospectus has been prepared by the Issuing Houses on behalf of LAPO Microfinance Bank Limited ("LAPO MFB" or the "Sponsor") for the purposes of providing information to prospective investors on relevant aspects of the Company in connection with the Issue and the investments in the securities issued therein.

On behalf of the Sponsor, we hereby make the following declarations:

1. We confirm that we have taken reasonable care to ensure that the information contained in this Prospectus and any supplement thereto relating to the Sponsor is to the best of our knowledge and belief, in accordance with the facts and contains no omission likely to affect its import;
2. There has been no significant change in the financial condition or material or adverse change in the financial prospects of the Company since the date of the last audited accounts, being 31st December 2024; and
3. The Company has not, during the 12 calendar months immediately preceding the date of the application to the Securities and Exchange Commission for registration of this Shelf Prospectus, breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an immediate recall of such borrowed monies.

Signed for and on behalf of LAPO Microfinance Bank Limited
By its duly authorized representatives:

  Chief Executive Officer CYNTHIA IKPONMWOSA	 Chief Financial Officer EMMANUEL IGIETAN	 Company Secretary PEGGY IDETIEN	
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Head Office: LAPO PLACE, 15A Ikorodu-Osotosun Road, Maryland, Lagos, Nigeria.
 Benin Office: LAPO Place, 18 Dawson Road, P.M.B 1729, Benin City, Edo State, Nigeria.
 T: Benin: +234-52-292174, Lagos: +234 813 984 0230
 E: info@lapo-nigeria, lapobn@lapo-nigeria.org
 www.lapo-nigeria.org

Board of Directors
 Chairman: Godwin Ehigiamusoe
 Managing Director: Cynthia Ikponmwosa
 Executive Directors: Gloria Bako
 Ismel Alibuede
 Non Executive Director:
 Joshua Etiopidok
 Independent Non-Executive Directors:
 Aljo Olotu, Angela Omeiza



LAPO MFB SPV PLC
RC: 1363556

HEAD OFFICE:
15A, Ikorodu-Osunsun
Road Maryland, Nigeria.
Tel: 234-52292174

June 27 2025

The Director General
Securities & Exchange Commission
SEC Towers
Plot 272 Samuel Adesujo Ademulegun Street
Central Business District
Garki, Abuja

Dear Sir,

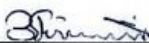
DECLARATION BY THE ISSUER IN RESPECT OF LAPO MFB SPV PLC'S N30,000,000,000 BOND ISSUANCE PROGRAMME

This Prospectus has been prepared by the Issuing Houses on behalf of LAPO MFB SPV PLC ("LAPO SPV" or the "Issuer") for the purposes of providing information to prospective investors on relevant aspects of the Company in connection with the issue and the investments in the securities issued therein.

On behalf of the Issuer, we hereby make the following declarations:

1. We confirm that we have taken reasonable care to ensure that the information contained in this Prospectus and any supplement thereto is to the best of our knowledge and belief, in accordance with the facts, and contains no omission likely to affect its import;
2. There has been no significant change in the financial condition or material or adverse change in the financial prospects of the Issuer since the date of this Shelf Prospectus; and
3. The Company has not, during the 12 calendar months immediately preceding the date of the application to the Securities and Exchange Commission for registration of this Shelf Prospectus, breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an immediate recall of such borrowed monies.

Signed for and on behalf of LAPO MFB SPV PLC
By its duly authorized representatives:



Director
Godwin Ehigiamusoe



Director
Faith Osazuwa-Ojo



Company Secretary
Peggy Idehen

Directors: Godwin Ehigiamusoe, Cynthia Ikponmwosa, Faith Osazuwa-Ojo



This Shelf Prospectus should be read and construed in conjunction with:

1. Each Applicable Pricing Supplement relating to any Series of the Bonds issued under this Shelf Prospectus; and
2. The audited accounts (and notes thereto) and any audited interim financial statements published subsequent to such audited accounts of the Sponsor for the three financial years prior to each issue of Bonds under this Programme, which shall be deemed to be incorporated in, and to form part of this Shelf Prospectus and which shall be deemed to modify and supersede the contents of this Shelf Prospectus as appropriate.

The Issuer will provide at no cost to each prospective investor, upon request, a copy of any of the documents incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents shall be directed to the Issuer, Sponsor and/or the Issuing Houses at the addresses stated below:

FirstCap Limited

16 – 18 Keffi Street
S.W Ikoyi,
Lagos.

AVA Capital Partners Limited

3, Glover Road,
Ikoyi,
Lagos.

LAPO MFB SPV PLC

LAPO Place,
15 Ikorodu Road,
Maryland Bus Stop,
Lagos.

LAPO Microfinance Bank Ltd

LAPO Place,
15 Ikorodu Road,
Maryland Bus Stop,
Lagos.

PARTIES TO THE PROGRAMME

Issuer	
LAPO MFB SPV PLC LAPO Place 15 Ikorodu Road Maryland, Lagos State	
	
Board of Directors & Company Secretary of the Issuer	
Dr Godwin Ehigiamusoe (Chairman) LAPO Place 15 Ikorodu Road Maryland, Lagos State	Mrs. Cynthia Ikponmwosa LAPO Place 15 Ikorodu Road Maryland, Lagos State
	
Mrs. Faith Osazuwa Ojo LAPO Place 15 Ikorodu Road Maryland, Lagos State	Mrs. Peggy Idehen (Company Secretary) LAPO Place 15 Ikorodu Road Maryland, Lagos State
	
Sponsor	
LAPO Microfinance Bank Ltd LAPO Place 15 Ikorodu Road Maryland, Lagos State	
	
Board of Directors & Company Secretary of the Sponsor	
Dr Godwin Ehigiamusoe (Chairman) LAPO Place 15 Ikorodu Road Maryland, Lagos	Mrs. Cynthia Ikponmwosa LAPO Place 15 Ikorodu Road Maryland, Lagos
	
Mr Joshua Etopidiok LAPO Place 15 Ikorodu Road Maryland, Lagos	Mr Aigbe Olotu LAPO Place 15 Ikorodu Road Maryland, Lagos
	
Ms. Angela Omeiza LAPO Place 15 Ikorodu Road Maryland, Lagos	Mrs. Gloria Bako LAPO Place 15 Ikorodu Road Maryland, Lagos
	
Mr Israel Aibuedefe LAPO Place 15 Ikorodu Road Maryland, Lagos	Mrs. Peggy Idehen (Company Secretary) LAPO Place 15 Ikorodu Road Maryland, Lagos
	
CORPORATE INFORMATION Head Office LAPO Place 15 Ikorodu Road, Maryland, Lagos	
Website: www.lapo-nigeria.org Contact Information: +234-813-984-0230	

PROFESSIONAL PARTIES	
Lead Issuing House FirstCap Limited 16 – 18 Keffi Street S.W Ikoyi, Lagos.	Joint Issuing House AVA Capital Partners Limited 3 Glover Road, Ikoyi, Lagos Ikoyi, Lagos.
Trustees First Trustees Limited 16, Keffi Street Ikoyi, Lagos Leadway Trustees Limited 121/123, Funso Williams Avenue Iponri Rd, Surulere, Lagos Advised by: Aluko & Oyeboade 1 Murtala Muhammed Drive, Ikoyi, Lagos,	Registrar CardinalStone Registrars Limited 335/337, Herbert Macaulay Road, Yaba, Lagos Telephone: +234 (1) 712 0090, +234 80 333 47946
Rating Agencies Global Credit Rating Company Limited 17 Ligali Ayorinde Street Victoria Island, Lagos Agusto & Co. Limited 5th Floor, UBA House, 57 Marina Road, Lagos	Solicitor to the Issue Banwo & Ighodalo 48 Awolowo Road Ikoyi, Lagos
Auditor KPMG Professional Services KPMG Tower, Bishop Aboyade Cole Street, Victoria Island, Lagos	Reporting Accountant PwC Nigeria Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos
Receiving Bank First Bank of Nigeria Limited Samuel Asabia House, 35 Marina, PO Box 5216, Lagos.	

This section contains summarized information about aspects of the Programme and characteristics of the Bonds. This summary is not exhaustive nor does it purport to be a complete or professional review of the investment situation regarding the possible subscription to the Bonds, which you may currently be considering. This summary should be read as an introduction to this Shelf Prospectus, as such, it should be read in conjunction with the remainder of this Shelf Prospectus carefully, especially the risks involved in investing in the Bonds which are discussed under "Risk Factors" commencing on Page 51.

Description of Transaction Structure

The Issuer, LAPO MB SPV Pic, is a special purpose vehicle set up specifically to finance the Sponsor's funding requirements, by issuing Bonds to the public. Accordingly, the net proceeds of all issuances under the Programme will be on-lent to the Sponsor via the purchase of debt securities issued by the Sponsor ("the LAPO Bonds") to the Issuer in accordance with the terms of the Master Bonds Purchase Agreement (the "MBPA") between the Issuer, the Trustees and the Sponsor dated 27 April 2026.

Utilisation of the Issue Proceeds

Pursuant to the MBPA entered into between the Sponsor, the Issuer and the Trustees, the Issuer shall utilize the net proceeds of the Bonds to purchase the LAPO Bonds from the Sponsor.

Servicing of the Bonds

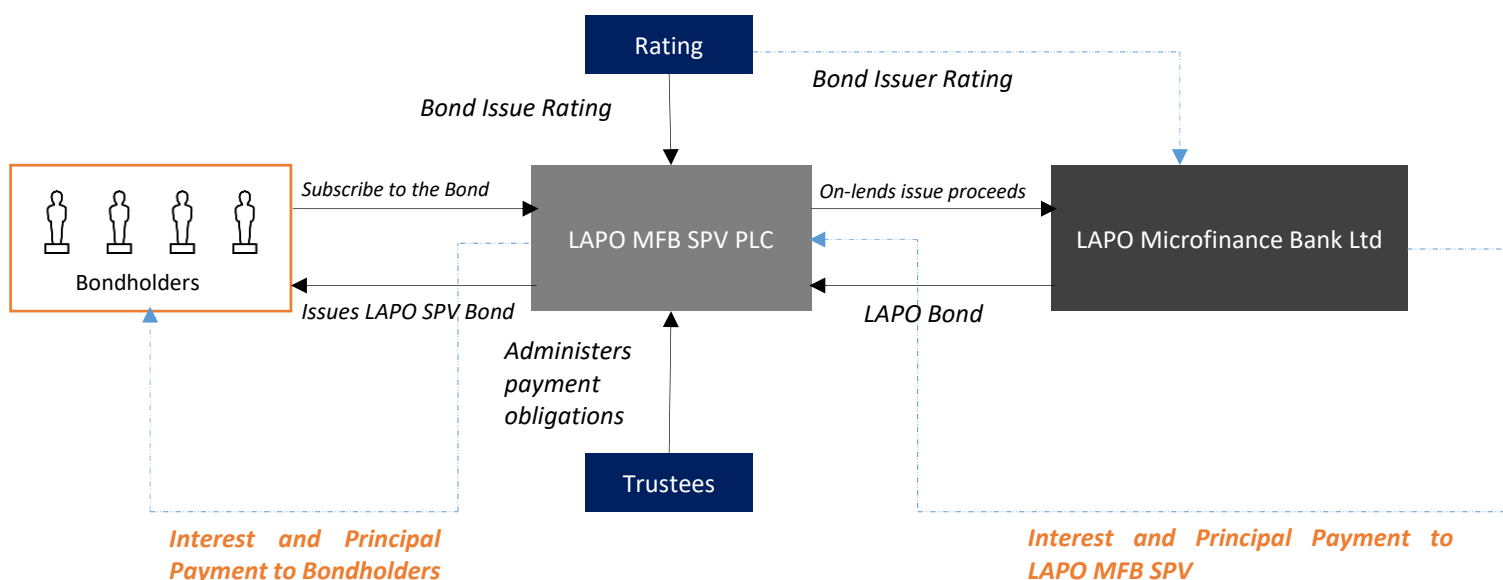
The semi-annual payment of Coupons and the scheduled repayment of principal, in accordance with the amortization schedule in the Supplementary Shelf Prospectus, will be serviced with payments received from the Sponsor on the LAPO Bonds issued in accordance with the terms of the MBPA.

Deed of Covenant

The Issuer has entered into a Deed of Covenant with the Sponsor and the Trustees (acting on behalf of the Bondholders), pursuant to which the Sponsor undertakes, in favour of the Issuer and the Trustees, to perform and comply with the obligations expressly assumed by it under the Deed of Covenant and the Conditions of the Bonds. The Deed of Covenant constitutes a contractual undertaking by the Sponsor and does not create any security, collateral or guarantee in respect of the Bonds. The Issuer remains the primary obligor in respect of all obligations under the Bonds.

TRANSACTION STRUCTURE

The following diagram sets out the transaction structure relating to the issue of the Bonds by the Issuer under the Programme. This diagram is qualified in its entirety by reference to more detailed information appearing on page 20 as well as the remainder of this Shelf Prospectus and to the detailed provisions of each of the Transaction Documents.



Summary of Transaction Structure

- I. The Sponsor has set up a Special Purpose Vehicle (SPV) duly registered as a public limited liability company for the purpose of raising finance for the Sponsor's funding requirements including via Bond issuances. The Sponsor acts as sponsor to the SPV.
- II. Following regulatory approval, the SPV issues the Bonds to Qualified Institutional Investors and HNIs in accordance with SEC rules and regulations.
- III. Following receipt of the issue proceeds, the Issuer will on-lend the funds to the Sponsor through a Master Bonds Purchase Agreement.
- IV. For servicing of bond obligations, the Sponsor maintains a Sinking Fund which is managed by the Trustees (on behalf of the bondholders). Payment to Bondholders is coordinated by the Trustees and effected by the Registrars.

PARTICULARS OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and qualified in its entirety by, the remainder of this Shelf Prospectus and, in relation to the terms and conditions of any particular Series of Bonds, the Applicable Pricing Supplement. Words and expressions defined in “Form of the Bonds” and “Terms and Conditions of the Bonds” shall have the same meaning in this summary:

Issuer	LAPO MFB SPV Plc
Sponsor	LAPO Microfinance Bank Ltd
Programme Description	A Bond Issuance Programme being undertaken by the Issuer through which a Bond or a series of Bonds will be issued. The Programme covers convertible and non-convertible bonds, senior or subordinated and/or unsecured bonds, fixed rate bonds, floating rate bonds, reverse floating bonds, zero coupon bonds and any combinations thereof, with a minimum tenor of 1 year, all of which shall be denominated in Naira or in such other currency, may be repaid by amortising or bullet repayment, as may be agreed between the Issuing Houses and the Issuer and specified in the relevant Pricing Supplement. No Bonds shall be offered on the basis of this Shelf Prospectus or a Pricing Supplement after the expiration of the three (3) year validity period of this Shelf Prospectus. The Bonds shall be constituted by the Programme Trust Deed and the relevant Series Trust Deed(s). The provisions of the Programme Trust Deed shall apply separately and independently to the Bonds, provided that any terms and conditions relevant to additional Bonds, if any, under the Programme shall be governed by the relevant Trust Deed(s).
Programme Size	₦ 30,000,000,000 (Thirty Billion Naira) aggregate principal amount of Bonds issued and outstanding at any one time
Lead Issuing House	FirstCap Limited
Joint Issuing House	AVA Capital Partners Limited
Methods of Issue	The Bonds under this Programme may be issued by way of a public offer, private placement, book building process, or any other methods permitted by the SEC and as specified in the Applicable Pricing Supplement.
Trustees	First Trustees Limited and Leadway Trustees
Use of Proceeds	The proceeds of the Bonds to be issued shall be used to purchase the bonds issued by LAPO.
Maturity Date	As specified in the Applicable Pricing Supplement
Payment Date	As specified in the Applicable Pricing Supplement

Coupon Rates	Bonds may be interest-bearing or non-interest bearing. Interest (if applicable) may be fixed or floating rate as indicated in the relevant Pricing Supplement
Fixed Rate Bonds	Fixed Rate Bonds will bear Coupons which will be payable in arrears on each Coupon Payment Date as may be specified in the relevant Pricing Supplement(s)
Floating Rate Bonds	Floating Rate Bonds will bear interest at a rate on such basis as may be agreed between the Issuer, the Sponsor and Issuing Houses as is specified in the relevant Pricing Supplement. The basis of calculating the amounts of interest payable may be by reference to a variety of financial instruments, currency exchange rate or any other index or formula or as otherwise provided in the relevant Pricing Supplement.
Index-Linked Bonds	The Issuer may offer Bonds which provide payments of principal or interest which are linked to a currency, securities exchange or commodities exchange index or other index as stated in the relevant Pricing Supplement. Specific provisions regarding the way such payments are to be calculated and made will be set forth in the relevant Pricing Supplement.
Zero Coupon Bonds	Zero coupon bonds may be issued at a discount to par and will not bear interest.
Other Bonds	Terms applicable to high interest Bonds, low interest bonds, step-up Bonds, deep discount bond, step-down Bonds, dual currency bonds, and any other type of Bonds which the Issuer, the Sponsor and the Issuing Houses may agree to issue under the Programme, subject to compliance with all applicable relevant laws, regulations and directives, as set out in the relevant Pricing Supplement.
Issue Price	The Bonds may be issued at their principal amount or at a premium or discount to their principal amount, as specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements.
Currencies	The Bonds will be denominated in Nigerian Naira (₦).
Denominations	The Bonds will be issued in such denominations as may be agreed between the Issuer, the Sponsor and the Issuing Houses and as specified in the relevant Pricing Supplement.
Event of Default	The Events of Default under the Bonds are specified within the Programme Trust Deed and as modified in respect of any Series by the applicable Series Trust Deed. The Trustees shall notify the Commission of such event(s) of default as required by the SEC Rules and Regulation.
Form of Bonds	The Bonds shall be issued in registered form and shall be transferable. The issue and ownership of the Bonds will be effected and evidenced by the Particulars of the Bond being entered in the Register by the Registrar and the Bonds being electronically registered in the CSCS accounts of the Bondholders.

Tenor	The Bonds will have such maturities as may be agreed between the Issuer, the Sponsor and the Issuing Houses, subject to such minimum or maximum maturities as may be allowed or required from time to time by the CBN (or equivalent body) or any laws or regulations applicable to the Issuer or the Sponsor. The tenor of a particular series of Bonds shall be specified accordingly in the relevant Pricing Supplement										
Other Terms and Conditions	Terms applicable to each Series as specified in the Applicable Pricing Supplement other than those specifically contemplated under this Shelf Prospectus which the Issuer and the Issuing Houses may agree to issue under the Programme subject to compliance with all relevant applicable laws and regulations.										
Interest and Principal Payment	The Issuer will pay interest and principal (if applicable) on each Series to Bondholders on the dates stated in the Applicable Pricing Supplement										
Principal Redemption	Each Series will be redeemed on the date(s) specified in the relevant Pricing Supplement.										
Early Redemption	Early redemption will be permitted only to the extent specified in the relevant Pricing Supplement and then only subject to any applicable legal or regulatory limitations.										
Redemption Amounts	The relevant Pricing Supplement will specify the redemption amount or, if applicable, the basis for calculating the redemption amounts payable.										
Taxation	Please refer to the section on Tax Considerations on page 81 for a detailed description of the tax considerations.										
Sponsors Ratings	<table border="1"> <thead> <tr> <th>Rating Agency</th><th>Year</th><th>Credit Rating</th></tr> </thead> <tbody> <tr> <td>Global Credit Rating Company Limited</td><td>25 July 2025</td><td>BBB-</td></tr> <tr> <td>Agusto & Co. Limited</td><td>11 July 2025</td><td>BBB-</td></tr> </tbody> </table>		Rating Agency	Year	Credit Rating	Global Credit Rating Company Limited	25 July 2025	BBB-	Agusto & Co. Limited	11 July 2025	BBB-
Rating Agency	Year	Credit Rating									
Global Credit Rating Company Limited	25 July 2025	BBB-									
Agusto & Co. Limited	11 July 2025	BBB-									
Bond Ratings	Rating for each Series under the Programme will be stated in the relevant Pricing Supplement.										

Ranking

The Bonds may be senior or subordinated Bonds as indicated in the relevant Pricing Supplement.

Senior ranking Bonds shall constitute direct, unsubordinated (subject to the provisions of the Programme Trust Deed) obligations of the Issuer and shall always rank *pari passu*, and without any preference, among themselves. The payment obligations of the Issuer in respect of principal and any interest thereon shall always rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors rights.

Status of the Bonds

Subordinated Bonds are direct, subordinated obligations of the Issuer and rank *pari passu*, and without any preference, among themselves and at least *pari passu* with the claims of all holders of subordinated indebtedness as provided for in the Programme Trust Deed. In the event of the winding-up of the Issuer, the claims of the Trustees and the Holders of Subordinated Bonds against the Issuer to payment of principal and interest in respect of the Subordinated Bonds will be subordinated to the senior indebtedness in the manner provided in the Programme Trust Deed.

