

THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, TAX CONSULTANT, BANKER OR AN INDEPENDENT INVESTMENT ADVISER REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC" OR "THE COMMISSION") FOR GUIDANCE IMMEDIATELY.

FOR INFORMATION ABOUT CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" ON PAGES [48] TO [54] OF THE SHELF PROSPECTUS ISSUED IN CONNECTION WITH THE PROGRAMME.

(THIS DOCUMENT IS ISSUED SOLELY FOR PRICE DISCOVERY PURPOSES - RED HERRING)



LAGOS STATE GOVERNMENT

OFFER FOR SUBSCRIPTION (BY WAY OF A BOOKBUILD)
OF

UP TO **₦100,000,000,000**
(ONE HUNDRED BILLION NAIRA)

SERIES I: 10 YEAR [●]% FIXED RATE BONDS DUE 2032

(Offered to Qualified Institutional Investors and High Net Worth Investors, as defined by SEC Rules)

UNDER THE ₦1,000,000,000,000 (ONE TRILLION NAIRA) DEBT AND HYBRID INSTRUMENTS ISSUANCE PROGRAMME

OFFER PRICE: ₦1,000 PER UNIT
(Payable in full on acceptance)

BOOKBUILD OPENS: [●] 2023
BOOKBUILD CLOSES: [●] 2023

THIS PRICING SUPPLEMENT HAS BEEN ISSUED IN COMPLIANCE WITH PART XV OF THE INVESTMENTS AND SECURITIES ACT NO. 29 OF 2007 (AS AMENDED) (THE "ISA" OR THE "ACT"), RULE 279 UNDER PART F OF THE RULES AND REGULATIONS OF SEC, 2013 (AS AMENDED) ("SEC RULES"), THE LISTING REQUIREMENTS OF THE FMDQ SECURITIES EXCHANGE LIMITED ("FMDQ") AND THE REGULATIONS OF NIGERIAN EXCHANGE LIMITED ("NGX") IN CONNECTION WITH THE SERIES I BOND ISSUANCE OF UP TO ₦100,000,000,000 (ONE HUNDRED BILLION NAIRA) (THE "SERIES I BONDS"), UNDER THE ₦1,000,000,000,000 (ONE TRILLION NAIRA) DEBT AND HYBRID INSTRUMENTS ISSUANCE PROGRAMME (THE "PROGRAMME") ESTABLISHED BY LAGOS STATE GOVERNMENT (THE "STATE" OR THE "ISSUER").

THIS PRICING SUPPLEMENT IS SUPPLEMENTAL AND SHOULD BE READ IN CONJUNCTION WITH THE SHELF PROSPECTUS, DATED [●], AS AMENDED AND/OR SUPPLEMENTED FROM TIME TO TIME (THE "SHELF PROSPECTUS") AND WITH ALL DOCUMENTS WHICH ARE INCORPORATED BY REFERENCE. ANY CAPITALISED TERMS DEFINED IN THE SHELF PROSPECTUS HAVE THE SAME MEANING WHEN USED IN THIS PRICING SUPPLEMENT EXCEPT OTHERWISE EXPRESSLY STATED. TO THE EXTENT THAT THERE IS ANY CONFLICT OR INCONSISTENCY BETWEEN THE CONTENTS OF THIS PRICING SUPPLEMENT AND THE SHELF PROSPECTUS, THE PROVISIONS OF THIS PRICING SUPPLEMENT SHALL PREVAIL. COPIES OF THIS PRICING SUPPLEMENT CAN BE OBTAINED AT NO COST AT THE OFFICES OF THE STATE AND ISSUING HOUSES.

THE SERIES I BONDS DESCRIBED HEREIN ARE ISSUED ON AND ARE SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE SHELF PROSPECTUS AS AMENDED AND/OR SUPPLEMENTED BY THE TERMS AND CONDITIONS CONTAINED IN THIS PRICING SUPPLEMENT. THE REGISTRATION OF THE SHELF PROSPECTUS AND THIS PRICING SUPPLEMENT SHALL NOT BE TAKEN TO INDICATE THAT THE COMMISSION ENDORSES OR RECOMMENDS THE SECURITIES WHICH FORM THE SUBJECT MATTER HEREOF OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THE SHELF PROSPECTUS OR THIS PRICING SUPPLEMENT. THE SHELF PROSPECTUS IS VALID FOR AN INDEFINITE PERIOD UNTIL DETERMINED BY THE COMMISSION, ACCORDING TO RULES 279 (3) (5) (II) OF THE SEC RULES (SUNDRY AMENDMENTS, APRIL 2015).