The Bonds qualify as securities in which Trustees may invest under the Trustees Act. In addition, the Bonds are securities in which PFAs may invest under the Pension Act and the Regulations on Investment of Pension Fund Assets issued by National Pension Commission.

Listing

Each Series of the Bonds may be listed on the NGX, and/or admitted to listing, trading and/or quotation by any other listing authority (i.e. FMDQ exchange), stock exchange and/or quotation system as may be agreed between the Issuer and Issuing Houses; as specified in the relevant Pricing Supplement.

**Pricing Supplement/
Supplementary Shelf Prospectus**

The Final terms of each Series will be set forth in a Pricing Supplement/SSP

Negative Pledge

The Issuer hereby covenants that for so long as any portion of the Senior Bonds issued under this Programme remains outstanding, it shall not create or permit to subsist any charge, mortgage, lien, pledge or other security interest or encumbrance upon any of its assets or any other party or any other indebtedness guaranteed by it without the prior written consent of the Trustees. Where the Trustees so consent, the Issuer shall at the same time as the creation of such indebtedness grant to the Trustees (for the benefit of the Bondholders) the same or equivalent security as is granted in relation to the indebtedness.

Credit Enhancement

As stated in the Applicable Pricing Supplement/SSP and/or Series Trust Deed, Bonds to be issued may include additional comforts in the form of debenture, security, collateral, insurance, third party guarantee subordination or credit tranching or any other arrangement to reduce the credit risks of the Bonds.

Governing Law

The Bond issued under the Programme and all related contractual documentation will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

Transaction Documents include (but not limited to)

- Shelf Prospectus;
- Supplementary Shelf Prospectus or Pricing Supplement;
- Programme & Series Trust Deed;
- Master Bonds Purchase Agreement;
- Deed of Covenant
- Reporting Accountants' report;
- Solicitors' report on claims and litigation; and
- Vending Agreement

THE PROGRAMME

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 subsequent Pricing Supplement shall not be taken to indicate that the SEC endorses or recommends the Bonds to be issued under the Programme or assumes responsibility for the correctness of statements made or opinions or reports expressed herein.

This Shelf Prospectus is being issued in compliance with the provisions of the ISA, the SEC Rules and Regulations, the listing and quotation requirements of FMDQ and/or the NGX and contains particulars in compliance with the requirements of the SEC, FMDQ and the NGX for the purpose of giving information to the public with regards to the Programme being undertaken by the Issuer. An application will be made to the Board Listings and Quotations Committee of the FMDQ and/or the Council of the NGX for admission to the platform of each Series of the Bonds to be issued under the Programme and will upon admission to the platform(s) qualify as securities in which trustees may invest under the Trustee Act.

Each of the Directors of the Issuer and the Sponsor represent that they have taken all reasonable care to ensure that the information concerning the Company contained in this Shelf Prospectus is true and accurate in all material respects as at the date of this Shelf Prospectus and that as of the date hereof there are no other material facts, in relation to the Issuer, the omission of which would make misleading or untrue, any statement herein, whether in fact or opinion.

LEAD ISSUING HOUSE



RC:446599

JOINT ISSUING HOUSE



RC:1167339

On behalf of

LAPO MFB SPV PLC RC:1363556

is authorised to issue this Shelf Prospectus in respect of the ₦30,000,000,000 Bond Issuance Programme

This Shelf Prospectus has been registered with the SEC. The registration of this Shelf Prospectus and any subsequent Pricing Supplement shall not be taken to indicate that the SEC endorses or recommends the Bonds described herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed herein. This Shelf Prospectus must be read in conjunction with any Pricing Supplement to be issued by the Company from time to time within its Validity Period. No Bonds will be issued based on this Shelf Prospectus read together with any Pricing Supplement later than three years after the date of the SEC approval of this Shelf Prospectus indicated on the cover hereof.

This Shelf Prospectus contains:

- on page 76, a declaration to the effect that the Issuer did not breach any terms and conditions in respect of borrowed monies which resulted in the occurrence of an Event of Default and an immediate recall of such borrowed monies during the twelve (12) calendar months immediately preceding the date of filing an application with the SEC for the registration of this Shelf Prospectus;
- on pages 73 to 74, the Reporting Accountant's Report on the Company's historical financial information, prepared by PwC;
- on pages 55 to 64 the Terms & Conditions of the Programme;
- on pages 65 to 68, extracts of the Rating Reports prepared by Agosto & Co. Limited and Global Credit Rating Company (GCR) Limited; and
- on page 83 details of claims and litigation prepared by Banwo & Ighodalo

THIS SHELF PROSPECTUS IS DATED 27 APRIL 2026

This Shelf Prospectus will be available on the following websites:

www.lapo-nigeria.org ; www.sec.gov.

OVERVIEW OF NIGERIA AND ITS ECONOMY

The information in this section has been extracted from publicly available data obtained from organizations such as the CBN, NBS, DMO, and other sources believed to be reliable. The Issuer, Sponsor, and Issuing Houses have relied on the accuracy of this information without independent verification and make no representation as to its accuracy.

Overview of Nigeria



Nigeria is a federation made up of three tiers of government – federal, state, and local governments. The Constitution of the Federal Republic of Nigeria 1999 (as amended) (the “Constitution”) was adopted in May, 1999. It has been amended several times since it came into force in May, 1999. The Constitution provides for a tripartite structure of government in which power is divided among the executive, legislative, and judicial arms. The constitution establishes and sets out the powers and functions of the President (executive), National Assembly (legislative) and an independent judicial system (judicial), as well as persons and bodies that may validly exercise such powers. Nigeria is located in the West African sub-region, bordered by the Republic of Niger to the North, the Republic of Chad to the North East, the Republic of Cameroon to the East, the Republic of Benin to the West, and the Atlantic Ocean to the South. Nigeria occupies a land area of approximately 923,770 sq. km and comprises 36 States, a Federal Capital Territory – Abuja which is located in north central Nigeria, and 774 LGAs and Area Councils.

Nigeria operates a presidential system of government with the executive powers of the FGN vested in the President. The FGN is headed by an elected President and Commander-in-chief of the Armed Forces, while the legislature consists of a bi-cameral National Assembly comprising the Senate and the House of Representatives. The legislative powers of the FGN are vested in the National Assembly. The President is supported by a Vice-President elected along with him and by Ministers appointed by him. The executive powers of the President, subject to the provisions of the Constitution and of any law made by the National Assembly, may be exercised by the President directly or through the Vice- President, the ministers, and/or any officer(s) in the public service of the Federal Government.

The executive government of each state is headed by an elected state Governor and the legislature consists of a unicameral House of Assembly. The Governor is supported by a Deputy Governor elected along with him and by Commissioners appointed by him. The Federal Capital Territory is however administered by a designated Minister appointed by the President while legislative powers for the territory are vested in the National Assembly. The states and the Federal Capital Territory are grouped into six geopolitical zones: Northwest, North Central, Northeast, Southeast, South-South, and Southwest. Lagos, which is situated in the Southwest of Nigeria, is the principal commercial centre and has the main sea and airports in the country. There are currently 774 constitutionally recognized LGAs and Area Councils in Nigeria. Each LGA is administered by a Local Government Council consisting of a chairman who is the Chief Executive of the LGA, and other elected members who are referred to as Councilors. Each LGA is further subdivided into wards with a minimum of ten and a maximum of fifteen.

In accordance with the Constitution, judicial authority is vested mainly in the following courts: the Supreme Court of Nigeria; the Court of Appeal; the Federal High Court; the High Court of the FCT; the National Industrial Court; the High Court of each state; the Sharia Court of Appeal and Customary Court of Appeal of the FCT; Sharia Court of Appeal and Customary Court of Appeal of each state; and such other courts as may be authorized by law to exercise jurisdiction over

matters for which the National Assembly or a state House of Assembly (as the case may be) may make laws at first instance or on appeal. Nigerian courts are empowered to hear and determine disputes between private parties; disputes between a private party and any of the three tiers of government or their agencies; or disputes between the three tiers of government or their agencies. Thus, the courts have the power to review statutes and executive actions to ensure that they conform to the Constitution and other laws in force in Nigeria. The Constitution also establishes election tribunals and authorizes the National Assembly to constitute other tribunals as may be required. One of the prominent special “courts” is the Investments and Securities Tribunal, which handles disputes concerning capital market activities.

As of 2024 the population of Nigeria is estimated to be 229,152,217 people, representing an increase of 2.39% from 2023. This makes Nigeria the sixth most populous country in the world, accounting for approximately 2.78% of the global population. Nigeria has a population density of 246 people per square kilometer (or approximately 636 people per square mile) and covers a total land area of 923,770 square kilometers (about 351,650 square miles). Additionally, 53.9% of Nigeria’s population resides in urban areas. The median age in Nigeria is 17.2 years. Nigeria is endowed with several minerals across the country including gold, iron ore, coal, and limestone, and has 36.9 billion barrels of proven oil reserves and 5.7 trillion cubic feet of proven natural gas according to data by the OPEC. According to the OPEC, in 2018, the country was the 13th largest producer of petroleum in the world and had the 8th largest proven reserves. Agriculture is a major source of livelihood, employing roughly 30.1% of the labour force. The structure of the Nigerian economy is predominantly services (53.58%), agriculture (26.51%), trade (14.78%), telecommunications (13.94%), crude petroleum (5.57%) and real estate (5.43%) as at Q3 2024.

Source: Vanguard Nigeria

Political Landscape

Nigeria became an internationally recognized independent nation in 1960, after a period of colonialism under the British government which spanned about a century beginning with the formal annexation of Lagos in 1861. In October 1963, it became a Federal Republic and in May, 1999 returned to democratic rule after thirty-three years of primarily military rule. For four years, between 1979 and 1983, democracy surfaced briefly under the civilian government led by Alhaji Shehu Shagari, until it was ended by a military coup. Chief Olusegun Obasanjo became the first democratically elected President upon return to democracy, on the platform of the People’s Democratic Party (“PDP”). After serving the constitutionally permitted two terms in office, Chief Olusegun Obasanjo handed over power to Alhaji Umaru Musa Yar’Adua on 29 May 2007. However, President Yar’Adua’s tenure was short-lived due to his demise on 05 May 2010; following which Dr. Goodluck Ebele Jonathan, the then Vice-President was sworn in as President on 06 May 2010. Dr. Goodluck Ebele Jonathan contested and won the 2011 presidential election. The most recent presidential election was held on 25 February, 2023 and saw the emergence of President Bola Ahmed Tinubu, under the platform of the All Progressives Congress (“APC”) thereby ensuring the continuity of democracy in the country.

Beginning in 1963, Nigeria has had four different republics, and each republic came with its constitution. Nigeria is currently running its fourth republic which was inaugurated in May 1999. The present constitution provides for a tripartite structure in which power is divided among the executive, legislative, and judicial arms of government to entrench the concept of the separation of powers. It establishes the a) office of the President, who is Commander-in-Chief of the Armed Forces, and it sets out the powers and functions of the President (executive); (b) National Assembly (legislative) with its powers and functions; and (c) judicial system (judiciary) with its powers and functions. The Constitution also prescribes the qualifications and requirements that individuals must possess to hold any of the offices created by the Constitution.

Gross Domestic Product

The Nigerian economy is highly dependent on the oil and gas sector for revenues and export earnings. Before 2016, when the oil and gas sector’s contribution to the federally collectible revenue fell to about 51%, it accounted for over 70% of government revenue in previous years. Dependence on oil and gas revenue makes the economy vulnerable to oil price fluctuations. Hence, in the wake of the oil shock, growth slowed sharply in 2015, and the economy experienced an outright contraction in 2016 (officially resulting in a recession after two consecutive quarters of negative growth). After contracting for five consecutive quarters, the economy returned to growth in the second quarter of 2017 and continued 12 consecutive quarters of growth up until the end of Q1 2020.

The Nigerian economy slowed down into recession in Q2 2020 and Q3 2020 due to the COVID-19 pandemic. Nigeria’s GDP grew by 0.11% in Q4 2020, representing the first positive quarterly growth in the last three quarters. This post-COVID-19 trajectory continued through 2021 and 2022. In 2023, the economy encountered increased uncertainties due to the demonetization policy and the General Election in Q1, followed by swift fuel subsidy and exchange rate reforms in May 2023. These adjustments resulted in a period of weakened economic growth, with the non-oil sector sustaining the economy while the oil sector languished in recession.

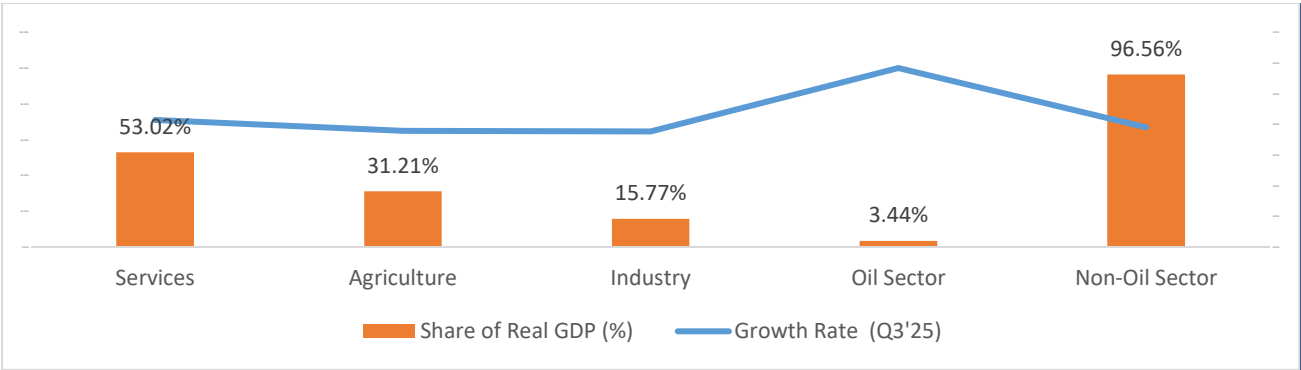
By 2024, the economy began to stabilize. Nigeria’s GDP grew by 3.84% (year-on-year) in real terms in the fourth quarter of 2024, an improvement from the 3.46% recorded in Q4 2023. This brought the full-year 2024 growth to 3.40%, compared to 2.74% in 2023. The performance was driven primarily by the services sector, which recorded a growth of 5.37% and contributed 57.38% to the aggregate GDP.

In early 2025, the National Bureau of Statistics (NBS) completed a significant rebasing of the national accounts, updating the base year from 2010 to 2019. This exercise more accurately reflects the modern structure of the economy, particularly the rapid expansion of the digital economy (ICT), entertainment, and financial services.

Throughout 2025, the economy maintained a consistent growth trajectory, outperforming initial projections:

- **Q1 2025:** The economy grew by 3.13%, driven by a recovery in the industrial sector and strong performance in telecommunications.
- **Q2 2025:** Growth accelerated to 4.23%, the highest quarterly expansion since 2021. This was powered by an exceptional 20.46% surge in the oil sector as crude oil production climbed to 1.68 million barrels per day (mbpd)—the highest level since 2020 due to improved security and reduced pipeline vandalism.
- **Q3 2025:** According to the latest NBS report, the GDP grew by 3.98% in the third quarter. While the oil sector's growth moderated to 5.84%, the non-oil sector (contributing 96.56% of real GDP) expanded by 3.91%. Notably, agriculture recorded its strongest quarterly growth in over a year at 3.79%, while services grew by 4.15%.

Figure 1: Gross Domestic Product



Source: NBS

Inflation

As of January 2025, Nigeria’s headline inflation rate was recorded at 24.48% year-on-year, a technical decline from the 34.80% reported in December 2024. This shift was primarily due to the National Bureau of Statistics (NBS) rebasing the Consumer Price Index (CPI) to a new base year of 2024. This update expanded the commodity basket from 740 to 934 items and adjusted weights to reflect modern consumption, such as the increased household expenditure on telecommunications and transportation relative to food.

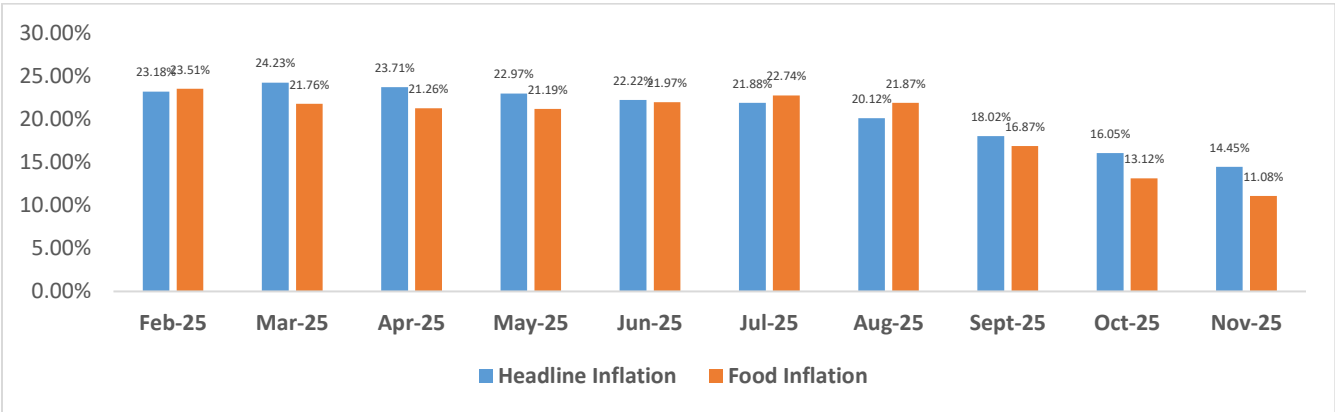
Prior to this rebasing, headline inflation in December 2024 stood at 34.80%, a slight increase from 34.60% in November 2024. This period was characterized by intense "yuletide pressure," where food inflation peaked at 39.84% due to

holiday demand, supply chain disruptions, and high input costs for fertilizers and storage. Historically, this followed a volatile second half of 2024 where inflation briefly eased in July (33.40%) and August (32.15%) before surging again in October 2024 (33.88%) due to fuel price volatility and currency fluctuations.

Following the January 2025 rebasing, the economy experienced a brief period of fluctuation before entering a sustained downward trend. After a slight uptick in March 2025 to 24.23% (driven by temporary logistics bottlenecks), inflation began a consistent eight-month decline starting in April 2025. By September 2024, inflation had fallen to 18.02%, and by October 2025, it further moderated to 16.05%. This cooling was largely attributed to the Central Bank of Nigeria’s (CBN) hawkish stance—maintaining the Monetary Policy Rate (MPR) at 27%—and the stabilizing effect of the Dangote Refinery, which helped lower the domestic cost of energy and logistics.

As of the latest report for November 2025, Nigeria’s headline inflation has eased further to 14.45%, marking its lowest level since October 2020. This significant improvement is driven by a sharp drop in food inflation, which fell to 11.08% in November. The decline in food prices is attributed to a robust 2025 harvest season, improved security in the middle-belt farming regions, and the continued stability of the Naira, which averaged ₦1,500/\$ throughout the final quarter of the year.

Figure 2: Inflation rate



Source: NBS

Interest Rate

The MPR, the benchmark interest rate in the market, is subject to periodic reviews by the CBN’s Monetary Policy Committee (MPC) in response to prevailing liquidity conditions. Decisions on interest rate policy are taken by the MPC through a moderation of the MPR to control the money supply in the economy and ensure price stability.

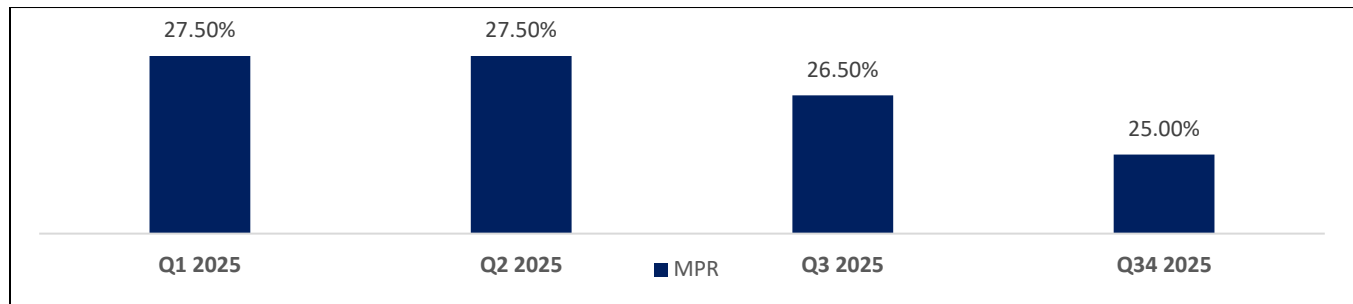
Monetary policy was somewhat consistent over the last few months with the MPR kept constant at 18% for a long period in 2023 until it increased to 22.75% at the first MPC meeting under the new leadership of the CBN in February 2024. As part of efforts to control the money supply, ease liquidity in the financial sector, tame rising inflation, and forestall the value of the Naira, the MPC adopted a contractionary stance. Following the initial hike in February 2024, the MPC raised the MPR a total of six times in 2024, culminating in a rate of 27.50% in November 2024, a cumulative increase of 950 basis points for the year. During this period, the asymmetric corridor was also adjusted to +500/-100 basis points around the MPR to tighten liquidity further.

The first half of 2025 was characterized by a "wait-and-see" approach as the committee monitored the impact of the 2024 rebasing of the Consumer Price Index (CPI).

- Q1 & Q2 2025 (The Hold Period):** In February and May 2025, the MPC maintained the benchmark rate at 27.50%. Despite a gradual decline in inflation, the committee cited the need to anchor inflation expectations and allow previous hikes to fully permeate the credit market. The Cash Reserve Requirement (CRR) remained elevated at 45% to mop up excess liquidity.

- **Q3 2025 (The Pivot):** In September 2025, following five consecutive months of disinflation and the headline rate dropping to 18.02%, the MPC announced its first rate cut in over two years. The MPR was reduced by 100 basis points to 26.50%. This move signaled a shift toward supporting the non-oil sector's growth.
- **Q4 2025 (Measured Easing):** At the final meeting of the year in November 2025, with headline inflation cooling significantly to 14.45%, the MPC further reduced the MPR to 25.00%. The committee also narrowed the asymmetric corridor to +200/-500 basis points and made a downward adjustment to the CRR to 40%, aiming to stimulate commercial lending to the manufacturing and agricultural sectors.

Figure 3: Interest rate



Source: CBN

Exchange Rate

Before the present administration came in on May 29, 2023, the Nigerian FX market operated a multiple exchange rate regime characterized by a lack of transparency, currency roundtripping, and arbitrage, which resulted in a significant loss of investor confidence. To address these distortions, the administration moved to a unified, market-driven exchange rate system, effectively "floating" the Naira to allow market forces to determine parity.

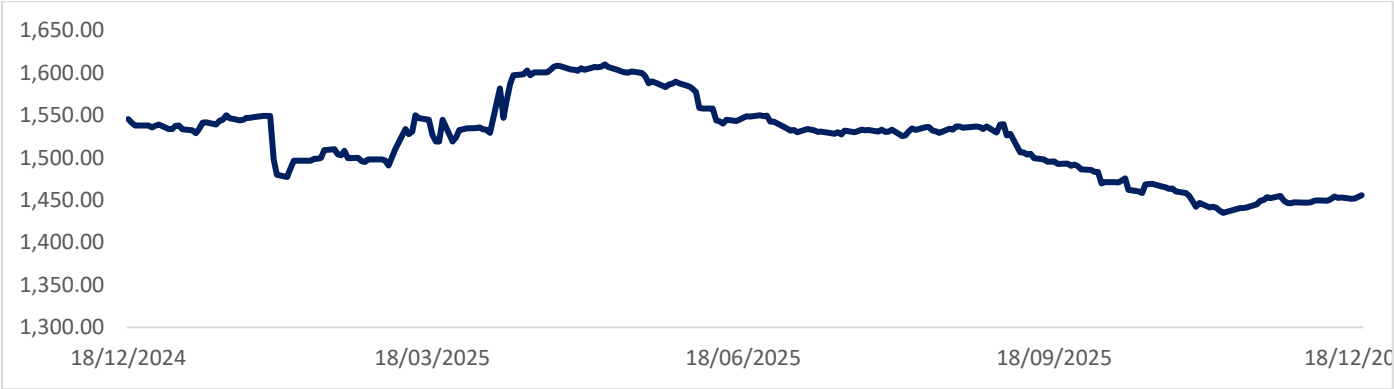
The initial transition led to significant macroeconomic pressure, with the Naira depreciating by over 70% between June 2023 and late 2024, reaching a historic low of ₦1,685/US\$1 on November 27, 2024. This period was marked by high speculation, hoarding, and a severe liquidity crunch. In response, the Central Bank of Nigeria (CBN) deployed orthodox monetary tools, including aggressive interest rate hikes and the clearing of a US\$7 billion FX backlog, to restore market integrity.

By 2025, the FX market moved from a state of crisis to consolidation. A pivotal development was the full implementation of the Electronic Foreign Exchange Matching System (EFEMS), which enhanced price discovery and transparency by centralizing interbank trading on a digital platform. This reform, coupled with the return of foreign portfolio investors, saw average daily FX turnover climb to over US\$430 million, the highest in over a decade.

The market also benefited from a significant structural shift in demand. The full-scale operation of the Dangote Petroleum Refinery and its expansion into petrochemicals began to drastically reduce the nation's dependence on fuel imports, which previously accounted for nearly 30% of Nigeria's total FX demand. Furthermore, increased crude oil production (reaching 1.78 mbpd in Q3 2025) and robust non-oil exports drove the external reserves to a four-year high of US\$43.20 billion by November 2025.

As of mid-December 2025, the Naira has maintained a sustained period of relative stability, trading within a narrow corridor of ₦1,440/\$1 to ₦1,460/\$1. The spread between the official and parallel markets has narrowed to near-negligible levels, signaling a return of market confidence and a more predictable environment for international trade and investment.

Figure 4: Exchange rate (US\$ / N)



Source: Investing.com

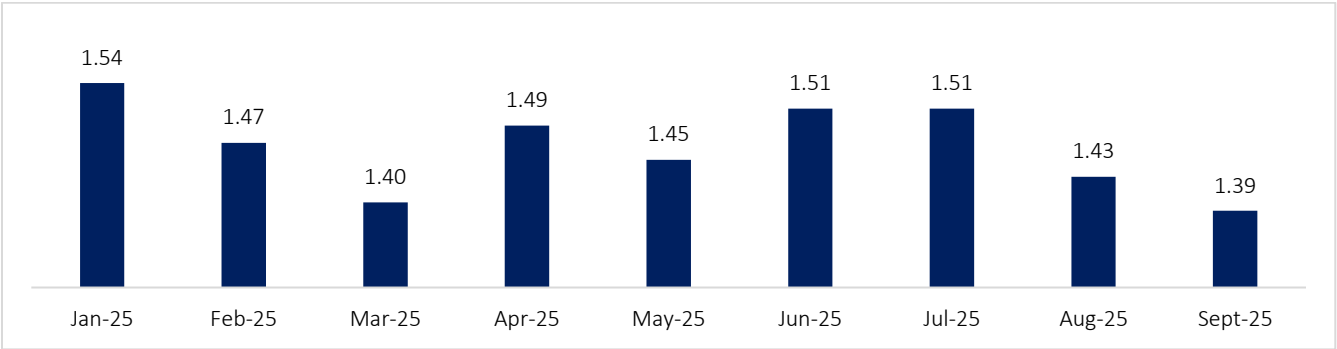
Oil Production

The role of the oil and gas sector in the prosperity and economic development of Nigeria remains paramount. As the primary driver of foreign exchange (FX) earnings, the sector continues to anchor the supply side of FX into the country. In the third quarter of 2025, crude oil alone accounted for 56.14% of Nigeria’s total exports, while the broader mineral products category (including gas) represented 87.71% of total export value, underscoring the sector's central role in the national trade balance.

Nigeria’s oil production saw a strong start in 2025 but experienced fluctuations throughout the year due to maintenance and operational challenges:

- **January 2025:** Recorded a three-year high with an average daily production of 1.737 million barrels per day (mbpd) (including condensates), with crude oil alone averaging 1.538 mbpd.
- **Q1 & Q2 2025:** Production remained robust, averaging 1.62 mbpd in Q1 and rising to 1.68 mbpd in Q2—the highest quarterly average in recent years.
- **Q3 2025:** Output moderated slightly to 1.64 mbpd as scheduled maintenance and minor logistics disruptions affected some terminals.
- **October 2025:** The latest data indicates a further dip to 1.58 mbpd (crude and condensates), largely attributed to maintenance activities.

Figure 5: Crude Oil Production (mbpd)



Source: NUPRC

The sector’s contribution to the Gross Domestic Product (GDP) in 2025 reflects a "low base effect" recovery and improved security in the Niger Delta:

- **Real Growth:** After a modest 1.48% growth in Q4 2024, the sector surged by 20.46% (YoY) in Q2 2025—its fastest expansion in over a decade. In Q3 2025, growth moderated to 5.84%, a slight improvement over the 5.66% recorded in Q3 2024.
- **GDP Share:** In real terms, the oil sector contributed 4.05% to the total GDP in Q2 2025 and 3.44% in Q3 2025. While the non-oil sector continues to dominate the aggregate economy (96.56% share in Q3), the oil sector remains the most significant catalyst for liquidity and government revenue.

Credit Rating

Throughout 2025, Nigeria's creditworthiness saw a steady upward trajectory as international rating agencies acknowledged the sustained implementation of difficult structural reforms.

Following the "Positive Outlook" assigned in November 2024, Fitch Ratings upgraded Nigeria's Long-Term Foreign-Currency Issuer Default Rating (IDR) to 'B' from 'B-' in April 2025. In its most recent review in November 2025, Fitch affirmed this 'B' rating with a Stable Outlook. The agency noted that the upgrade was supported by the improved monetary policy framework, the clearing of the US\$7 billion FX backlog, and the significant reduction in the government's use of Ways and Means.

In May 2025, Moody's upgraded Nigeria's long-term issuer rating to 'B3' from 'Caa1', changing the outlook to Stable. This move signaled a shift out of the "high-risk" distressed category. Moody's highlighted that the unification of the exchange rate and the removal of petrol subsidies had bolstered external accounts and set the nation on a path toward fiscal sustainability.

While S&P Global Ratings maintained Nigeria's long-term credit rating at 'B-', the agency revised Nigeria's outlook to Positive from Stable on November 14, 2025. This revision reflects S&P's expectation that the continued reform momentum, specifically the increase in daily oil production to 1.70+ mbpd and the operational scaling of the Dangote Refinery, will yield substantial benefits for the country's external position and debt-servicing capacity over the next 12 to 18 months.

Nigeria Public Debt Levels

As of June 30, 2025, Nigeria's total public debt stock reached ₦152.40 trillion (approximately US\$99.66 billion). This represents a 5.3% increase from the ₦144.67 trillion recorded at the end of December 2024. While the rate of debt accumulation showed signs of moderation compared to the sharp 48.58% surge seen in 2024, the absolute figures continue to reflect the ongoing fiscal requirements of the Federal and State Governments.

The debt profile remains divided between domestic and external obligations, with a strategic shift toward domestic markets to mitigate exchange rate risks:

- **Domestic Debt:** Stood at ₦80.55 trillion (\$52.67 billion) as of June 2025, accounting for roughly 53% of the total debt. This includes the securitization of the CBN's "Ways and Means" advances and increased issuance of FGN Bonds and Sukuk to fund infrastructure.
- **External Debt:** Totaled ₦71.85 trillion (\$46.98 billion). Although the dollar value of external debt remained relatively stable, the Naira valuation continues to be sensitive to any fluctuations in the NAFEM exchange rate.
- **Debt-to-GDP Ratio:** In a positive development, Nigeria's debt-to-GDP ratio improved slightly to 37.5% in June 2025, down from 39.5% in late 2024. The International Monetary Fund (IMF) projects this ratio will further ease to 36.4% by the end of 2025, driven by stronger nominal GDP growth and improved revenue mobilization.

Nigeria Capital Markets

The Nigerian capital market continues to play a central role in mobilizing long-term funds for both public and private sector investment. Comprising of equities, and long-term debt instruments (such as bonds), the capital market has shown increased dynamism, particularly in 2025.

Equity Market

Nigeria's stock market sustained its strong momentum from 2024, delivering one of the most robust performances in the country's history. By December 17, 2025, the NGX All-Share Index (ASI) reached a record high of 149,842.82 points, representing a staggering Year-to-Date (YTD) gain of 45.45%. This performance significantly outpaced the headline inflation rate, which cooled to 14.45% by late 2025, offering investors substantial real returns.

Total market capitalization surged to ₦95.53 trillion, a nearly 52% increase from the ₦62.76 trillion recorded at the end of 2024. This growth was fueled by massive capital raises, new listings, and the transition of the Nigerian capital market into a more liquid and transparent environment.

The Banking Sector remained the primary driver of market activity throughout 2025 as the Central Bank of Nigeria's (CBN) March 2026 recapitalization deadline approached.

- **Capital Raising:** By December 2025, approximately 27 banks had successfully raised fresh capital through public offers and rights issues. At least 16 financial institutions have already met or exceeded the new capital thresholds (e.g., ₦500 billion for international banks).
- **Sector Performance:** The Banking and Industrial Goods indices were top performers, with the Industrial index gaining over 34% in the third quarter alone, supported by a rally in heavyweights like BUA Cement and Lafarge Africa.
- **Consumer Goods:** Despite high operational costs earlier in the year, the sector advanced by over 50% in 2025 as consumer demand stabilized alongside falling inflation.

Foreign Portfolio Investment (FPI) saw a significant resurgence. In the first ten months of 2025, total foreign transactions more than doubled compared to 2024, reaching ₦9.57 trillion. Foreign inflows hit ₦2.03 trillion, a 172% year-on-year increase, as the improved transparency of the Electronic FX Matching System (EFEMS) boosted offshore confidence. Domestic institutional investors—pension funds and insurance companies—continue to dominate the market, accounting for roughly 85% of total transaction value.

Fixed Income Market

The Nigerian debt capital market reached a historic milestone in 2025, contributing significantly to a total market capitalization that surpassed ₦95 trillion—more than doubling the market's size within a single year. By mid-2025, Nigeria's total public debt stock climbed to ₦152.40 trillion, with the Federal Government continuing to lead issuance through FGN Bonds and Nigerian Treasury Bills (NTBs) to fund a widening fiscal deficit.

In November 2025, the market shifted as headline inflation moderated to 14.45% (down from over 30% in late 2024). Consequently, NTB stop rates at primary market auctions stabilized, with the 364-day bill averaging 16.04%, compared to the 20% peaks seen in late 2024. The Central Bank of Nigeria (CBN) maintained a "hawkish hold" by keeping the Monetary Policy Rate (MPR) at 27.00% to lock in these gains, which has finally allowed many fixed-income investors to realize positive real returns for the first time in several years.

History and Overview

The financial services sector in Nigeria is a major contributor to the country's macroeconomic development and is the second largest in SSA after South Africa in terms of market capitalization, the number of listed companies, and total assets. Historically synonymous with the banking sector, the industry has evolved to include both Deposit Money Banks (DMBs) and Non-Bank Financial Institutions (NBFIs). The latter category comprises asset management firms, stockbroking firms, insurance companies, mortgage institutions, merchant banks, microfinance banks (MFBs), and other finance companies.

The microfinance banking sector is instrumental in supporting Micro, Small, and Medium Enterprises (MSMEs), a key driver of economic growth and employment. Since its introduction in Bangladesh in the mid-1970s, the microfinance model has been adopted globally, including in Nigeria, to promote financial inclusion and poverty alleviation. Recognizing its importance, the United Nations declared 2005 as the International Year of Microcredit to highlight the sector's potential. In Nigeria, the CBN has since formally recognized existing informal financial institutions and incorporated them into the regulatory framework to enhance monetary stability and extend financial services to the unbanked population. MFBs have proven to be successful and play a major role in the development of many African nations.

Structure of the Microfinance Industry

The industry consists of:

Microfinance Banks (MFBs): Licensed financial institutions that offer credit, savings, and other financial services to microenterprises and low-income individuals.

Cooperative Societies & Thrift Groups: Informal financial institutions that pool resources from members for loans and savings.

Fintech and Digital Lenders: Technology-driven financial service providers offering microloans via mobile apps and online platforms.

Growth and Key Drivers

The microfinance banking sector in Nigeria has undergone notable transformation and expansion in recent years. As of June 2024, the total assets in the sector stood at approximately ₦2.8 trillion, reflecting sustained growth supported by both regulatory initiatives and market dynamics. Microfinance institutions (MFIs) play a pivotal role in providing financial services to low-income earners, micro-entrepreneurs, and small businesses, particularly in underserved and rural areas.

Key Drivers of Growth:

- **Digital Transformation:** The integration of digital platforms and mobile banking has significantly increased financial inclusion, allowing MFIs to reach remote populations with minimal physical infrastructure. Fintech collaborations have enhanced service delivery, offering micro-loans, savings products, and payment solutions in real-time.
- **Regulatory Reforms:** The Central Bank of Nigeria (CBN) has implemented a series of policy measures aimed at strengthening the operational framework of MFIs. These include revised capital requirements, enhanced supervisory mechanisms, and initiatives to promote transparency and consumer protection.
- **Financial Inclusion Agenda:** The National Financial Inclusion Strategy has emphasized the expansion of financial services to the unbanked, with MFIs serving as critical vehicles for the implementation of this policy. Government and donor-backed programs have also supported capacity building and access to funding for MFIs.

- **Economic Resilience and Informal Sector Support:** Amid macroeconomic volatility, MFIs have remained resilient by focusing on niche markets such as informal trade and agriculture. This has ensured their continued relevance in the broader financial ecosystem.

Regulatory Framework & Licensing Categories

The **CBN** oversees the sector and classifies MFBs into:

Tier 1 Unit MFBs: Licensed to operate in urban areas with a minimum paid-up capital of **₦200 million**.

Tier 2 Unit MFBs: Licensed to operate in rural areas with a minimum paid-up capital of **₦50 million**.

State MFBs: Licensed to operate within one state with a minimum paid-up capital of **₦1 billion**.

National MFBs: Licensed to operate across Nigeria with a minimum paid-up capital of **₦5 billion**.

According to Access to Finance 2023 Report released by EFINA (Enhancing Financial Innovation and Access), Nigeria's total (formal and informal) financially included population rose to 74%, while 26% remained financially excluded in 2023 from 67% in 2020. Despite the sector's challenges, MFBs are best positioned to be major facilitators of the financial inclusion drive, particularly in the rural areas.

Kindly see the table below for information on the financial services sector in Nigeria.

Financial Institution	Functions	Number
Commercial Banks	Financial Intermediation – Accepts deposits and provides loans. Payment Services – Facilitates transfers, mobile banking, and cheque clearing. Foreign Exchange – Supports forex transactions and international trade.	27
Microfinance Banks	Financial Inclusion – Provides banking services to low-income individuals and small businesses. Microcredit Lending – Offers small loans to entrepreneurs and MSMEs. Savings & Deposits – Encourages savings with tailored deposit products.	900
Merchant Banks	Wholesale Banking – Provides financial services to corporate clients, governments, and institutions. Investment & Advisory Services – Offers wealth management, capital raising, and M&A advisory. Trade Finance – Facilitates import/export transactions through Letters of Credit and other instruments.	5
Development Finance Institutions	Long-term Financing – Provides funding for infrastructure, agriculture, and industrial projects. Policy Implementation – Supports government economic policies and development programs. SME Support – Offers financial and technical assistance to small and medium enterprises (SMEs).	6
Primary Mortgage Banks	Mortgage Financing – Provides housing loans for home purchases and construction. Deposit Mobilization – Accepts savings and fixed deposits from customers.	34

	Real Estate Advisory – Offers guidance on property investments and financing options.	
Bureau De Change	Foreign Currency Exchange – Facilitates the buying and selling of foreign currencies. Exchange Rate Facilitation – Contributes to determining forex rates based on market dynamics. Financial Accessibility – Provides forex services to individuals and businesses for trade and travel.	5690

Source: CBN, NDIC.

Recent Developments

The Nigerian microfinance sector is undergoing rapid digital transformation, driven by advancements in financial technology and increased smartphone penetration. Key aspects of this shift include:

Mobile and Internet Banking Adoption

Many MFBs now offer mobile apps and online platforms, allowing customers to open accounts, transfer funds, and access loans remotely. The use of USSD codes enables financial services for individuals in rural areas with limited internet access.

AI-Driven Credit Scoring and Digital Lending

Microfinance institutions are leveraging artificial intelligence (AI) and big data analytics to assess creditworthiness, making loan approvals faster and more efficient.

Digital lending platforms provide instant, collateral-free loans, reducing the need for physical visits to bank branches.

Agent Banking Expansion

The adoption of agent banking models has enabled microfinance institutions to reach underserved communities without the high costs of physical branches.

Banking agents facilitate deposits, withdrawals, bill payments, and loan disbursements in remote areas.

Blockchain and Fintech Collaborations

Some MFBs are exploring blockchain technology for secure transactions and transparent record-keeping.

Partnerships with fintech companies are driving innovation, including digital wallets and automated savings platforms.

Regulatory Support for Digital Finance

The CBN has introduced policies to encourage digital financial services, including open banking regulations and licensing frameworks for fintech-driven microfinance operations.

The continued digitalization of the microfinance industry is enhancing financial inclusion, reducing operational costs, and improving service delivery for millions of Nigerians.

DESCRIPTION OF LAPO MFB SPV PLC

LAPO MFB SPV PLC (the “Issuer”) was incorporated in Nigeria on 26 September 2016 (registered number RC 1363556) as a public limited liability company and carries on business at 18, Dawson Road, Benin, Edo State. The Issuer has no subsidiaries and has been established as a special purpose vehicle for the sole purpose of issuing Bonds to fund working capital of the Sponsor – LAPO Microfinance Bank Ltd’s funding requirements.