A COPY OF THIS PRICING SUPPLEMENT HAS BEEN DELIVERED TO THE COMMISSION FOR REGISTRATION. THIS PRICING SUPPLEMENT CONTAINS PARTICULARS IN COMPLIANCE WITH THE REQUIREMENTS OF THE COMMISSION, THE APPLICABLE LAWS AND THE LISTING REQUIREMENTS OF THE RELEVANT SECURITIES EXCHANGE FOR THE PURPOSE OF GIVING INFORMATION WITH REGARD TO THE SERIES I BONDS BEING ISSUED HEREUNDER. AN APPLICATION HAS BEEN MADE TO THE FMDQ AND/OR THE NGX FOR THE ADMISSION OF THE SERIES I BONDS TO THE DAILY QUOTATION LIST AND/OR DAILY OFFICIAL LIST RESPECTIVELY. THE SERIES I BONDS ALSO QUALIFY AS A SECURITY IN WHICH TRUSTEES MAY INVEST UNDER THE TRUSTEE INVESTMENTS ACT (CHAPTER T22) LAWS OF THE FEDERATION OF NIGERIA, 2004.

THE STATE ACCEPTS RESPONSIBILITY FOR THE ACCURACY OF INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT AND DECLARES THAT HAVING TAKEN REASONABLE CARE TO ENSURE THAT THE INFORMATION CONTAINED HEREIN IS, TO THE BEST OF THEIR KNOWLEDGE, IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION AND THAT SAVE AS DISCLOSED HEREIN, NO OTHER SIGNIFICANT NEW FACTOR, MATERIAL MISTAKE OR INACCURACY RELATING TO THE INFORMATION INCLUDED IN THIS PRICING SUPPLEMENT AS AMENDED AND/OR SUPPLEMENTED FROM TIME TO TIME HAS ARISEN OR HAS BEEN NOTED, AS THE CASE MAY BE, SINCE THE PUBLICATION OF THE SHELF PROSPECTUS, AS AMENDED AND/OR SUPPLEMENTED FROM TIME TO TIME. FURTHERMORE, THE MATERIAL FACTS CONTAINED HEREIN ARE TRUE AND ACCURATE IN ALL MATERIAL RESPECTS AND THE STATE CONFIRMS THAT, HAVING MADE ALL REASONABLE ENQUIRIES, TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THERE ARE NO MATERIAL FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT CONTAINED HEREIN MISLEADING OR UNTRUE. IT IS A CIVIL WRONG AND A CRIMINAL OFFENCE UNDER THE ISA TO ISSUE A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. INVESTORS ARE ADVISED TO NOTE THAT LIABILITY FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PRICING SUPPLEMENT IS PROVIDED FOR IN SECTIONS 85 AND 86 OF THE ISA.

INVESTORS MAY CONFIRM THE CLEARANCE OF THIS PRICING SUPPLEMENT AND REGISTRATION OF THE SERIES I BONDS ISSUED HEREUNDER WITH THE SECURITIES AND EXCHANGE COMMISSION BY CONTACTING THE COMMISSION ON SEC@SEC.GOV.NG OR +234(0)94621100; +234(0) 94621168.

LEAD ISSUING HOUSE / BOOKRUNNER

Chapel Hill Denham Advisory Limited



CHAPEL HILL DENHAM

RC 1381308

JOINT ISSUING HOUSES / BOOKRUNNERS



RC 606031

Capital Bancorp

RC 114135



RC 686848



RC 1376952



RC 600461

CORONATION

RC 207138



RC 224109



RC 264978



RC 446561



RC 1517636



RC 761231



RC 116443



RC 972038



RC 639491



RC 733583



RC 1031358



RC 444999



RC 485600

THIS PRICING SUPPLEMENT IS DATED THE [●] DAY OF [●] 2023

This Pricing Supplement will be available on the following websites throughout the Validity Period