LAPO MFB SPV is a subsidiary of LAPO Microfinance Bank Ltd, with an issued share capital of ₦2,000,000 divided into 2,000,000 ordinary shares of ₦1 each. 1,990,000 shares of the Issuer are held by the Bank, and the remaining 10,000 shares are held by Godwin Ehigiamusoe.

As set out in the Company’s Memorandum and Articles of Association, the principal objective of the Issuer, amongst other things, is to raise or borrow money and to do all things that are incidental to this purpose.

Principal Activities

The principal activities of the Issuer are to issue Bonds to the public, especially qualified institutional investors, and use the proceeds to purchase Bonds from LAPO under the Master Bonds Purchase Agreement and in accordance with the terms of the Transaction Documents.

Copies of the Memorandum and Articles of Association of the Issuer may be inspected at the specified registered office of the Issuer.

As at the date of this Shelf Prospectus, the Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and registration as a public limited company, the authorization and issue of the Bonds and the other documents and matters referred to or contemplated in this and other documents to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

The Issuer’s activities are restricted by its Memorandum and Articles of Association and the terms of the Trust Deed, and other related documents.

Other Information

Directors and Company Secretary

Below are the details of the directors of the Issuer:

Name	Role
Dr. Godwin Ehigiamusoe	Chairman
Mrs. Cynthia Ikponmwosa	Director
Mrs. Faith Osazuwa-Ojo	Director
Mrs. Peggy Idehen	Company Secretary

PROFILE OF BOARD OF DIRECTORS OF THE SPV

Godwin Ehigiamusoe – Chairman

Dr. Godwin Eseiwi Ehigiamusoe is an acknowledged microfinance practitioner and social entrepreneur. His impactful works have significantly expanded the frontiers of finance. In the late 1980s, Dr. Ehigiamusoe founded Lift Above Poverty Organisation (LAPO), a poverty-focused development organization, in response to the spike in poverty; a fall-out of the implementation of the Structural Adjustment Programme. LAPO has evolved into a network of mutually reinforcing institutions in microfinance, micro-insurance, micro-leasing, healthcare, and education meeting the needs of millions in Nigeria and Sierra Leone.

In 2010, Dr. Ehigiamusoe led the establishment of LAPO Microfinance Bank Ltd, a premium microfinance bank in Nigeria, and LAPO Microfinance Company Limited in Sierra Leone. He served as the pioneer Managing Director of LAPO Microfinance Bank expanding its reach across the country prior to his stepping down in 2020. In 2019, he spearheaded the establishment of Goxi Microinsurance Company Limited, Nigeria's first licensed microinsurance provider, offering innovative policies to low-income persons and their small and medium businesses.

Dr. Ehigiamusoe contributed to the development of microfinance sector in Nigeria and beyond; he was actively involved in the formulation of Nigeria's Microfinance Policy and Regulatory Framework and as well as in building capacity for key actors in the sector.

He earned a doctorate degree in policy and development studies with emphasis on policy instruments and financial inclusion. He is a certified microfinance banker and a fellow of the Chartered Institute of Bankers of Nigeria. In 2008, he won the FATE Foundation's Model Entrepreneur, and Prof Schwab Foundation's Outstanding Social Entrepreneur – Africa-2010. In 2014, he won the Distinguished Alumni Award of the Lagos Business School. In 2016, he was honoured by the University of Benin, Benin City, Nigeria, his alma mater, with D.Sc. (honoris causa).

He has authored books on non-profit, microfinance and enterprise development.

Cynthia Ikponmwosa – Director

Mrs. Ikponmwosa Iranmwiran Cynthia holds a Bachelor of Arts degree in English from the Edo State University (Ambrose Alli University), Ekpoma (1996) and a Master of Law degree in Corporate Governance and Law from the University of Portsmouth, United Kingdom (2014). She has attended several national and international trainings including the Blueprint Certified (ICSA) training by the University of Portsmouth.

She has over twenty-three years' experience in the microfinance sector with rich pedigree in good Corporate Governance practice. She anchored the transformation process of Lift Above Poverty Organisation (LAPO) from an NGO to a regulated entity, LAPO MfB. She is a member of the Institute of Chartered Secretaries and Administration (ICSA) London and Chartered Institute of Bankers of Nigeria (CIBN).

She joined LAPO in September 2001 and rose through various ranks to become Executive Director, Corporate Services until her appointment as Managing Director/Chief Executive Officer of the Bank in 2020.

Faith Osazuwa-Ojo – Director

Mrs. Faith Osazuwa-Ojo is a seasoned professional with over twenty-seven years of dedicated service in the microfinance sector. She holds a Nigerian Certificate in Education (NCE) from the College of Education, Ekiadolor (1996), a Bachelor of Laws degree from the University of Benin (2005) and is a Barrister at Law from the Nigerian Law School (2006). Her expertise spans across risk management, bolstered by extensive international training, including the prestigious Programme for Leadership Development at Harvard Business School.

Faith began her illustrious career at LAPO Microfinance in February 1997, where she demonstrated exceptional leadership, progressing through various roles to her pinnacle as Executive Director of Risk Management in December 2014. Her tenure at LAPO Microfinance culminated in significant contributions to its growth and operational excellence.

Currently, Faith Osazuwa-Ojo serves as the President of Lift Above Poverty Organization, where she continues to champion initiatives aimed at empowering underprivileged communities. Her multifaceted role also includes serving as a distinguished Board member of LAPO Microfinance Bank, SPV, where she leverages her legal acumen and microfinance expertise to drive sustainable development and financial inclusion.

Peggy Idehen – Company Secretary

Mrs. Peggy Osaiyekemwen Idehen is a seasoned corporate governance leader with extensive experience in strategy formulation, team leadership, and business transformation. She specializes in corporate governance, strategic compliance, risk management, and visionary leadership.

She holds a Master of Science (MSc) in Corporate Governance and Leadership from the University of Northampton, United Kingdom, where she graduated with distinction. She also earned a Bachelor of Laws (B.L.) from Ambrose Alli University and was called to the Nigerian Bar in 2007.

Peggy has refined her executive leadership skills through prestigious programs at IESE Business School (Spain), Frankfurt School of Finance and Management (Germany), Lagos Business School (Nigeria), and the Pan-Atlantic School of Media & Communications (Nigeria). She is an active member of several esteemed organizations, including the Chartered Governance Institute UK, Society for Corporate Governance, Nigerian Bar Association, Lagos Business School, Chartered Institute of Bankers, Nigerian Institute of Chartered Arbitrators, Compliance Institute of Nigeria, and the Institute of Directors, Nigeria.

A passionate advocate for mental health, wellness, and a positive mindset, Peggy embraces a holistic approach to leadership and personal development.

She currently leads the Corporate Secretariat Department at LAPO Microfinance Bank Ltd, having previously served as the Bank's Chief Compliance Officer.

Employees

The Issuer has no employees.

Material Contracts

Apart from the Transaction Documents to which it is a party, the Issuer has not entered into any material contracts other than in the ordinary course of its business.

No Material Adverse Change

Since the date of the Issuer's incorporation, there has been no material change or any development reasonably likely to involve any material adverse change, in the condition (financial or otherwise) of the Issuer.

Litigation

The Issuer is not and has not since its incorporation, been involved in any litigation or arbitration proceedings which may have or have had during such period a significant effect on its respective financial position and, as far as the Issuer is aware, no such litigation or arbitration proceedings are pending or threatened.

LAPO Microfinance Bank Ltd, originally founded as the **Lift Above Poverty Organization (LAPO)** in 1987, began as a non-governmental initiative with a clear mission—to empower low-income individuals, particularly women, by providing them with access to financial services. What started as a small community-driven effort soon grew into a formidable force in Nigeria’s microfinance sector. By 2010, LAPO transitioned into a fully licensed microfinance bank, expanding its reach to millions of individuals across the country.

At its core, LAPO is dedicated to financial inclusion, ensuring that those often overlooked by traditional banks have access to credit, savings, and insurance products tailored to their needs. Over the years, LAPO has provided microcredit loans to small business owners, helping them scale their ventures and improve their livelihoods. Its financial services also include savings plans, which encourage clients to develop sound financial habits, and microinsurance, offering protection against unforeseen risks such as health emergencies and business losses.

Beyond financial services, LAPO is deeply invested in capacity building and community empowerment. LAPO actively provides financial literacy programs and business development training, equipping its clients with the skills necessary to make informed financial decisions. This holistic approach ensures that beneficiaries do not just receive financial support but also gain the knowledge needed to achieve long-term economic stability.

With a widespread presence across Nigeria, LAPO has remained a beacon of hope for countless entrepreneurs and families. Its commitment to empowering women has particularly set it apart, as a significant portion of its loan portfolio is dedicated to supporting female-owned businesses. By continuously innovating and adapting to the evolving financial landscape, LAPO continues to be a leading force in poverty alleviation and economic growth in Nigeria.

Products and Service Offerings

LAPO is dedicated to empowering individuals, small and medium enterprises (SMEs), and public sector employees by offering a diverse range of financial products and innovative solutions. These offerings not only address everyday banking needs but also support sustainable business practices and economic growth. Below is a detailed list of LAPO’s key products and solutions:

1. Loan Products

a. SME Loans

These loans are specifically designed to support the growth and operational needs of small and medium-sized enterprises. By offering tailored financing solutions, LAPO helps businesses access the capital required for expansion, inventory purchase, or working capital enhancement. This product is a cornerstone in fostering entrepreneurial growth and economic development.

b. Public Sector Loans

LAPO recognizes the unique financial requirements of public sector employees. Its public sector loans provide accessible funding with competitive terms, enabling government workers and employees in related fields to meet personal or family needs with ease.

c. Nano Loans (pCash)

For immediate, small-scale financial requirements, LAPO offers nano loans – often branded as pCash. These loans are designed to provide quick cash solutions, ideal for addressing unforeseen expenses or short-term liquidity needs without the lengthy application processes typical of larger loan products.

2. Savings Solutions

Regular Savings Accounts

Understanding the importance of building financial security, LAPO provides regular savings accounts that offer a secure platform for individuals to deposit and grow their funds. These accounts are geared towards helping customers achieve their financial goals through consistent saving practices, often accompanied by attractive interest rates and minimal fees.

3. Digital Banking Services

a. Internet Banking

LAPO's internet banking platform allows customers to manage their accounts online with ease. This digital solution provides a secure interface for transactions, bill payments, fund transfers, and other banking services – all accessible from any internet-connected device.

b. Mobile Banking

Complementing the online platform, mobile banking services offer enhanced convenience by enabling users to perform a wide range of banking activities on their smartphones. This ensures that customers can monitor and manage their finances on the go, making day-to-day banking both simple and efficient.

4. Green Clean Lending

LAPO goes beyond traditional banking by integrating sustainable solutions into its portfolio. Its strategic institutional focus on a clean environment influences the development of Green Clean Energy Lending products leveraging partnerships with responsible local and international energy and solar products companies. LAPO's clean energy products are designed to help businesses operate more sustainably, reducing environmental footprint while still maintaining operational efficiency. This initiative not only supports environmental stewardship but also promotes energy cost savings over time.

Financial Highlights

Financial Highlights	₦'000
Net Interest Income	45,702,567
Profit After Tax	6,941,863
Total Assets	124,998,798
Total Equity	34,640,014

***As of 31 December 2024

Shareholding Structure of the Sponsor

According to the register of members as at 31st December 2025, the following Shareholders held more than 5% of the issued share capital of the LAPO Microfinance Bank Ltd:

Shareholder	No of Shares	Value of Shares @₦0.50k Per Ordinary Share	% Holding
Lift Above Poverty Organisation Ltd/Gte	2,276,586,817	1,138,293,408.5	56.9
Dr. Godwin Ehigiamusoe	1,603,439,983	801,719,991.5	40.1
Mr. Ede Osayande	23,994,640	11,997,320	0.6
Dr. Osarenren Emokpae	23,994,640	11,997,320	0.6
Mr. Rene Azokly	23,994,640	11,997,320	0.6
Mr. Andrew Ejoh	23,994,640	11,997,320	0.6
Mrs. Osaretin Demuren	23,994,640	11,997,320	0.6
Total	4,000,000,000	2,000,000,000	100

Corporate Governance Structure

LAPO upholds high corporate governance standards, ensuring continuous compliance with global best practices and regulatory requirements. Its governance structure is based on accountability, transparency, fairness, and independence. The Board of Directors is committed to sustainable value creation by fostering a strong corporate culture and aligning with the Nigerian Code of Corporate Governance 2018, the CBN's governance code, and other relevant regulations. Regular internal

assessments and compliance reports are submitted to regulatory bodies. The governance framework includes Board and Executive Committees, a Governance Charter, and structured oversight, reinforcing stakeholder confidence and risk management.

LAPO's governance structure is hinged on its internal governance framework, which is executed through the following principal organs:

- (a) The Board of Directors
- (b) Board Committees
- (c) General Meetings
- (d) Management Committees

a. The Board of Directors

The Board of Directors is responsible for the governance of the Company and is accountable to Shareholders for creating and delivering sustainable value through the management of its business. The Board of Directors consists of persons of diverse discipline and skills, chosen on the basis of professional background and expertise, business experience and integrity as well as knowledge of LAPO's business. The Board has a Charter which regulates its operations.

b. Board Committees

The Board carries out its oversight function through its standing committees, each of which has a formal charter that clearly defines its objectives, purpose, composition and structure, frequency of meetings, duties and reporting lines to the Board. In line with best practice, the Chairman of the Board does not sit on any committee. Complex and specialized matters are effectively dealt with through the Committees, which also make recommendations to the Board on various matters. The Committees present periodic reports to the Board on the issues considered by them.

The Board of LAPO has (7) seven committees namely:

Audit Committee: The Board Audit Committee was set up to provide Board oversight on internal control and audit. It assists the Board of Directors in fulfilling its audit responsibilities by ensuring that effective systems of financial and internal controls are in place. The Committee supports the Board in ensuring its oversight responsibility regarding the integrity of LAPO's financial statements and the financial reporting process.

Board Credit Committee: The Board Credit Committee is responsible for the approval of credit facilities. The Board Committee also recommends credit facilities to the Board for approval. It reviews all credits granted by LAPO and meetings are held at least once a quarter. The Board Credit Committee was set up to assist the Board of Directors to discharge its responsibility to exercise due care, diligence and skill to oversee, direct and review the management of the credit portfolio of the Bank. Its terms of reference include determining and setting the parameters for credit risk and asset concentration and reviewing compliance within such limits, determining and setting the lending limits, reviewing and approving LAPO's credit strategy and the credit risk tolerance.

Board Information Technology: The Committee supports the Board by overseeing the process of acquisition of new IT systems and ensuring the provision of strategic guidance to Management on Information Technology-related matters and making appropriate recommendations to the Board of Directors.

Board Finance and General-Purpose Committee: The purpose of the Finance & General-Purpose Committee is to, amongst other things; discharge the Board's responsibilities regarding strategic direction and budgeting and to provide oversight on financial matters and performance. The Committee supports the Board in implementing its oversight responsibility by rendering advice on financial policies, capital expenditure and investments, personnel related policies and procedures as well as corporate performance management.

Nomination and Remuneration Committee: The Committee supports the Board in ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of Directors, having regard to the law and good corporate governance standards.

Environment, Social and Governance Committee: The Committee supports the Board in its oversight function in the review of LAPO's Environment, Social and Governance practices. It provides advice to the Board on environmental and social sustainability matters. It monitors the Environment, Social and Governance performance against the set targets and makes recommendations to the Board on appropriate strategies for improvement.

Risk Management Committee: The Committee supports the Board in fulfilling its oversight responsibility regarding establishing policies, standards and guidelines for risk management in compliance with legal and regulatory requirements. It also ensures periodic review of managements' risk management reports and evaluates LAPO's risk policies on a periodic basis to accommodate changes in internal or external environment.

c. General Meetings

Shareholders' Participation: The Annual General Meeting is the highest decision-making forum of LAPO. LAPO encourages shareholders to participate in its affairs. Shareholders' meetings are duly convened and held in line with the existing statutory and regulatory regime; and are conducted in a transparent and fair manner. Shareholders can express their opinions on LAPO's financial results and other relevant issues.

Protection of Shareholders: The Board always ensures the protection of the statutory and general rights of Shareholders, particularly their right to vote at general meetings. All Shareholders are treated equally, regardless of volume of shareholding or social status. LAPO recognizes that its shareholders are major stakeholders in the enterprise and that General Meetings are the primary avenue for interaction between the Management and the Board. Since Shareholders constitute the highest decision-making organ, LAPO complies strictly with regulatory requirements and routinely discloses material information to all stakeholders.

Director's Statement on Disclosure of Information to the Auditor:

In line with principle 28.4 of the Nigerian Code of Corporate Governance, each of the persons who is a Director at the date of this Shelf Prospectus confirms that:

So far as the Director is aware, there is no relevant audit information of which the Sponsor's auditor is unaware; and the Director has taken all reasonable steps that they ought to have taken as a director to make himself aware of any relevant audit information and to establish that LAPO's auditor is aware of that information.

Directors' Interest

The direct and indirect interests of directors in the issued share capital of LAPO for the purposes of section 275 of CAMA are as follows:

Director	Designation	Direct Holding
Dr. Godwin Ehigiamusoe	Chairman	1,603,439,983
Mrs. Cynthia Ikponmwosa	Managing Director	-
Mr. Aigbe Olotu	Independent Non-Executive Director	-
Ms. Angela Omeiza	Independent Non-Executive Director	-
Mr. Joshua Etopidiok	Non-Executive Director	-
Mr. Isreal Aibuedefe	Executive Director	-
Mrs. Gloria Bako	Executive Director	-
Total		1,603,439,983

PROFILES OF BOARD OF DIRECTORS

Godwin Ehigiamusoe – Chairman

Dr. Godwin Eseiwi Ehigiamusoe is an acknowledged microfinance practitioner and social entrepreneur. His impactful works have significantly expanded the frontiers of finance. In the late 1980s, Dr. Ehigiamusoe founded Lift Above Poverty Organisation (LAPO), a poverty-focused development organization, in response to the spike in poverty; a fall-out of the implementation of the Structural Adjustment Programme. LAPO has evolved into a network of mutually reinforcing

institutions in microfinance, micro-insurance, micro-leasing, healthcare, and education meeting the needs of millions in Nigeria and Sierra Leone.

In 2010, Dr. Ehigiamusoe led the establishment of LAPO Microfinance Bank Ltd, a premium microfinance bank in Nigeria, and LAPO Microfinance Company Limited in Sierra Leone. He served as the pioneer Managing Director of LAPO Microfinance Bank expanding its reach across the country prior to his stepping down in 2020. In 2019, he spearheaded the establishment of Goxi Microinsurance Company Limited, Nigeria's first licensed microinsurance provider, offering innovative policies to low-income persons and their small and medium businesses.

Dr. Ehigiamusoe contributed to the development of microfinance sector in Nigeria and beyond; he was actively involved in the formulation of Nigeria's Microfinance Policy and Regulatory Framework and as well as in building capacity for key actors in the sector.

He earned a doctorate degree in policy and development studies with emphasis on policy instruments and financial inclusion. He is a certified microfinance banker and a fellow of the Chartered Institute of Bankers of Nigeria. In 2008, he won the FATE Foundation's Model Entrepreneur, and Prof Schwab Foundation's Outstanding Social Entrepreneur – Africa-2010. In 2014, he won the Distinguished Alumni Award of the Lagos Business School. In 2016, he was honoured by the University of Benin, Benin City, Nigeria, his alma mater, with D.Sc. (honoris causa).

He has authored books on non-profit, microfinance and enterprise development.

Cynthia Ikponmwosa – Managing Director

Mrs. Ikponmwosa Iranmwinran Cynthia holds a Bachelor of Arts degree in English from the Edo State University (Ambrose Alli University), Ekpoma (1996) and a Master of Law degree in Corporate Governance and Law from the University of Portsmouth, United Kingdom (2014). She has attended several national and international trainings including the Blueprint Certified (ICSA) training course by the University of Portsmouth.

She has over twenty-three years' experience in the microfinance sector with rich pedigree in good Corporate Governance practice. She anchored the transformation process of Lift Above Poverty Organisation (LAPO) from an NGO to a regulated entity, LAPO MfB. She is a member of the Institute of Chartered Secretaries and Administration (ICSA) London and Chartered Institute of Bankers of Nigeria (CIBN).

She joined LAPO in September 2001 and rose through various ranks to become Executive Director, Corporate Services until her appointment as Managing Director/Chief Executive Officer of the Bank in 2020.

Aigbe Olotu – Independent Non-Executive Director

Mr. Olotu Aigbe holds a Bachelor of Science degree in Geology from the University of Calabar (1982). He is a fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and Chartered Institute of Taxation of Nigeria (CITN).

He has over thirty (30) years' cognate experience which cuts across Accounting, Auditing, Taxation and Financial Advisory. He is currently the Chief Finance Officer (CFO) of Sahara Power Group Limited, Nigeria.

Mr. Olotu joined the Board of LAPO Microfinance Bank Ltd as an Independent Non-Executive Director (INED) on 24th October 2019. He is currently the Chairman of the Board Audit Committee, Board Risk Management Committee, Board Finance and General-Purpose Committee and the Information Technology Committee.

Israel Aibuedefe – Executive Director / Head, Business Support Division.

Mr. Israel Aibuedefe obtained a Bachelors of Science degree in computer science from Lagos State University and master's in business administration (MBA) from Rome Business School. He has attended several international trainings and taken various courses in Microsoft, Espoo, Finland, Gordon Institute of Business Science, South Africa including the prestigious Back to Boulder-by-Boulder Institute of Microfinance, Washington DC, USA.

He has over twenty years (20) years' experience from reputable organizations such as Coca-Cola Nigeria Limited, Nigerian Bottling Company, Cadbury Nigeria, Nokia West Africa, and Microsoft. His areas of specialism are Business intelligence, Sales Operations, Retail Analytics, Business operations, Planning, and Forecasting. He is also a member of the Chartered Institute of Bankers (CIBN).

He joined LAPO in 2015 as Head IT Solutions and innovations, a position he held till his appointment as Executive Director in September 13, 2023.

Mr. Israel Aibuedefe is currently the Executive Director, Business Support Division.

Gloria Bako – Executive Director

Mrs. Gloria Bako holds a (2000). She has attended several national and international trainings including the Back to Boulder-by-Boulder Institute of Microfinance, Washington DC, USA.

She has over twenty-seven years (27) years in the microfinance sector with a rich pedigree in Business Management. She is a member of the Chartered Institute of Bankers of Nigeria (CIBN).

She joined LAPO in 1997 and rose through various ranks and was appointed as Head, Corporate Services in July 2020 until her appointment as Executive Director, Corporate Services on September 13, 2023.

Mrs. Gloria Bako is Executive Director, Corporate Services Division.

Angela Eneze Omeiza – Independent Non-Executive Director

Ms. Angela Omeiza holds a Bachelors degree, in Commercial Law from the University of Westminster, United Kingdom (2007), a master's degree in Commercial & Corporate Law from Queen Mary, University of London United Kingdom (2008), obtained her Barrister-at-Law (B.L) qualification from the Nigerian Law School Abuja, (2010) and a member of the Nigerian Bar Association. She is a 2019 Mandela Washington Fellow of the U.S Department of State, with a certificate in Leadership in Civic Engagement from Indiana University, USA. She has over ten (10) years of experience in Corporate & Commercial legal practice.

Angela is a notable International Development Expert leading transformative initiatives in Nigeria through Jela's Development Initiatives, where she serves as CEO/Founder. Her focus includes sustainable water access, blood donation, youth empowerment, and mental health, collaborating with global partners impacting over 50,000 people directly. With expertise in program design, project management, policy development and analysis, fundraising and stakeholder engagement, she has a track record of delivering impactful solutions for governments and non-profits. Angela is the solution architect of “J Blood Match”, an app working with Google’s API to connect blood donors with recipients using their blood type and location LIVE nationwide.

Angela is also a seasoned media consultant with extensive experience in radio broadcasting where she addresses various social issues and recognized as a social impact and equity advocate reaching over 1 million people. She excels in developing and implementing effective media strategies, including crisis communications, reputation management, media training, and content creation. Angela has a proven track record of delivering high-impact campaigns for clients in diverse sectors such as aviation, healthcare, education, and local and international non - profits. Her collaborative nature and adeptness in complex media environments have established her as a trusted advisor and strategic partner.

She has received various awards and recognitions amongst them being listed by the Guardian Newspaper as 100 most Inspiring Women in Nigeria 2018, Amazon of the Year Woman on Fire 2018, Donors for Africa Top 100 Women in Development 2020, The Bridge Church Excellence Award 2021 and received the highest recognition by the Abuja Municipal Rotary Club as an Honorary Member in 2021.

Ms. Angela Omeiza displays exemplary leadership and strategic acumen and joined the Board of LAPO Microfinance Bank Ltd on 17th July 2024. She is currently the Chairperson of the Board Environmental, Social, and Governance Committee and Board Nomination and Remuneration Committee.

Joshua James Etopidiok – Non-Executive Director

Mr. Joshua James Etopidiok holds a Bachelors Degree in Banking and Finance from the University of Calabar (1983), a Master of Business Administration Degree in Investment Banking from the University of Lagos, Nigeria (1989), and a Diploma in Microfinance from the Antoneo De Manila University, Philippines (2008). He has attended several executive management programmes at leading global institutions including Federal Deposit Insurance Corporation (USA), Global Management and Consulting Services (London), Federal Reserve Bank (USA), International Monetary Fund (USA), Darden School of Business (USA), Financial Institutions Training Centre (Lagos), Royal Institute of Public Administration, (London), Islamic Finance Institute (South Africa) and Central Bank of Nigeria. He is a Fellow of the Chartered Institute of Bankers (CIBN), Association of Enterprise Risk Management (AERM), the Nigerian Institute of Management (NIM), and the Institute of Chartered Economists of Nigeria (ICEN).

Joshua has a successful career spanning over three and half decades and retired as Director of Special Insured Institutions Department/Controller Lagos Office (CLO), Nigeria Deposit Insurance Corporation (NDIC). He has held ad-hoc responsibilities as Executive Director, Operations in Afex Bank Plc, and Group Merchant Bank.

Joshua is a conscientious leader who is reliable and a stickler for ethical governance. He is a seasoned and astute financial strategist with cognate and varied experience in Finance, Insurance, Risk Management, Compliance, Operations, and Strategic Management.

He joined the Board of LAPO Microfinance Bank on 13th May 2024 and chairs the Board Credit Committee and Board Risk Management Committee.

PROFILES OF KEY MANAGEMENT TEAM

Cynthia Ikponmwosa – Managing Director

Please refer to the profile on page [.]

Israel Aibuedefe – Executive Director / Head, Business Support Division.

Please refer to the profile on page [.]

Gloria Bako – Executive Director/ Head, Corporate Services Division.
Please refer to the profile on page [.]

Peggy Idehen – Head, Corporate Secretariat/Company Secretary

Mrs. Peggy Osaiyekemwen Idehen is a seasoned corporate governance leader with extensive experience in strategy formulation, team leadership, and business transformation. She specializes in corporate governance, strategic compliance, risk management, and visionary leadership.

She holds a Master of Science (MSc) in Corporate Governance and Leadership from the University of Northampton, United Kingdom, where she graduated with distinction. She also earned a Bachelor of Laws (B.L.) from Ambrose Alli University and was called to the Nigerian Bar in 2007.

Peggy has refined her executive leadership skills through prestigious programs at IESE Business School (Spain), Frankfurt School of Finance and Management (Germany), Lagos Business School (Nigeria), and the Pan-Atlantic School of Media & Communications (Nigeria). She is an active member of several esteemed organizations, including the Chartered Governance Institute UK, Society for Corporate Governance, Nigerian Bar Association, Lagos Business School, Chartered Institute of Bankers, Nigerian Institute of Chartered Arbitrators, Compliance Institute of Nigeria, and the Institute of Directors, Nigeria.

A passionate advocate for mental health, wellness, and a positive mindset, Peggy embraces a holistic approach to leadership and personal development.

She currently leads the Corporate Secretariat Department at LAPO Microfinance Bank Ltd, having previously served as the Bank's Chief Compliance Officer.

Emmanuel Igiehon – Chief Finance Officer

Mr Emmanuel Igiehon holds a Bachelor of Science (Education) degree from the University of Benin (1998), Master's degree in Business Administration from the National Open University of Nigeria (2017) and a Post Graduate Diploma in Accounting from the University of Lagos (2018). He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN).

Mr Igiehon obtained a certificate from the Association of Chartered Certified Accountants (ACCA) and is a certified microfinance practitioner (MCIB) from the Chartered Institute of Bankers of Nigeria (CIBN). He has attended several international trainings including Financial Planning and Analysis using Microfin 4.0 in Cape Town South Africa and Microfinance Masterclass at Frankfurt School of Finance and Management, Frankfurt, Germany.

Mr Igiehon joined LAPO Microfinance Bank Ltd in 2004 and served in different capacities before assuming the office of the Chief Finance Officer (CFO) in July 2020.

Oluremi Akande rpa. – Head, Corporate Communications & Branding

Mr. Oluremi Akande rpa. is a consummate Marketing and Marketing Communications professional with over seventeen (17) years of cognate experience spanning, Advertising, Brand Strategy & Development, Research & Marketing, and Media Consultancy. In various managerial capacities, he has worked with leading firms such as Dali Communications, Phillips Consulting, and Skye Bank Plc, delivering innovative ideas and impacting organizational objectives.

He is also a certified Chartered Marketer by the Chartered Institute of Marketing (UK), a Certified Digital Marketing Professional from Red & Yellow Creative School of Business, an SA Registered Advertising Practitioner by the Advertising Practitioners Council of Nigeria (APCON) and a certified Microfinance Practitioner by the Chartered Institute of Bankers of Nigeria (CIBN).

Oluremi has also attended other Advanced Management Programmes at the Lagos Business School and Pan Atlantic School of Media & Communications, Nigeria.

He joined LAPO Microfinance Bank Ltd in 2019 and is currently the Head of Corporate Communications and Branding.



KPMG Professional Services
KPMG Tower
Bishop Abiodun Cole Street
Victoria Island
PMB 40014, Faliomo
Lagos

Telephone 234 (201) 271 8955
234 (201) 271 8599
Internet home.kpmg/ng

10 December 2025

The Board of Directors
LAPO Microfinance Bank Limited
LAPO Development Centre
15 Ikorodu Road
Maryland, Lagos.

The Directors
FirstCap Limited
16 Keffi Street,
Ikoyi
Lagos.

Dear Sirs,

CONFIRMATION OF GOING CONCERN STATUS OF LAPO MICROFINANCE BANK LIMITED

We have audited the consolidated and separate financial statements of LAPO Microfinance Bank Limited (the "Microfinance Bank or the Sponsor") and its subsidiary (together "the Group") for the year ended 31 December 2024 which were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria (Amendment) Act, 2023 the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

Based on our audit of the consolidated and separate financial statements of LAPO Microfinance Bank Limited and its subsidiary for the year ended 31 December 2024 on which we expressed our opinion on 22 May 2025 and the representation received from the Directors of the Microfinance Bank in connection with the audit, nothing has come to our attention that causes us to believe the Microfinance Bank will not continue in operations as a going concern for the next 12 months from 31 December 2024.

Yours faithfully,

Oseme Obaloje, FCA
Partner, Audit Services
FRC/2013/PRO/ICAN/004/00000004803

KPMG Professional Services, a partnership registered in Nigeria and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Registered in Nigeria No BN 988925

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



3rd June 2025

The Managing Director
FirstCap Limited
16 Keffi Street,
Ikoyi
Lagos.

Dear Sirs,

CONFIRMATION OF GOING CONCERN STATUS OF LAPO MICROFINANCE BANK LIMITED

LAPO Microfinance Bank Limited is in the process of seeking registration of its ₦30,000,000,000.00 Bond Issuance Programme and a subsequent Series 1 Bond Issuance of up to ₦10,000,000,000.00 with the Securities and Exchange Commission (the "SEC").

Based on our review of the financial statements of LAPO Microfinance Bank Limited (the "Sponsor") for the year ended 31 December 2024, we have a reasonable expectation that the Sponsor has adequate resources to continue as a going concern for the foreseeable future.

This letter has been prepared only for the purpose of compliance with the rules and regulations of the SEC.

Yours faithfully,

For and on behalf of LAPO Microfinance Bank Limited

Cynthia Ikponmwosa
Managing Director

Emmanuel Igiehon
Chief Financial Officer

Head Office: LAPO PLACE, 15A Ikorodu-Ososun Road, Maryland, Lagos, Nigeria.
Benin Office: LAPO Place, 18 Dawson Road, P.M.B 1729, Benin City, Edo State, Nigeria.
T: Benin: +234-52-292174, Lagos: +234 813 984 0230
E: info@lapo-nigeria, lapobn@lapo-nigeria.org

www.lapo-nigeria.org

Board of Directors

Chairman: Godwin Ehigiamusoe

Managing Director: Cynthia Ikponmwosa

Executive Directors: Gloria Bako

Israel Albuedefe

Non Executive Director:

Joshua Etiopidiok

Independent Non-Executive Directors:

Aigbe Olotu, Angela Omeiza

RISK FACTORS

*The following section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Bonds. The risks in the following section are provided as general information only. Before making any investment decision, prospective investors should carefully read this Shelf Prospectus in its entirety, including the risk factors set out below. **Prospective investors should also seek professional advice before making investment decisions in respect of the Bonds.***

Further to the above, the Issuer and the Sponsor disclaim any responsibility for advising prospective investors of such risks as they exist at the date of this Shelf Prospectus or as such risks may change from time to time. Prospective investors should consult their own financial and legal advisers about the risks associated with an investment in the Bonds.

An investment in the Bonds involves certain risks, which may or may not occur and neither the Issuer, the Sponsor nor the Issuing Houses is in a position to express a view on the likelihood of any such risk occurring. Accordingly, prospective investors should carefully consider, amongst other things, the following risk factors together with all of the other information included in this Shelf Prospectus and any Applicable Pricing Supplement before purchasing the Bonds.

1. Risks Relating to Nigeria

The Sponsor operates in Nigeria and therefore faces general macroeconomic risks as the performance of the financial services sector is impacted by the performance of the Nigerian economic climate.

Political risks

These are risks associated with the nation's political climate. Nigeria's diverse political, religious and ethnic landscape has led to struggles for power between rival groups, which have consistently hindered the smooth governance of the country. The continued criminal activity, unrest, political and religious conflicts in certain parts of the country may lead to lower oil production, deter investments in the country and lead to increased political instability that could have a material adverse effect on Nigeria's economy. If the Federal Government is unable to address all these issues, these risks may persist and may adversely affect Nigeria's political and economic stability which may, in turn, further affect the Sponsor's business, results of operation, and/or financial condition.

Over-reliance on oil

The Nigerian economy was significantly affected by the global slide in oil prices evidenced by the weakening of the currency, substantial drop in foreign currency earnings and reserves, withdrawal of foreign portfolio capital and a corresponding decline in stock market performance and government revenues. This dependence makes the Nigerian economy vulnerable to oil price fluctuations, as many economic sectors in Nigeria depend on public spending and private consumption driven by oil revenues. While the Federal Government advances in its efforts to diversify the economy from its dependence on oil revenue, a further decline in global oil prices may have an adverse effect on the Nigerian economy which in turn might impact the Sponsor's operations and profitability.

Large infrastructure deficit poses a hindrance to the development of the economy

Infrastructure is a major factor that contributes to the development of any economy. Nigeria lacks stable power supply and adequate infrastructure such as roads, rail, ports, broadband networks etc., which has led to challenges in the development of many sectors of the economy. This has also contributed to the slow growth in many sectors of the economy which has, in turn, led to the poor performance of the economy. The power sector still faces challenges which relate to governance, accounting, legal, regulatory and pricing issues across the value chain. Given the huge capital investment required to address this deficit, there have been calls for the private sector to play a key role in providing critical infrastructure, either directly or in collaboration with the FGN. However, challenges with pricing and funding continue to call to question the viability of private sector investment. Failure to significantly improve Nigeria's infrastructure could adversely affect Nigeria's economy and growth prospects, including its ability to meet GDP growth targets which may, in turn, have an adverse effect on the business, results of operations and/or financial condition of the Sponsor.

Issues with governance and processes continue to weigh on ease of doing business in Nigeria

Bureaucracy, bribery and corruption, are of serious concern and constitute major barriers to doing business in Nigeria and hinder economic growth and social development. Despite various interventions from government agencies, the country still performs poorly in the areas of paying taxes, enforcing contracts and trading across borders. This continues to impact negatively on tax revenue, investor confidence and mobility of goods.

RISK FACTORS

Failure to address these issues, continued allegations of corruption in the public sector and any future allegations of or perceived risk of corruption in Nigeria could have an adverse effect on the Nigerian economy and may have a negative effect on Nigeria's ability to attract foreign investment and, as a result, may have a material adverse effect on the Sponsor's business, results of operations and/or financial condition.

Due to the prevailing realities, it may not be possible for the Sponsor to detect or prevent every instance of fraud, bribery or corruption. Failure to detect or prevent any such instances may expose the Company to potential civil or criminal penalties under relevant applicable law and to reputational damage, which may have a material adverse effect on the Sponsor's business, prospects, financial condition or results of operations.

Insecurity

The country is plagued by insurgency attacks and banditry in some northern states while battling militant attacks on oil pipelines and kidnapping episodes in some southern states. Amidst the setback caused by the global slide in oil prices which saw a considerable reduction in oil revenues to the economy, pipeline vandalism had further worsened the country's predicament by not only resulting in a decline in production but also a reduction in operations by major international companies in the region. The combined effect of these security challenges is the increased political instability and reduced confidence of foreign investors in the local economy. For example, the sectarian conflicts in the Middle Belt; resurgence of Boko Haram activity in Northern Nigeria; and the Fulani herdsmen crisis still contribute to the regions' security challenges. The negative effects of such incidences on the nation's economy portend a negative impact on the Sponsor and the industry in which it operates.

2. Risks Relating to the Issuer

The right of Bondholders to receive payments in respect of the Bonds will be limited to payments actually received by the Issuer under the LAPO Bonds and investors are relying solely on the creditworthiness of the Sponsor

The Issuer is a special purpose vehicle ("SPV") with no business other than issuing the Bonds and purchasing corresponding LAPO Bonds issued by the Sponsor and has no assets other than the said LAPO Bonds. The Issuer has an obligation under the "Term and Conditions of the Bonds" (the "Conditions") and the Trust Deed to pay such amounts of principal and interest, and additional amounts (if any) received and retained (net of tax) by or for the account of the Issuer from the Sponsor pursuant to the corresponding LAPO Bonds. Consequently, if the Sponsor fails to meet its payment obligations on the relevant LAPO Bonds in full, this will result in the Bondholders receiving less than the scheduled amount of principal and/or interest and/or other amounts (if any) payable on the corresponding Bonds. If a prospective investor purchases the Bonds, it is relying solely on the creditworthiness of the Sponsor. In addition, an investment in such Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Sponsor may adversely affect the market value of such Bonds.

Change in Law

The Terms and Conditions of the Bonds are based on Nigerian law in effect as at the date of this Shelf Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Shelf Prospectus.

Credit Risk

The Issuer uses the proceeds of the Bond to purchase the LAPO Bonds from the Sponsor, therefore a default by the Sponsor in its obligations to the Issuer on a payment date will translate into a default by the Issuer in its obligations leading to the non-payment of the coupon, and the principal on the bond on a payment date.

3. Risks Relating to the Sponsor

The following is a description of the risk factors which are material in respect of the financial situation of LAPO. The sequence in which they are listed is not an indication of their likelihood of occurrence or the extent of their commercial consequences. The following statements are complete but not exhaustive, thus prospective investors must consider all the information provided in this Shelf Prospectus.

Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Sponsor's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Sponsor's operations.

Credit Risks

Credit risk is the risk that the Sponsor may not be able to recover funds and will thus suffer losses because a customer or counterparty is unable or unwilling to meet contractual obligations owed to the Sponsor when due. This is the most significant risk of the Sponsor as it primarily takes on credit risk through lending activities.

Market Risks

The Sponsor undertakes trading and investment activities in fixed-income securities such as bonds, treasury bills, interbank takings and placements, as well as foreign exchange trading, all of which give rise to market risk exposure (i.e., the risk that the fair value or future cash flows of the Sponsor's trading and investment positions or other financial instruments may fluctuate because of the changes in market prices). Market risks can arise from adverse changes in interest rates, foreign exchange rates, equity prices, commodity prices and other relevant factors such as market volatility.

- **Interest rate risk:** The principal risk to which the Sponsor's non-trading portfolios are exposed is the risk of loss arising from fluctuations in the future cash flow of fair values of financial instruments and risk assets because of a change in the market interest rate.

4. Risks relating to the Bonds

Secondary Market Trading

The Nigerian securities markets are substantially smaller, less liquid and more concentrated than securities markets of more developed economies. The Issuer cannot guarantee that the market for the Bonds will always be active or liquid, for example, the Bonds may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets and the overall market for debt securities among other factors. There is no assurance that the Bonds may be easily disposed of at prices and volumes at instances best deemed appropriate by their holders.

Market Volatility

The market for debt securities is influenced by economic and market conditions, interest rates and currency exchange rates. Global and national events may lead to market volatility which may adversely affect the price of the Bonds.

Credit rating may not reflect all risks

The Bonds will be assigned a rating by SEC-registered rating agency or any independent rating agency that may decide to rate the Bonds on their own accord. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and any other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, withdrawn or suspended by the rating agencies at any time and an adverse change in the applicable credit rating could adversely affect the trading price of the Bonds.