www.lagosstate.gov.ng

www.sec.gov.ng

TABLE OF CONTENTS

TABLE OF CONTENTS	2
1. DEFINITIONS AND GLOSSARY	3
2. PARTIES TO THE OFFER.....	7
3. INDICATIVE TIMELINE.....	11
4. DECLARATION BY THE STATE	12
5. SUMMARY OF THE OFFER.....	13
6. PRIOR DEBT ISSUANCE PROGRAMMES	18
7. DESCRIPTION OF THE ISSUE	19
SCHEDULE I - USE OF PROCEEDS	19
SCHEDULE II - USE OF PROCEEDS (DETAILED DESCRIPTION).....	20
SCHEDULE III - COUPON AND PRINCIPAL AMORTISATION SCHEDULE	30
APPENDIX I - EXTRACT OF THE LAGOS STATE EXECUTIVE COUNCIL RESOLUTION	31
APPENDIX II - EXTRACT OF THE LAGOS STATE HOUSE OF ASSEMBLY RESOLUTION	32
APPENDIX III - HISTORICAL FINANCIAL INFORMATION	33
APPENDIX IV - MATERIAL ADVERSE CHANGE STATEMENT.....	39
APPENDIX V - EXTRACT OF THE SERIES I TRUST DEED.....	40
APPENDIX VI - EXTRACT FROM THE ISSUER'S RATINGS REPORT	44
APPENDIX VII - EXTRACT FROM THE ISSUE RATINGS REPORT.....	46
APPENDIX VIII - OTHER DISCLOSURES	48
APPENDIX IX: PROCEDURE FOR APPLICATION AND ALLOTMENT	52
COMMITMENT FORM.....	54
COMMITMENT FORM (REVERSE SIDE)	55

1. DEFINITIONS AND GLOSSARY

“Allotment”	The issue of Bonds to successful bidders pursuant to the completion of the Book Build
“Allotment Confirmation Notices”	The notification issued to each Applicant confirming the Bonds allocated to the Applicant following the conclusion of the Book Build and determination of the relevant clearing price
“Allotment Date”	The date on which the Bonds are allotted to successful bidders
“Applicant” or “Participant”	A Qualified Investor who offers to purchase the Bonds and submits Commitment Form(s) to the Book Runner(s)
“Agusto & Co”	Agusto & Co. Limited
“Bonds” or “Series I Bonds”	The registered up to ₦100,000,000,000 (One Hundred Billion Naira) Series I 10-Year [●]% Fixed Rate Bonds due 2032 issued by the Issuer in accordance with the terms of this Pricing Supplement.
“Bondholders”	The registered owners or beneficial owners of the Bonds and whose names are entered into the Register, from time to time (and in the case of joint holders, the first named thereof), and “Bondholder” shall be construed accordingly.
“Bonds Law”	The Lagos State Bonds, Notes and Other Securities Issuance Law 2008
“Book Building” or “Book Build”	As defined in SEC Rules 321, a process of price and demand discovery through which a Book Runner seeks to determine the price at which securities should be issued, based on the demand from Qualified Investors
“Book Runners”	The Issuing Houses duly appointed by the Issuer to manage the order book in respect of the Bonds being sold by way of Book Building
“Business Day(s)”	Any day(s) except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria
“CBN”	Central Bank of Nigeria
“CDSA”	Consolidated Debt Service Account, the dedicated account created pursuant to the Bonds Law for purposes of servicing public debt repayment obligations.
“CIT”	Company Income Tax
“Coupon” or “Coupon Rate”	The interest payable to Bondholders as specified in this Pricing Supplement
“Coupon Commencement Date”	The date on which the Coupon on the Bond will begin to accrue to Bondholders as specified in this Pricing Supplement
“Coupon Payment Date”	The date on which coupon is to be paid to Bondholders as specified in this Pricing Supplement
“CSCS” or the “Clearing System”	Central Securities Clearing System Plc
“CSD” or “Depository”	CSCS or FMDQ-D or any central securities depository registered or recognized by SEC
“Daily Official List”	The daily publication of NGX detailing price movements and information on all securities quoted on the NGX.
“Daily Quotation”	The daily official publication of the FMDQ containing market/model prices and yields, and the values traded on all securities listed and quoted on the FMDQ.