Exchange rate risks and exchange controls

Given that the Bonds will be denominated in Naira, it presents certain risks relating to currency conversion for investors with operational currencies other than Naira. These include the risks that exchange rate may significantly change against the Naira causing a decrease in the foreign-currency-equivalent yield of the Bonds, the principal and the market value. The government may also impose exchange controls that may adversely affect an applicable exchange rate, leading to a reduction in the FX-adjusted returns of the Bonds.

Price Risk

RISK FACTORS

This is the risk that the investors who choose to sell their Bonds before maturity will be unable to sell at a profitable price. Several factors beyond the control of the Issuer can result in significant fluctuations in the market value of the Bonds. Some of these factors include movement in the financial markets, regulatory activities that affect the operation of the Issuer, which could lead to changes in financial projections.

Tax Risk

Adverse changes in tax legislation and regulations may operate to diminish the value of taxable or tax-exempt interest income accrued to prospective investors. The nature of such possible changes in tax laws cannot be predicted immediately but may reduce the after-tax returns to investors.

TERMS AND CONDITIONS OF THE PROGRAMME

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 Pricing Supplement/Supplementary Shelf Prospectus (the “Final Terms”) and save for the italicized text) will be deemed to be incorporated by reference into the Bonds issued under this Deed.

Certain provisions of these Terms and Conditions of the Bonds (the “Conditions”) are summaries of, and are subject to, the detailed provisions of the Programme Trust Deed.

The provisions of these 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 Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these 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 Conditions; and all provisions of these Conditions which are inapplicable to the Bonds shall be deemed to be deleted from these Conditions as required to give effect to the terms of the relevant Final Terms.

THE BONDS

The Bonds are hereby constituted under this Programme Trust Deed.

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

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.

1. CURRENCY, FORM, DENOMINATION AND TITLE

1.1 Currency, Form and Denomination

The Bonds shall be in registered form or as may be specified in the applicable Pricing Supplement. The Bonds issued under the Programme may be fixed rate bonds, floating rate bonds, zero-coupon bonds and any combinations thereof all of which shall be denominated in Naira.

The Bonds will be delivered to the Bondholders in dematerialised (uncertificated, book-entry) form which shall be registered with a separate securities identification code with the CSD. The Bondholders may deal in the Bonds in accordance with the CSD procedures and guidelines.

1.2 Title

Title to the Bonds will pass only by registration in the Register.

Except as may subsequently be agreed between the Parties in a Series Trust Deed, the Bondholder (or his legal representative) shall be deemed and regarded as the legal and beneficial owner of the Bonds registered in his name for all purposes including but not limited to the payment of the Principal Amount, premium (if any) and Coupon.

Statements issued by the CSD as to the aggregate number of such Bonds standing to the credit of the CSD account of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer, the Trustees and the Registrar as the legal and beneficial owner of such aggregate number of Bonds for all purposes.

No Holder may require the transfer of the Bonds: (i) during the period of 15 (fifteen) 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 Bond has been called for redemption pursuant to Condition 3 (Redemption); or (iii) following the issuance of default notice to the Issuer by the Trustees pursuant to Condition 9 (Events of Default).

2. STATUS OF THE BONDS

- 2.1 The Bonds shall constitute direct and unconditional obligations of the Issuer and the Sponsor and shall rank pari passu and without any preference among themselves, (subject to modifications in any Series Trust Deed). The payment obligations of the Issuer in respect of principal and interest 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 indebtedness and monetary obligations of the Issuer and Sponsor, present and future.

Subject to the applicable Pricing Supplement, any Series or Tranche of the Bonds may be senior bonds, secured, unsecured, subordinated bonds, or guaranteed under terms to be provided in the applicable Final Terms;

2.2 Senior Bonds

The senior Bonds shall constitute direct, unconditional, unsecured obligations of the Issuer and the Sponsor and shall at all times rank pari passu and without any preference among themselves by reason of priority of date of issue, currency of payment or otherwise. The payment obligations of the Issuer under the senior Bonds shall at all times rank at least equally with all other senior unsecured obligations of the Issuer and Sponsor present and future, except for obligations mandatorily preferred by law applying to companies generally or except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment amounts and terms of issue as provided in the applicable Final Terms.

2.3 Subordinated Bonds

The subordinated Bonds will rank pari passu without any preference to one above the other by reason of priority of date of issue, currency of payment or otherwise with all other subordinated unsecured obligations of the Issuer present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment to other subordinated unsecured obligations as may be provided in the applicable Final Terms.

3. REDEMPTION

- 3.1 The aggregate Principal Amount or the final instalment amount of the Bonds and any Coupon (accrued up to but unpaid as of the Maturity Date) shall be paid by the Issuer on the Maturity Date or on such earlier date as the Bonds may become due and repayable in accordance with this Deed.

Redemption prior to Maturity

- 3.2 Subject to the terms of the relevant Series Trust Deed and the provisions of these Conditions, the Issuer shall be entitled at any time to redeem the whole or any part of the Bonds upon giving the Bondholders not less than a minimum of 30 (thirty) days' prior notice of its intention to do so, and at the expiration of such notice, the Issuer shall be entitled and bound to redeem the Bonds in respect of which such notice has been given. Provided that such redemption shall not constitute a breach of covenant or event of default under any other agreement entered into by the Issuer.
- 3.3 In the event of the Issuer at any time determining to redeem parts only of the Bond for the time being outstanding, the particular Bonds to be redeemed shall be selected by drawing under the direction of the Trustee or at the option of the Issuer pro rata to holdings.
- 3.4 In the case of redemptions made under this Condition, not less than 30 (thirty) days previous notice in writing of the date fixed for redemption, which shall be a Coupon Payment Date, shall be given by the Issuer to each Bondholder any of whose Bond is to be redeemed. Such notice shall state the amount of the Bond due for redemption and the condition under which such redemption is to be effected and shall name the date and place for redemption of such Bond.
- 3.5 Upon early redemption, the Issuer shall, (upon the expiration of the redemption notice), be obliged to pay the Bondholders the outstanding Principal Amount and accrued Coupon.

4. PAYMENTS

- 4.1 Payments of the Principal Amount and Coupon (where applicable) will be made in the relevant currency and by credit to the specified bank account of the Bondholder or by cheques/warrants drawn on a bank duly licensed by the Central Bank of Nigeria and mailed by registered post to the address of record of any Bondholder that does not specify a bank account. Coupon on Bonds due on Coupon Payment Dates will be paid to the Bondholder shown on the Register of Bonds of a Series or Tranche at the close of business on the relevant 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.
- 4.2 If the due date for payment of any amount in respect of the Bonds is not a Business Day, then the Bondholder thereof shall not be entitled to payment of the amount due until the next succeeding Business Day unless the next succeeding Business Day falls on the next calendar month, in which case the due date will be the first preceding day that is a Business Day, and the Bondholder shall not be entitled to any further Coupon or other payment in respect of any such delay.
- 4.3 Any reference in these Conditions to Coupon in respect of the Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under the Trust Deed or under any undertaking or covenant given in addition.

5. PAYMENT ACCOUNT AND DSRA

- 5.1 Subject to the terms of the applicable Pricing Supplement and/or the Series Trust Deed, the Payment Account shall be established and funded by the Issuer in accordance with the provisions of this Deed and relevant Pricing Supplement and/or Series Trust Deed
- 5.2 Notwithstanding Condition 5.1 above, the Issuer shall not later than the date specified under a Pricing Supplement and the relevant Series Trust Deed, establish a Debt Service Reserve Account for any Series issuance under the

Programme, which shall be managed by the Trustees, in a manner as may be provided for under the relevant Series Trust Deed.

- 5.3 The mechanism for funding and operating the Payment Account and/or the DSRA, which shall be managed by the Trustees as part of the trust property under this Deed, shall be in accordance with relevant provisions of the Trust Deed and the Final Terms for each Series.
- 5.4 Where provision is made for a sinking fund or a DSRA under the Series Trust Deed, the Issuer and the Sponsor shall irrevocably authorise any officer for the time being in charge of the finance of the Issuer to deduct, as a first charge on the Issuer or Sponsor's cashflows and to place to the credit of the DSRA (in accordance with the Series Trust Deed setting up a particular Series and referenced in the applicable Pricing Supplement), such sum or sums from the finance of the Issuer and the Sponsor, at the Issuer's discretion but in no event below the Minimum Reserve Amount as stipulated in the Series Trust Deed on a monthly basis (or such other basis outlined in the Series Trust Deed) which sum shall be applied by the Trustees towards the payment of Coupon and the redemption, of the Bonds. PROVIDED THAT the Trustees may at their discretion ask the Issuer to increase the amount being credited to the account if in their reasonable opinion the amount being credited to the DSRA may not be sufficient to meet Coupon Amounts and Principal Amount repayment due on the Bonds at any time.
- 5.5 The sums credited to the Payment Account/DSRA shall be applied by the Trustees towards the payment of Coupon, Principal (post moratorium), premium (if any) and the redemption of Bonds in accordance with the Trust Deed.

Permitted Investment

- 5.6 Any monies standing to the credit of the Payment Account/DSRA which are not required for the discharge of any obligations within 5 (five) days immediately following a Coupon Payment Date may, at the discretion of the Trustees, be invested by the Trustees in their name or under their legal control in accordance with the Trustees Investment Act and Clause 14.7 of the Programme Trust Deed. PROVIDED HOWEVER that the Trustees shall, while any Bonds are outstanding, render accounts on a half-yearly basis to the Issuer and the Sponsor.
- 5.7 If at any time prior to the date specified in the Series Trust Deed, the Issuer redeems any Bond under the provisions of Condition 3, the Trustees shall remit to the Issuer such monies received from the Issuer and/or the Sponsor for the credit of the Payment Account/DSRA which are over and above the amount necessary to meet all future Coupon payments and Principal Amount redemptions, at par, PROVIDED THAT, subject to Clause 17 of the Trust Deed, the Trustees in their absolute discretion may withhold reasonable and objectively determined amounts necessary to maintain sums to maintain a cushion against Coupon fluctuations in respect of floating rate bonds and which sums shall be applied solely for the benefit of Bondholders.

6. NEGATIVE PLEDGE

For so long as any of the Bonds remains outstanding, neither the Issuer nor the Sponsor shall create or permit to subsist any Security other than Permitted Security, over any of its undertaking, assets or revenues, present or future, to secure any Financial Indebtedness, or any guarantee of or indemnity in respect of any Financial Indebtedness without the prior written consent of the Trustees (such consent not to be unreasonably withheld, delayed or conditioned). Where the Trustees so consent, the Issuer or the Sponsor (as applicable) shall at the same time as the creation of such indebtedness grant to the Trustees (for the benefit of the Bondholders) the same or equivalent security as is granted in relation to the indebtedness.

7. TAXATION

7.1 All payments of Principal Amounts, Coupon and any other sum due in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, except as indicated in the Final Terms, the Issuer shall pay such additional amounts as may be necessary in order that the net amount of the Coupon and the amounts paid to the Bondholders after such withholding or deduction shall equal the respective amounts which would have been received in the absence of such withholding or deduction.

7.2 The applicable Pricing Supplement for the relevant Series or Tranche of Bonds will indicate the tax consequences of investment.

8. CANCELLATION OF BONDS

Any part of the Bonds redeemed or purchased shall be cancelled and the Issuer shall not keep such Bond valid for the purpose of re-issue.

9. 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 in respect of the Principal and Coupon.

As used in these 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 7 (seven) days after that on which notice is duly given to the Bondholders that such payment will be made.

10. EVENTS OF DEFAULT

10.1 Events of Default Relating to the Bonds

If any of the following events (“**Events of Default**”) occur, the Trustees at their discretion may, and/or if so requested in writing by holders of not less than 25% (twenty-five percent) in aggregate Principal Amount of the Bonds then outstanding or if so directed by a Special Resolution shall (subject in each case to being indemnified, prefunded and/or provided with security to its satisfaction), give notice to the Issuer at its specified office that the Bonds are immediately repayable at their Principal Amount, whereupon the Bonds together with accrued Coupon (if any) to the date of payment shall become immediately due and payable:

- (i) **Non-Payment:** default is made for more than 5 (five) Business Days (in the case of Coupon payments) or 5 (five) Business Days (in the case of the Principal Amount) in the payment on the due date of Coupon or the Principal Amount in respect of any Series or Tranche of Bonds; or
- (ii) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in respect of the Bonds or this Programme Trust Deed which default is incapable of remedy, or in the opinion of the Trustees, has not been remedied for a period of 10 (ten) Business Days (or such longer period as the

Trustees may reasonably determine is not materially prejudicial to the interests of the Bondholders) after notice of such default shall have been given to the Issuer by the Trustees at its specified office; or

(iii) **Withdrawal of Licence:** any license from any governmental authority which the Issuer or the Sponsor holds and which is necessary for it to carry on its business, is terminated, revoked or suspended and in any such case is not replaced within 180 (one hundred and eighty) days thereafter; or

(iv) **Cross-Default:** if any Financial Indebtedness of the Issuer or the Sponsor of a value exceeding ₦3,000,000,000 (Three Billion Naira only) in aggregate (for the avoidance of doubt, any amounts being contested in good faith shall not be counted towards such value) is not paid when due or within any applicable grace period, or the Financial Indebtedness of the Issuer or the Sponsor of a value exceeding ₦3,000,000,000 (Three Billion Naira only) in aggregate is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an Event of Default (however described) and such event shall be certified in writing by the Trustees to be in their opinion materially prejudicial to the interest of the Bondholders; or

(v) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against a material part of the property, assets or revenues of the Issuer or the Sponsor and is not discharged or stayed within 90 (ninety) days. PROVIDED THAT for the purposes of this provision, "material" in relation to the Issuer or the Sponsor shall mean 15% (fifteen percent) or more of the property, assets or revenues of the Issuer or the Sponsor in aggregate; or

(vi) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or the Sponsor over a material part of the Sponsor's property, assets or revenues, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or

(vii) **Insolvency:** the Issuer or the Sponsor is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, 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 Sponsor; or

(viii) **Winding-up:** an order is made or an effective resolution passed for the Winding-up or dissolution of the Issuer or the Sponsor, or the Issuer or the Sponsor shall apply or petition for a Winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threaten to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustees or by a Special Resolution of the Bondholders; or

(ix) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or the Sponsor; or

(x) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

Provided that on the happening of any of the event specified in Condition 9.1(i) and Condition 9.1(ii) above, the Bonds shall not be declared immediately payable unless and until the Trustees shall have first served on the Issuer

a preliminary notice, within 48 (forty eight) hours of the occurrence of any of the event specified in Conditions 9.1(i) and 9.1(ii) above, requiring the Issuer to make the relevant payment in arrears, with interest or to remove, discharge or pay out to the satisfaction of the Trustees or to perform and observe the covenant or provisions the breach whereof has been committed, or threatened and the Issuer shall have failed or neglected for a period of 10 (ten) Business Days to comply with such notice.

11. PROCEEDINGS TO ENFORCE PAYMENT

At any time after the Bonds shall have become payable, the Trustees may at their discretion, (and shall upon the request in writing of the registered holders of at least 25% (twenty-five percent) in Principal Amount of the Bonds or upon being so directed by a Special Resolution), without further notice institute such proceedings as they may think fit to enforce payment of the Bonds, the Coupon Amount and any other amounts due in respect of the Bonds.

11.1. No Direct Proceedings

11.1.1. A Bondholder shall be entitled to proceed directly against the Issuer to enforce the provisions of the Programme Trust Deed or the applicable Series Trust Deed if the Trustees having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing, in which case the Bondholder, shall have only such rights against the Issuer as those which the Trustees are entitled to exercise.

11.1.2. A Bondholder shall be entitled to any remedy (whether by way of action, petition, arbitration or otherwise howsoever) for the recovery of any payment of a Principal Amount or Coupon on the Bonds if the Trustees, having become bound to take proceedings in accordance with the Deed, notifies the Bondholders in writing of their refusal to do so, in which case a Bondholder may:

11.1.1.1. take such proceeding in a representative capacity on behalf of himself and, where authorised, other Bondholders holding not less than 25% (twenty-five percent) of the Principal Amount of the Bonds of the Series or Tranche of which they are holders, for the recovery of the payments due on such Bonds; or

11.1.1.2. take such proceedings in his name for the recovery only of his own portion of the Bonds.

12. NOTICES

12.1 Notices to the Bondholders

All notices to the Bondholders will be valid if mailed to them at their respective addresses (including electronic email addresses) of record in the relevant register of Bonds of a Series or Tranche maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the SEC Rules and the rules and regulations of the relevant Recognised Securities Exchange on which the Bonds are for the time being listed. Any notice shall be deemed to have been given on the second day after being so mailed 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.

12.2 Notices from the Bondholders

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

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

13. MEETINGS OF BONDHOLDERS

- 13.1. This Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Special Resolution (as defined in the Programme Trust Deed) of a modification of any of these Conditions.
- 13.2. Such a meeting may be convened by Bondholders holding not less than one-tenth in aggregate Principal Amount of the Bonds for the time being outstanding.
- 13.3. The quorum for any meeting convened to consider a Special Resolution shall be two or more persons holding or representing by proxy a clear majority in value of the Bonds for the time being outstanding unless the business of such meeting includes consideration of proposals, inter alia:
- 13.3.1. to amend the dates of maturity or redemption of the Bonds or any date for payment of Coupon or Coupon Amounts on the Bonds; or
- 13.3.2. to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Bonds; or
- 13.3.3. to reduce the Coupon rates in respect of the Bonds or to vary the method or basis of calculating the rate or rates or Coupon Amounts or the basis for calculating any Coupon Amount in respect of the Bonds; or
- 13.3.4. if a minimum and/or a maximum Coupon rate or redemption amount is specified in respect of the Bonds, to reduce any such minimum and/or maximum; or
- 13.3.5. to vary the currency or currencies of payment or denomination of the Bonds of a Series or Tranche; or
- 13.3.6. to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass the Special Resolution,
- in which case the necessary quorum shall be two or more persons holding or representing not less than 75% (seventy-five percent), or at any adjourned meeting not less than 25% (twenty-five percent), in nominal amount of the Bonds for the time being outstanding.
- 13.4. Any Special Resolution duly passed shall be binding on the Bondholders (whether or not they were present at the meeting at which such resolution was passed).

14. ENTITLEMENT AND INDEMNIFICATION OF THE TRUSTEES

- 14.1. In connection with the exercise of their functions (including but not limited to those referred to in this paragraph), the Trustees 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 Trustees 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.

14.2. The Programme Trust Deed contains provisions for the indemnification of the Trustees and for their relief from responsibilities. The Programme Trust Deed also contains provisions pursuant to which the Trustees are entitled, inter alia, (i) to act as Trustees for the Bondholders in respect of the Bonds and any other securities issued under the Programme by the Issuer, (ii) to exercise and enforce their rights, comply with their 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.

15. TRUST PROVISIONS

15.1 Declaration of Trust

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

15.2 Representative of Bondholders

The Trustees are the representative of the Bondholders and are authorised to act on behalf of the Bondholders in accordance with the Conditions and the Programme Trust Deed and are 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 or Tranche of Bonds, (ii) relating to the identity of Bondholders, and (iii) for the purposes of giving notices to Bondholders under Condition 11.

15.3 Binding Effect of the Conditions and the Trust Deed

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

16. TRANSFER OF BONDS

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

16.2 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 16 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.

16.3 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 Trustees may prescribe.

16.4 The Register shall reflect the number of registered Bonds issued and outstanding, the date upon which each of the Holders was registered as such. The Register shall contain the name, address, and bank account details of the Holders of the registered Bonds. The Register shall set out the Nominal Amount of the Bonds issued to such Holders 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 Holder or any person authorised in writing by any Holder.

16.5 The transfer of the Bonds shall be regulated by the CSD procedures and guidelines.

16.6 The Register shall be closed during such periods, as may be specified in the applicable Pricing Supplement, not exceeding an aggregate of 30 (thirty) days in any year.

17. GOVERNING LAW

The Trust Deed, the Bonds and the Coupons shall be governed by and construed in all respects in accordance with the laws of the Federal Republic of Nigeria.

LAPO Microfinance Bank Limited

Issuer Rating:

Bbb-

Outlook: Stable

Issue Date: 11 July 2025

Expiry Date: 30 June 2026

Previous Rating: Bbb-

Industry:

Microfinance

Analysts:

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RATING RATIONALE

Agusto & Co. hereby affirms the 'Bbb-' rating assigned to LAPO Microfinance Bank Limited ("LAPO MFB" or "the MFB"). The rating reflects LAPO MFB's large market share in the microfinance industry, good capitalisation, large pool of low-cost deposits and experienced management team. However, the rating is constrained by the MFB's weak asset quality, suboptimal borrower management, high loan to deposit ratio and weak efficiency ratios. We have also considered LAPO MFB's ability to improve asset quality in a period of heightened credit risk in Nigeria's macro environment and implement the planned digital strategy amid the stiff competition from banks and fintechs.

LAPO MFB is the largest microfinance bank in Nigeria by total assets. The MFB's strategic focus is to remain a leading promoter of financial inclusion by providing deposit products and loans to low-income households, small-scale traders and micro enterprises in key industries in Nigeria. LAPO MFB grants short-term loans to low-income earners and MSMEs which are disbursed as either individual or group loans. As at 31 December 2024, the MFB's total assets stood at ₦125 billion, with gross loans and advances of ₦106 billion accounting for the bulk at 85%. LAPO MFB recorded a 12.4% year-on-year growth in gross loans largely supported by increased customer deposits and bank borrowings. Agusto & Co. views the loan book growth as acceptable relative to the 33.2% average rate of inflation in the review year. Micro loans accounted for the bulk of the risk assets portfolio at 90.5% while SME loans and staff loans made up a relatively small balance of 9.5%. The MFB's loans showed significant concentration by sector, with exposures to trade & commerce accounting for the largest share of the portfolio at 83.4%. While this is consistent with the MFB's strategy to provide credit to traders and market women, we believe that such concentration leaves the loan book overly susceptible to the elevated inflation and declining disposable incomes in the macro environment.

As at 31 December 2024, the MFB had non-performing loans (NPLs) of ₦12.4 billion, which represented a 31.7% decline from the ₦18.1 billion recorded in the prior year. The reduction in NPLs was largely due to the ₦8 billion of bad loans written off in the review year from the significant NPLs that had accumulated and fully provisioned since the COVID-19 pandemic in 2020. Thus, the non-performing loans (NPLs) to gross loan ratio was lower at 11.7% (2023: 19.3%), but remained significantly above our benchmark of 5% for microfinance banks. The cumulative loan loss provision including regulatory risk reserve covered 91.7% of the NPLs, with impaired loans not provided for equating to 3% of LAPO MFB's core capital, which is acceptable in our view. Based on unaudited accounts as at 30 June 2025, the MFB's NPLs increased by 16.4% to ₦14.4 billion, translating to an

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RATING ANNOUNCEMENT

GCR affirms LAPO Microfinance Bank Limited's national scale issuer ratings of BBB_(NG) / A3_(NG); Outlook revised to Stable from Negative.

Rating action

Lagos, 25 July 2025 – GCR Ratings (GCR) has affirmed LAPO Microfinance Bank Limited's national scale long and short-term issuer ratings of BBB_(NG) and A3_(NG) respectively, with the Outlook revised to Stable from Negative.

Rated entity	Rating class	Rating scale	Rating	Outlook
LAPO Microfinance Bank Limited	Long Term Issuer	National	BBB _(NG)	Stable
	Short Term Issuer	National	A3 _(NG)	

Rating rationale

The ratings of LAPO Microfinance Bank Limited's (LAPO MfB or the Bank) balance its strong capitalisation against a modest competitive position, moderate liquidity and weak asset quality metrics.

LAPO MfB is a leading player within the Nigerian microfinance banking sub-sector, with an established track record of over a decade. The bank has grown steadily over the years, registering total assets of NGN125 billion (USD86.4 million) as of 31 December 2024 (31 December 2023: NGN104.6 billion), which represents an estimated market share of 3.0% of the microfinance subsector. However, LAPO MfB's competitive position assessment is largely constrained by its smaller size relative to the broader banking sector. Additionally, the assessment is further limited by the bank's operational inefficiencies, as reflected by the relatively high cost-to-income ratio of 75.8% as of 31 December 2024 (31 December 2023: 80.9%). Looking ahead, the bank's planned debt issuance and increased deposit mobilisation could further support growth, while its sustained digitalisation strategy is expected to enhance digital offerings and improve operational efficiency over the next 12 to 24 months.

LAPO MfB's capitalisation remains a major ratings strength. As of 31 December 2024, the bank's GCR core capital ratio registered at a strong 30.9% (December 2023: 33.8%), underpinned by the moderate loan book growth and good earnings accretion. The capital adequacy ratio (CAR) also remained well above the regulatory minimum of 10% for its microfinance banking license category. Over the next 12-18 months, we expect the GCR core capital ratio to remain within 27%-30%, supported by sustained strong earnings generation and retention, and balanced against the planned loan book growth from the proposed NGN10 billion bond issuances.

LAPO Funding SPV Plc.'s Series I ₦10 billion 5-Year Fixed Rate Senior Unsecured Bond (under the ₦30 billion Debt Issuance Programme)

Issue Rating:

Bbb-*

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

Outlook: Stable

Issue Date: 24 July 2025

Expiry Date:

The rating is subject to annual review throughout the life of the bond

Bond Tenor: 5 years

Industry: Microfinance

Analysts:

Chiamaka Ozorjiri

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Satisfactory quality with moderate credit risk; adequate capacity to pay returns and principal on debt in a timely manner.

RATING RATIONALE

Agusto & Co. hereby assigns a "Bbb-" rating to LAPO Funding SPV Plc's ("LAPO SPV" or "the Issuer") Series I ₦10 billion 5-Year Fixed Rate Senior Unsecured Bond ("the Bond" or "the Issue"). The Bond's coupon will be payable semi-annually while principal will be repaid as a bullet sum. The Issuer was established to finance LAPO Microfinance Bank Limited ("LAPO MFB", "the MFB" or "the Sponsor") by issuing debt securities to the general public. The Issue is backed by the Sponsor's undertaking to fulfil LAPO SPV's payment obligations to the bondholders. Thus, the Bond rating mirrors the "Bbb-" credit rating of LAPO MFB. The Sponsor's rating reflects a large market share in the microfinance industry, good capitalisation, large pool of low-cost deposits and experienced management team. However, the rating is constrained by the MFB's weak asset quality, high loan to deposit ratio and weak efficiency ratios. We also considered the Sponsor's ability to enhance asset quality amid elevated credit risk in Nigeria and execute its digital strategy despite strong competition from banks and fintechs.

The Issuer plans to issue a ₦10 billion five-year fixed-rate unsecured bond, marking Series 1 of a ₦30 billion programme. Priced at ₦1,000 per unit, LAPO SPV will pay semi-annual coupons that will be met from the Sponsor's cashflows, while principal will be repaid as a bullet sum at maturity. The Issue includes a call option that will be exercisable from year two post-issuance. A Sinking Fund Account, managed by First Trustees Limited and Leadway Trustees Limited, will be funded periodically by the MFB. The Bond is fully guaranteed by LAPO MFB and will rank pari passu with the existing and future senior unsecured obligations of the Issuer and the Sponsor. The net proceeds of the Issue will be used to fund loan book expansion and the deployment of electronic payment systems for MSMEs nationwide.

LAPO MFB is Nigeria's largest microfinance bank by total assets, with a core focus on providing loans to low-income individuals and small-scale traders. As at 31 December 2024, the MFB's total assets stood at ₦125 billion, with gross loans and advances of ₦106 billion accounting for a significant 85%. However, the Sponsor's asset quality requires improvement with a non-performing loan to gross loan ratio of 11.7% (2023: 19.3%), which was significantly above our benchmark of 5% and peer average of 9% recorded in the review year. As at the 2024 FYE, the cumulative loan loss provision including regulatory risk reserve covered 91.7% of the NPLs, with impaired loans not provided for equating to 3% of the MFB's core capital, which is acceptable in our view. Based on unaudited accounts as at 30 June 2025, the Sponsor's NPL to gross loans ratio was a higher 13.5%, indicating low loan collection efficiency in our view. We expect moderate improvement in the NPL ratio in the near term as LAPO MFB continues to incentivise loan officers for maintaining low delinquency levels and centralise credit decisioning to enhance the quality of loans originated.

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RATING ANNOUNCEMENT

GCR assigns an indicative rating of BBB-(NG)(IR) to LAPO MFB SPV Plc's NGN10 billion Fixed Rate Series 1 Senior Unsecured Bonds; Outlook Stable

Rating action

Lagos, 29 July 2025 - GCR Ratings (GCR) has assigned an indicative long-term issue rating of BBB-(NG)(IR) to LAPO MFB SPV Plc's proposed NGN10 billion Fixed Rate Series 1 Senior Unsecured Bonds, with Stable outlook.

The indicative rating assigned to the Series 1 Bonds will expire on the sooner of 31 January 2026 or the assignment of the final rating.

Rated Issue	Rating class	Rating scale	Rating	Outlook
LAPO MFB SPV Plc's NGN10 billion Fixed Rate Series 1 Senior Unsecured Bonds	Long Term Issue	National	BBB-(NG)(IR)*	Stable

*An Indicative Rating is denoted by an 'IR' suffix to indicate that a credit rating has been accorded based on review of final draft documentation and expectations regarding final documentation. The Indicative Rating is expected to convert to a final credit rating subject to the receipt of final documentation in line with GCR's expectations. Typically, this suffix will be used when awaiting the finalisation of notes for a debt or program issuance. In this case, once the final documents are available the IR suffix may be removed. We expect the rating to convert upon regulatory approval, within the next 180 days.

Rating rationale

LAPO MFB SPV Plc (LAPO SPV or the Issuer) is a special purpose vehicle incorporated in September 2016 to raise debt capital for the benefit of the sponsor, LAPO Microfinance Bank Limited (LAPO or the bank). GCR affirmed LAPO's national scale long-term issuer rating of BBB-(NG) in July 2025 with a Stable Outlook.

The proposed NGN10 billion Fixed Rate Series 1 Senior Unsecured Bonds (Series 1 Bonds) is the first to be issued under the Issuer's NGN30 billion Bond Issuance Programme. The Series 1 Bonds will constitute direct, unsecured and unsubordinated obligations of the Issuer and will rank pari passu and without any preference among themselves, with all other present and future obligations.

The Series 1 Bonds will have a tenor of five years, maturing in 2030. The coupon payment will be paid semi-annually in arrears in equal payments on each payment date up to and including the maturity date, with a bullet repayment of the principal at maturity.

The Issuer will pass through the net proceeds from the Series 1 Bonds issuance to the bank by purchasing the Senior Unsecured LAPO Bonds issued by the Sponsor, in line with the terms of the draft master purchase agreement. As such, LAPO is the ultimate obligor for the Series 1 Bonds and shall be obliged to meet the maturing obligations to the Series 1 Bondholders as and when due. The bank will utilise the bond proceeds

LAPO MFB SPV PLC
RC: 1363556

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Benin City, Nigeria.
Tel: 234-52292174

THE FEDERAL REPUBLIC OF NIGERIA
THE COMPANIES AND ALLIED MATTERS ACT, 2020 (AS AMENDED)
PUBLIC COMPANY LIMITED BY SHARES
[WRITTEN] RESOLUTION OF THE BOARD OF DIRECTORS

OF

LAPO MFB SPV PLC

We, the undersigned, being all the members of the board of directors (the "Board") of LAPO MFB SPV PLC. (the "Company") for the time being, hereby unanimously resolve as follows:

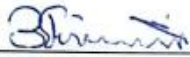
1. That:

- a. the Company be and is hereby authorized to establish a Bond Issuance Programme in the sum of ₦30,000,000,000 (Thirty Billion Naira) (the "Programme"), subject to obtaining the relevant regulatory approvals;
- b. further to the establishment of the Programme, the Company be and is hereby authorized to raise capital of up to ₦10,000,000,000 (Ten Billion Naira) through the issuance of bonds under the Programme (the "Series 1 Issuance"), subject to obtaining all relevant regulatory approvals;
- c. the Company be and is hereby authorised to utilize the proceeds from the Series 1 Issuance for such purposes and or via such arrangement and pursuant to any transaction structure as the Company, LAPO Microfinance Bank Limited, and the professional advisers may deem fit and upon such terms and conditions as may be determined by the Board, subject to obtaining all relevant regulatory approvals; and
- d. [in the event that there is an oversubscription of the Series 1 Issuance up to the maximum limit prescribed under applicable regulations and approved by the relevant regulatory authority, the Company be and is hereby authorised to receive the proceeds of excess monies arising from such oversubscription.]

Directors: Godwin Ehigiamusoe, Cynthia Ikponmwosa, Faith Osazuwa-Ojo

2. That any one (1) director of the Company, or any 2 (two) or more directors of the Company together, or a director and the company secretary, as may be required be and are hereby authorized to enter into and/or sign/execute all agreements, deeds, notices and any other documents to be issued by the Board, appoint such professional parties and advisers, perform all such acts and do such other things as may be required for giving effect to the above resolutions, including without limitation, complying with the directives of any regulatory authority;
3. That the Management of the Company be and is hereby authorized to take all steps and do all acts to give effect to the Programme and Series 1 Issuance as necessary or incidental to, or required for effecting the resolutions set out above; and
4. The Directors of the Company be and are hereby authorised to do all acts and perform all such other acts and do all such other things as may be necessary to give effect to the Programme and Series 1 Issuance; and that all actions previously taken by the Directors in that regard be and are hereby ratified."

DATED THIS 27TH DAY OF NOVEMBER 2024



GODWIN EHIGIAMUSOE
DIRECTOR



CYNTHIA IKPONMWOSA
DIRECTOR



FAITH OSAZUWA-OJO
DIRECTOR



THE FEDERAL REPUBLIC OF NIGERIA
THE COMPANIES AND ALLIED MATTERS ACT, 2020 (AS AMENDED)
PUBLIC COMPANY LIMITED BY SHARES

RESOLUTION OF THE BOARD OF DIRECTORS
OF
LAPO MICROFINANCE BANK LIMITED

At the meeting of the Board of Directors ("Board") of LAPO Microfinance Bank Limited (the "Company") duly convened and held on the 27th day of November 2024 at the Conference Room of the Microfinance Bank at 10 a.m, the following were proposed and duly passed as resolutions of the Board:

1. That:

- a. the Company be and is hereby authorized to support and sponsor the establishment of a Bond Issuance Programme in the sum of ₦30,000,000,000 (Thirty Billion Naira) by LAPO MFB SPV PLV. (the "Issuer") (the "Programme"), and subsequent issuances of bonds and/or other debt securities under the Programme, subject to obtaining the relevant regulatory approvals;
- b. the Company be and is hereby authorized to support or sponsor the Issuer in respect of the proposed bonds of up to [₦10,000,000,000 (Ten Billion Naira)] to be raised by the Issuer under the Programme ("Series 1 Issuance") and may receive or participate in the utilisation of the proceeds therefrom via such arrangement and pursuant to any transaction structure as the Company, the Issuer and the professional advisers may deem fit and upon such terms and conditions as may be determined by the Board, subject to obtaining all relevant regulatory approvals; and
- c. [in the event that there is an oversubscription of the Series 1 Issuance up to the maximum limit prescribed under applicable regulations and approved by the relevant regulatory authority, the Company be and is hereby authorised to participate and or receive the proceeds of excess monies arising from such oversubscription];

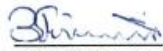
2. That any one (1) director of the Company, or any 2 (two) or more directors of the Company together, or a director and the company secretary, as may be required be and are hereby authorized to enter into and/or sign/execute all agreements deeds, notices and any other documents to be issued by the Board, appoint such professional parties and advisers, perform all such acts and do such other things as may be required for giving effect to the above resolutions, including without limitation, complying with the directives of any regulatory authority;

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E: info@lapo-nigeria, lapobn@lapo-nigeria.org
www.lapo-nigeria.org

Board of Directors
Chairperson: DR. Godwin Ehigiamusoe
Managing Director: Cynthia Ikponmwosa
Executive Directors: Lilian Ehigiamusoe,
Gloria Bako, Israel Albuadele
Non Executive Director:
Joshua Etiopidok
Independent Non-Executive Directors:
Alibe Olotu, Angela Ometza

3. *That the Management of the Company be and is hereby authorized to take all steps and do all acts to give effect to the Programme and Series 1 Issuance as necessary or incidental to, or required for effecting the resolutions set out above; and*
4. *The Directors of the Company be and are hereby authorised to do all acts and perform all such other acts and do all such other things as may be necessary to give effect to the Programme and Series 1 Issuance; and that all actions previously taken by the Directors in that regard be and are hereby ratified."*

DATED THIS 27TH DAY OF NOVEMBER 2024



Godwin Ehigiamusoe
Chairman



Peggy Idehen
Company Secretary

Cynthia Ikponmwosa		Managing Director
Joshua Etopidiok		Non- Executive Director
Edward Aghimien		Non- Executive Director
Aigbe Olotu		Independent Non-Executive Director
Angela Omeiza		Independent Non- Executive Director
Lilian Ehigiamusoe		Executive Director, Operations
Gloria Bako		Executive Director, Corporate Services
Israel Aibuedefe		Executive Director, Business Support



30 September 2025

Independent assurance report to:

The Board of Directors
LAPO Microfinance Bank Limited
LAPO Place,
15A, Ikorodu-Osotosun Road,
Maryland Ikeja,
Lagos State, Nigeria

and

The Managing Director
FirstCap Limited
16 Keffi Street, Off Awolowo Road,
S.W. Ikoyi,
Lagos State, Nigeria

Dear Sirs

We have reviewed the accompanying consolidated statements of financial position as at 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023, and 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity, the consolidated statements of cash flows for the years then ended, the material accounting policies and other explanatory notes (together "the financial information"). The financial information is based on the audited financial statements of LAPO Microfinance Bank Limited and its subsidiary (the "Group").

LAPO Microfinance Bank Limited's responsibility for the financial information

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements on which the financial information is based, in accordance with the basis of accounting described in the material accounting policies and for such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors are also responsible for the contents of the prospectus in which this report is included.

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T: +234 2012711700, www.pwc.com/ng LIRS payer ID: C-
307409 BN: 958268 TIN: 01556757-0001

Partners: S. Adu, O. Adedoye, T. Adesola, G. Adesola, W. Adetokunbo-Ajayi, S. Adu, A. Akintola,
O. Alakunle, A. Alake, C. Azubu, A. Bango, E. Ertua, K. Enkume, H. Jayeola, T. Labodan, U.
Nwagwu, C. Odebo, C. Ojiodu, U. Ojinnah, O. Olatunji, W. Olatunji, P. Olatunji, O.
Olatunji, T. Olatunji, O. Olatunji, Y. Yusuf

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Our responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements, which requires us to conclude whether anything has come to our attention that causes us to believe that the financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The review primarily consists of making inquiries of management and others as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information do not present fairly, in all material respects, the financial position of the group as at the dates stated, and of its financial performance and cash flows for the years then ended, in accordance with the Group's accounting policies.

Basis of Accounting

Without modifying our conclusion, we draw attention to the material accounting policies included in the financial information which describes the basis of accounting. The financial information is prepared for inclusion in the prospectus to be issued in connection with the proposed capital raising transaction. As a result, the financial information may not be suitable for another purpose.

Yours faithfully

For: **PricewaterhouseCoopers**

30 September 2025

Chartered Accountants
Lagos, Nigeria

Engagement Partner: Omobolanle Adekoya
FRC/2013/004/00000002010



EXTRACT OF SPONSOR'S HISTORICAL FINANCIAL STATEMENT

N'million	2020	2021	2022	2023	2024
Interest income calculated using the effective interest rate method	26,295.96	34,748.59	40,141.77	35,791.29	50,545.39
Interest expense	(4,337.84)	(4,228.18)	(4,007.16)	(3,161.23)	(4,842.83)
Net interest income	21,958.11	30,520.41	36,134.61	32,630.06	45,702.57
Fee and commission income	165.91	111.82	133.05	113.43	114.78
Fee and commission expense	(56.55)	(228.83)	(80.33)	(30.73)	(57.97)
Net fee and commission	109.36	(117.01)	52.72	82.69	56.81
Other income	267.48	124.04	1,002.13	757.83	970.30
Total income	22,334.95	30,527.45	37,189.45	33,470.58	46,729.68
Impairment loss on financial assets	(3,746.29)	(2,889.57)	(2,427.86)	(4,273.11)	(633.85)
Income after net impairment loss on financial assets	18,588.65	27,637.88	34,761.59	29,197.47	46,095.83
Personnel expenses	(10,899.66)	(11,833.30)	(12,420.39)	(12,610.10)	(14,724.63)
Depreciation of property and equipment	(945.77)	(1,074.30)	(1,076.62)	(1,145.34)	(1,372.33)
Amortisation of intangible assets	(99.16)	(353.97)	(575.43)	(713.97)	(556.21)
Other operating expenses	(9,208.34)	(8,481.51)	(10,209.22)	(12,612.79)	(18,786.33)
Total expenses	(21,152.93)	(21,743.08)	(24,281.65)	(27,082.21)	(35,439.49)
Profit before income tax	(2,564.27)	5,894.77	10,279.94	2,115.26	10,656.34
Income tax expense	(13.12)	(2,205.38)	(3,711.62)	(837.13)	(3,714.47)
Profit for the year	(2,577.39)	3,689.42	6,768.32	1,278.13	6,941.86

N'million	2020	2021	2022	2023	2024
Assets					
Cash and cash equivalents	7,296	9,921	10,171	9,510	7,563
Investment securities	2,104	2,620	3,451	2,388	2,332
Placement with banks and other financial institutions	3,608	1,731	2,194	317	-
Assets pledged as collateral	-	-	-	3,489	5,523
Loans and advances to customers	63,133	74,641	78,581	79,327	98,647
Other assets	571	690	2,285	2,841	4,863
Investment in subsidiary	-	-	-	-	-
Property and equipment	4,937	5,147	5,529	5,857	5,545
Intangible assets	132	685	1,443	882	535
Deferred tax assets	-	278	-	-	-
Total assets	81,780	95,714	103,654	104,611	124,998
Liabilities					
Deposits from customers	34,163	42,188	44,236	48,551	59,743
Borrowed funds	25,104	25,465	19,327	16,632	20,340
Current income tax liabilities	1,241	1,924	4,438	3,264	3,912
Other liabilities	1,665	2,889	5,595	4,825	6,155
Deferred tax liabilities	49	-	42	45	213
Total liabilities	62,222	72,466	73,638	73,317	90,362
Equity					
Share capital	2,000	2,000	2,000	2,000	2,000
Retained earnings	9,761	11,044	18,865	20,585	21,409
Regulatory risk reserve	2,782	4,727	2,827	2,226	3,876
Statutory reserve	5,016	5,477	6,323	6,483	7,351
Total equity	19,558	23,247	30,016	31,294	34,636
Total liabilities and equity	81,780	95,714	103,654	104,611	124,998

N'million	2020	2021	2022	2023	2024
Cash flows from operating activities					
Profit for the year	(2,577)	3,689	6,768	1,278	6,942
Adjustments for:	0	0	0	0	0
Depreciation of property and equipments	946	1,074	1,077	1,145	1,372
Depreciation of right of use assets	371	215	79	19	6
Amortisation of intangible assets	99	354	575	714	556
Bad debt written off	665	-	-	-	-
Item of PPE written off	5	-	-	-	-
Provisions for litigations	9	-	-	-	-
Write back of overstated amortisation on intangible assets	(18)	-	-	-	-
Contingency expense	-	3	-	-	-
Net impairment loss on loans and advances	3,740	2,869	2,337	3,944	407
Net impairment loss on Cash and cash equivalents	-	1	(0)	(1)	29
Net impairment loss on treasury bills	-	1	0	2	(2)
Net impairment loss on Placement with Bank	-	18	23	5	(16)
Impairment expense on other assets	6	1	68	329	189
Net impairment loss on Assets pledged	-	-	-	(6)	27
Write back of impairment on other assets	(28)	(1)	-	-	-
Profit on disposal of property and equipment	(0)	(2)	(5)	(20)	(45)
Exchange loss	-	(4)	16	0	0
Intrest expense	3,102	3,033	3,036	3,161	4,843
Intrest income	-	-	-	(35,791)	(50,545)
Income tax expense	13	2,205	3,712	837	3,714
	6,196	13,456	17,685	(24,383)	(32,523)
Change in loans and advances to customers	(6,317)	(14,341)	(6,278)	(4,690)	(18,729)
Change in other assets	(40)	(370)	(1,741)	(905)	(2,216)
Change in deposits from customer	1,950	7,948	1,958	4,315	11,192
Change in other liabilities	(1,000)	1,221	2,706	(770)	1,330
	-	-	-	(2,050)	(8,423)
Intrest received	-	-	-	35,791	49,548
Intrest paid	-	-	-	(3,207)	(4,813)
Income taxes paid	(1,929)	(1,850)	(878)	(2,008)	(2,899)
Net cashflow generated from operating activities	(1,131)	6,065	13,452	4,144	889
Cash flows from investing activities					
Net purchase of treasury bill investments	(61)	(517)	(831)	(684)	(222)
(Disposal)/purchase of placement investments	3,555	1,859	(486)	-	-
(Purchase)/Maturity of placements	-	-	-	134	(1,448)
Purchase of property and equipment	(2,367)	(2,176)	(1,593)	(1,480)	(1,118)
Reversal of Property plant and equipment	-	99	-	-	-
Proceeds from the sale of property and equipment	2	3	5	26	102
Purchase of intangible assets	(79)	(117)	(1,199)	(153)	(199)

Net cash flows used in investing activities	(6,060)	(847)	(4,104)	(2,157)	(2,885)
Cash flows from financing activities					
Dividend paid	-	-	-	-	(3,600)
Proceeds from additional borrowed funds	12,903	10,611	6,758	7,462	12,356
Principal repayments on borrowed	(8,399)	(13,206)	(15,841)	(10,111)	(8,678)
Net cash flows used in financing activities	4,504	(2,595)	(9,084)	(2,649)	78
Net decrease in cash and cash equivalents	2,688	(2,623)	(265)	(662)	(1,918)
Effects of exchange rate fluctuation	138	4	(16)	(0)	(0)
Cash and cash equivalents at the beginning of the year	9,846	7,296	9,923	10,172	9,510
Cash and cash equivalents at the end of the year	7,296	9,923	10,172	9,510	7,592

LAPO MFB SPV PLC
RC: 1363556

HEAD OFFICE:

15A, Ikorodu-Osunsun
Road Maryland, Nigeria.
Tel: 234-52292174

BENIN OFFICE:

18, Dawson Road.
Benin City, Nigeria.
Tel: 234-52292174

Statement of Affairs of LAPO MFB SPV Plc as at 31
December 2024

Assets:	31-Dec-24 N '000	31-Dec-23 N '000
Cash and Cash equivalents	106	106
Receivable from bond Issuance	6,392,518	6,362,106
Total Assets	6,392,624	6,362,212
Liabilities		
Borrowings (Bond)	6,392,518	6,362,106
Other liabilities	2,567	5,067
Total liabilities	6,395,085	6,367,173
Shareholders Fund		
Share Capital	1,000	1,000
Accumulated loss	(2,190,903)	(2,188,403)
Other Equity Component	2,187,442	2,182,442
Total Shareholders Fund	(2,461)	(4,961)
Total Liabilities and Equity	6,392,624	6,362,212



Emmanuel Igiehon
Chief Finance Officer

Directors: Godwin Ehigiamusoe, Cynthia Ikponmwosa, Faith Osazuwa-Ojo

TAX CONSIDERATIONS

The summary below does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective investor in the Bonds issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attaching to a subscription or purchase of Bonds issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Bonds issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Bonds may vary. Any actual or prospective purchaser of the Bonds who intends to ascertain his/her tax position should seek independent professional advice from his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Bonds bearing in mind his/her peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Bonds in any manner for placing reliance upon the contents of this section. Except as otherwise indicated, this summary only addresses Nigerian tax legislation in effect and in force at the date hereof, as interpreted and applied by the courts or tax authorities in Nigeria, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Under Nigerian law, payments made to Bondholders that are corporate entities will be subject to tax at the rate of 10%. In this regard, the Issuer will be required to withhold interest payment to corporate Bondholders (save as otherwise exempted by law) pursuant to the CITA and no additional amounts shall be paid to corporate Bondholders as a result thereof.

Interest income from the Bonds, whether earned by Nigerian or foreign investors, would generally attract withholding tax in Nigeria at a rate of 10%. However, effective from July 1, 2022, where the recipient is a foreign entity or individual resident in a country that has a double taxation agreement with Nigeria, the applicable withholding tax rate ranges between 7.5% and 10%, based on the Federal Inland Revenue Service (FIRS) Circular issued on May 11, 2022. As a result, the Company must deduct the relevant withholding tax from such interest payments and remit the amounts to the designated tax authority. Additionally, under the Finance Act 2019, expenses related to the generation of income that is exempt from tax cannot be claimed as deductions when computing taxable income. Corporate investors in the Bonds will be liable to withholding tax, except where the investor is a pension fund, which remains exempt.

Furthermore, by virtue of the Personal Income Tax (Amendment) Act 2011 (“PITA”), interest payment received by individual bondholders are generally exempt from personal income tax (“PIT”). Although PITA has not been amended, the Lagos State Internal Revenue Service, relying on a notice titled the Personal Income Tax Exemption of Holders of Bonds and Short-Term Government Securities Notice (dated 2 January 2012) issued by the Honorable Minister of Finance, has issued a notice titled “Payment of Personal Income Tax on Profit from Bonds and Short-Term Government Securities” (dated June 28, 2022), stating that PIT is now applicable on income derived and interest earned by individuals and non-limited liability entities resident in Lagos State from bonds and short-term securities with effect from January 2, 2022, except for bonds issued by the Federal Government of Nigeria.

All investment in the Bonds is exempted from VAT pursuant to the Finance Act 2020 which specifically exempts “securities” from the definition of goods and services upon which VAT may be charged under the Value Added Tax Act, Chapter V1, LFN 2004 (as amended by the Value Added Tax (Amendment) Act No.12 2007, the Finance Act 2019, Finance Act 2020, and Finance Act 2021). On this basis, the proceeds from the disposals of the Bonds will be exempt from VAT even after the expiration of the VAT (Exemption of Proceeds of Disposal of Government and Corporate Securities) Order 2011. However, commissions payable to the SEC, the NGX and the CSCS and fees payable to professional parties will be liable to VAT. As a result, the Issuer will be required to pay VAT on commissions/fees payable to the SEC, the NGX and CSD for the registration and listing of the Bonds.

There is no capital gains tax payable upon the disposal of any Nigerian government securities, under the provisions of the Capital Gains Tax Act, Chapter C1 LFN 2004, as amended (the “CGT Act”), but capital gains tax is chargeable on the disposal of corporate bonds or other debt instruments which are not Nigerian Government securities (i.e. Federal, State and Local Government bonds). The CGT Act provides that any gain paid, used or enjoyed in or in any manner or form transmitted or brought to Nigeria shall be treated as being derived from Nigeria for the purposes of the CGT Act. In the case of an individual who is in Nigeria for a temporary purpose only and does not have any view or intent to establish his residence in Nigeria, such

gain will be subject to tax if the period or sum of the periods for which he is present in Nigeria in that year of assessment exceeds 182 days.

Section 10(2) of the Pension Reform Act (PRA) 2014 exempts all interests, dividends, profits, investment and other income accruable to pension funds and assets from taxation.

Furthermore, section 22(4) of the Stamp Duties Act (Chapter S8) LFN 2004 (as amended by the Finance Acts of 2019, 2020 and 2021) requires stamp duty to be paid at the rates specified in the Stamp Duties 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”, failure of which such instrument will not be admissible in evidence in any civil proceedings in a Nigerian court or tribunal.

USE OF PROCEEDS

The net issue proceeds of the Programme will be utilized for the purchase of notes to be issued by LAPO Microfinance Bank Ltd (“The Sponsor”).

The Pricing Supplement for each Series under the Programme will provide information on the use of Proceeds in relation to the specific projects, amount allocation and completion period of that Series. The costs and expenses relating to the issue are payable by the Company and will be deducted from the gross issue proceeds.

STATUTORY AND GENERAL INFORMATION OF THE ISSUER

Authorisation of the Programme

By a resolution dated November 27, 2024, the Board of Directors of LAPO MFB SPV Plc approved the establishment of a ₦30 Billion Bond Issuance Programme and the issuance of the Series 1 Bonds thereunder.

Incorporation and share capital history

LAPO MFB SPV Plc (“LAPO SPV” or the “Issuer”) was incorporated as a public limited liability company in Nigeria pursuant to CAMA, at the Corporate Affairs Commission (“CAC”) on 26th September 2016 with RC number 1363556.

LAPO SPV is a special purpose vehicle solely incorporated to raise capital for LAPO Microfinance Bank Ltd (the “Sponsor”) in the debt capital markets through the issuance of securities including but not limited to bonds and debentures.

Currently, the issued share capital of the Issuer is ₦2,000,000 (Two million Naira) divided into 2,000,000 (Two million) ordinary shares of ₦1.00 (One Naira) each

Shareholding Structure

The share capital of the Issuer is ₦2,000,000 (Two million Naira) divided into 2,000,000 (One million) ordinary shares of ₦1.00 (One Naira) each.

S/N	Shareholder	No of Shares	% Holding
1	LAPO Microfinance Bank Ltd	1,980,000	99%
2	Dr Godwin Ehigiamusoe	20,000	1%
	Total	2,000,000	100%

Directors’ beneficial interests

No Director of LAPO SPV has any beneficial interest in the share capital of the Company either directly or indirectly.

Statement of Indebtedness

Details of all indebtedness of the Issuer at the time of issuance of any Bonds under the Programme will be disclosed in the Pricing Supplement relating to the series of Bonds to be issued.

Subsidiaries and Associated Companies

As at the date of this Shelf Prospectus, LAPO SPV has no subsidiaries.

Claims and Litigation

LAPO Microfinance Bank Limited (the “Sponsor”) is presently involved in Sixty-Seven (67) cases in the ordinary course of its business as of March 31, 2025.

In the context of this transaction, the Solicitor to the Issue set a materiality threshold of Fifty Million Naira (₦50,000,000.00) with regards to monetary reliefs in cases against the Bank. Of the Sixty-Seven (67) cases in the Schedule, the Solicitors to the Transaction identified and reviewed court processes in respect of Seven (7) cases within and above the Materiality Threshold.

The Bank is a Defendant in all the Seven (7) cases within and above the Materiality Threshold.

The Solicitor to the Issue observes that the Seven (7) cases instituted against the Bank by various individuals and organizations within the above Materiality Threshold represent approximately 85.6% of the total value of the monetary claims against the Bank.

The total value of the monetary claims against the Bank in the Seven (7) cases within and above the Materiality Threshold is approximately ₦2,706,000,000.00 (Two Billion, Seven Hundred and Six Million Naira).

SUMMARY OF CAPITAL STRUCTURE OF THE ISSUER AND THE SPONSOR

The amount referred to herein does not include interest and costs which were not specifically claimed by the Claimants, but which may be awarded and ascertained or determined after the final resolution of the cases by the courts.

The Solicitor to the Issue is of the opinion that most of the cases instituted against the Bank are exaggerated, frivolous, and speculative. Four (4) of these cases involve claims by loan defaulters who instituted the suits as pre-emptive actions to delay the Bank's recovery efforts in respect of outstanding obligations under various loan facilities. The Solicitor is of the view that the contingent liability that would arise from these litigation cases, where same are diligently defended, would not have a material adverse effect on the Bank or the contemplated Transaction.

Save for the foregoing, the Solicitor to the Issue is not aware of any other claim or litigation pending or threatened against the Bank which (i) materially or adversely affects the Bank's ability to fulfil its obligations under the Transaction; and/or; (ii) affects the validity of the proposed Transaction or restricts the proceedings or actions of the Bank with respect to the Transaction.

Purpose of Issue and Use of Proceeds

The proceeds of the Bonds to be issued under the Programme will be used as specified in page 83 of this Prospectus and in the relevant Series Pricing Supplement

Extracts from The Memorandum and Articles Of Association Of The Issuer

Below are extracts from Issuer's Memorandum of Association

Objects

Clause 3 of the Memorandum of Association

The objects for which the Company is established are:

- a) To invest in Nigerian and international companies, businesses and/or projects.
- b) To invest in different sectors of the Nigerian economy, global emerging markets and developed economies.
- c) To borrow or raise money for the purpose of the Company's business and projects.
- d) To acquire all power, licenses, permits and rights necessary or desirable to carry out the objects of the company and to deal in and dispose of these and any rights which may inhere in the Company consequent to its engaging in the aforesaid activities.
- e) To acquire, lease and dispose of landed property in relation to the above objects.
- f) To do all such things as are incidental or conducive to the attainment of the objects or any of them

Mergers and Takeovers

As at the date of this Shelf Prospectus, the Directors were not aware of:

- a) a merger or takeover offer by third parties in respect of the Sponsor's securities; and
- b) a merger or take-over offer by the Sponsor in respect of another company's securities, during the current financial year.

Material Contracts

Based on information provided by the Issuer to the Solicitor to the Issue, the Solicitor to the Issue confirms that as at [.] , save for the Programme Trust Deed and Master Notes Purchase Agreement which the Issuer will enter into, in respect of the Transaction, the Issuer has not entered into any contracts outside the ordinary course of business.

Relationship between the Issuer, the Issuing Houses and other Advisers

There is no relationship between the Issuer and its advisers (other than the professional relationships established pursuant to this Programme) as at the date of this Shelf Prospectus.

Costs and Expenses

The costs and expenses of undertaking the Programme include fees payable to the SEC, the FMDQ and/or the NGX and professional parties, filing fees, stamp duties, legal fees, other expenses, brokerage commission and the costs of printing and advertising the Offer; and will be set out in each Pricing Supplement issued by the Issuer.

Off balance sheet items

As at December 31 2024, Issuer had no off-Balance Sheet Items other than in the ordinary course of business.

Declarations -

Except as otherwise disclosed in this Shelf Prospectus:

- (a) No share of the Issuer is under option or agreed conditionally or unconditionally to be put under option;
- (b) No commissions, brokerages or other special terms have been granted by the Issuer to any person in connection with the Bond Issuance Programme or sale of any securities of the Issuer;
- (c) Save as disclosed herein, the directors of the Issuer have not been informed of any holding representing 5% or more of the issued share capital of the Issuer;
- (d) There are no founders' or management or deferred shares or any options outstanding in the Issuer;
- (e) There are no material service agreements between the Issuer or any of their Directors and employees other than in the ordinary course of business;
- (f) There are no long-term service agreements between the Issuer or any of their Directors and employees other than in the ordinary course of business;
- (g) No Directors of the Issuer has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Issuer in the five years prior to the date of this Shelf Prospectus;

SUMMARY OF CAPITAL STRUCTURE OF THE ISSUER AND THE SPONSOR

- (h) No prosecution has commenced against the Issuer in respect of any breach of any securities or banking laws or CAMA;
- (i) No action has been taken against the Issuer by the NGX or FMDQ in respect of any breach of the listing requirements of the NGX or FMDQ respectively; and
- (j) In the preceding and current financial year, there has been no merger or take-over offers by third parties in respect of the company's securities, and the company has not tendered a merger or take-over offer in respect of another company's securities.

It is further declared that to the best of knowledge of Directors of the Company and the Sponsor as at the date of this Shelf Prospectus, none of the shareholders, directors or key management personnel are or have been involved in any of the following (whether in or outside Nigeria)

- (a) a petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;
- (b) conviction in a criminal proceeding or named subject of pending criminal proceedings relating to fraud or dishonesty; and
- (c) the subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining the person from acting as an investment adviser, dealer in securities, director or employee in any type of business practice or activity.

Related Party Transactions

As at the date of this Shelf Prospectus, LAPO SPV has no related party transactions.

Consents

The following have given and not withdrawn their written consent to the issue of this Shelf Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

Directors of the Issuer	Dr. Godwin Ehigiamusoe Mrs. Faith Osazuma-Ojo Mrs. Cynthia Ikponmwosa
Company Secretary of the Issuer	Mrs. Peggy Idehen
Directors of the Sponsor	Dr. Godwin Ehigiamusoe Mrs. Cynthia Ikponmwosa Mr. Aigbe Olotu Mr. Joshua Etopidiok Ms. Angela Omeiza Mrs. Gloria Bako Mr. Israel Aibuedefe
Company Secretary of the Sponsor	Mrs. Peggy Idehen
Lead Issuing House	FirstCap Limited
Joint Issuing House	AVA Capital Partners Limited
Trustees	First Trustees Limited Leadway Trustees Limited <i>Advised by:</i> Aluko & Oyebo
Solicitor to the Issue	Banwo & Ighodalo
Rating Agency	Agusto & Co. & Global Credit Rating Co. Limited
Reporting Accountant	PwC Nigeria
Auditor	KPMG Nigeria

STATUTORY AND GENERAL INFORMATION OF THE ISSUER

Registrar	CardinalStone Registrars Limited
Receiving Bank	First Bank of Nigeria Limited

SUMMARY OF CAPITAL STRUCTURE OF THE ISSUER AND THE SPONSOR

S/N	ITEMS	31 DECEMBER 2024 (N'000)	
		ISSUER	SPONSOR
	CASH AND CASH EQUIVALENTS	N/A	7,562,705
	LOANS AND ADVANCES TO CUSTOMER	N/A	98,646,637
	DEPOSITS FROM CUSTOMERS	N/A	59,743,174
	TOTAL SHAREHOLDERS' EQUITY	N/A	34,640,014
	GUARANTEES	N/A	N/A

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of the Issuing Houses during normal business hours on any weekday (except public holidays) from the date of issuance of this Shelf Prospectus:

- (a) The Certificate of Incorporation of the Issuer;
- (b) The Memorandum and Articles of Association of the Issuer;
- (c) This Shelf Prospectus;
- (d) The audited consolidated and separate financial statements of the Sponsor for each of the years ended 31 December 2020, 2021, 2022, 2023 and 2024;
- (e) The Litigation Schedule and the Opinion of the Solicitors to the Issue in respect of the outstanding claims and litigation prepared.
- (f) The material contracts referred to on page 86;
- (g) The written consents of parties referred to on page 87;
- (h) The extract of the Resolution of the Directors of the Issuer at the meeting held on 27 November 2024 authorizing the Programme; and
- (i) Letter from the SEC confirming registration of the Shelf Prospectus.