“Debt and Hybrid Instruments Issuance Programme” or “DAHI Issuance Programme” or “the Programme”	The ₦1,000,000,000,000 (One Trillion Naira) Debt and Hybrid Instruments Issuance Programme that has been registered by the State pursuant to which the State may issue Series or Tranches of bonds and other securities, from time to time, up to a maximum aggregate outstanding value of which shall not exceed ₦1,000,000,000,000 (One Trillion Naira).
“Exchange”	The FMDQ, NGX or any other securities exchange recognized by the Commission on which the Bonds are listed
“FGN” or “Federal Government”	Federal Government of Nigeria
“FIRS”	Federal Inland Revenue Service
“Fixed Rate Bonds”	Bonds in respect of which interest is to be calculated and paid on a fixed rate basis, which will not change during the tenor of the Bonds
“FMDQ”	FMDQ Securities Exchange Limited
“FMDQ-D”	FMDQ Depository Limited, a securities depository and clearing system
“GCR”	Global Credit Rating Company Limited
“High Net Worth Investors” or “HNI”	An individual investor with a minimum net worth of ₦100,000,000 (One Hundred Million Naira) (excluding assets such as automobiles, homes and furniture), as defined in the SEC Rules.
“IGR”	Internally Generated Revenue
“ISA”	Investments and Securities Act No. 29 of 2007 (as amended)
“ISPO”	Irrevocable Standing Payment Order
“Issue”	The issue of the bonds to Qualified Investors
“Issuer” or “the State” or “LASG”	Lagos State Government
“Issue Date”	The date on which the Bonds are issued and when accrual of the coupon commences
“Issue Price”	The price at which the Bonds are issued as specified in this Pricing Supplement
“Issuing Houses”	The Joint Issuing Houses and the Lead Issuing House
“Joint Issuing Houses”	APEL Asset Limited, Capital Bancorp Plc, Chartwell Securities Limited, Comercio Partners Capital Limited, Cordros Capital Limited, Coronation Merchant Bank Limited, Dynamic Portfolio Limited, FBNQuest Merchant Bank Limited, FCMB Capital Markets Limited, Kairos Capital Limited, Kedari Capital Limited, LeadCapital Plc, Phoenix Global Capital Markets Limited, Quantum Zenith Capital & Investments Limited, Radix Capital Partners Limited, Stanbic IBTC Capital Limited, United Capital Plc and Vetiva Capital Management Limited
“Lead Issuing House / Book Runner”	Chapel Hill Denham Advisory Limited
“LFN”	Laws of the Federation of Nigeria 2004
“Naira”, “NGN” or “₦”	Nigerian Naira

“Participation Amount”	The amount indicated on Commitment Form by a Participant
“PIT”	Personal Income Tax
“Pricing Supplement”	This pricing supplement issued pursuant to the Shelf Prospectus which contains relevant information relating to the Bonds including but not limited to, details about the price, amount, issue, date and maturity date of the Bonds
“Principal Amount”	The nominal amount of each Bond, as specified in this Pricing Supplement
“Programme Trust Deed”	The Programme Trust Deed entered into by the Issuer and the Trustees dated [●] 2023
“Qualified Investor”	Qualified Institutional Investors and High Net Worth Investors, as defined by the SEC Rules
“Qualified Institutional Investor” or “QII”	As defined in Rule 321 of the SEC Rules, institutional purchasers of securities including Banks, Fund Managers, Pension Fund Administrators, Insurance Companies, Investment/Unit Trusts, Multilateral and Bilateral Institutions, registered and/or verifiable PE funds and Hedge Funds, Market Makers, Staff Schemes, Trustees/Custodians, and Stock Broking Firms.
“Rating Agencies”	Agusto & Co, GCR or any other rating agency that may be appointed
“Receiving Bank”	Access Bank Plc, Fidelity Bank Plc, First Bank of Nigeria Limited, First City Monument Bank Limited, Stanbic IBTC Bank Plc, Sterling Bank Plc, United Bank for Africa Plc, Union Bank of Nigeria Plc, and Zenith Bank Plc
“Record Date”	The date on which the names of holders of the Bonds are extracted from the Register for the purposes of paying the Coupon
“Redemption Amount”	The aggregate Principal Amount outstanding in respect of the Bond on the Maturity Date as specified in this Pricing Supplement
“Register”	The record maintained by the Registrar detailing the particulars of Bondholders, respective Bonds held by each Bondholder and the particulars, transfers and redemption of Bonds held by each Bondholder
“Registrar”	Meristem Registrars & Probate Services Limited
“Reporting Accountant”	Ernst & Young
“SEC Rules”	The general rules and regulations of the SEC (2013), issued pursuant to the ISA (as amended from time to time).
“Series”	A tranche of Bonds together with any further tranche or tranches of Bonds which are identical in all respects (including listing) except for their respective Issue Dates, and/or Maturity Dates, Coupon Payment Dates and/or Issue Prices (as applicable)
“Series 1 Bonds”	The ₦100,000,000,000 (One Hundred Billion Naira) Series I Fixed Rate Bonds issued under the Programme
“Series Trust Deed”	The deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer and the Trustees with regards to the Series 1 Bonds and empowering the Trustees to hold, administer and manage the applicable assets
“Shelf Prospectus” or “Prospectus”	The Shelf Prospectus approved by the SEC and dated [●] 2023, that the Issuer filed in accordance with SEC Rules

“Signing Ceremony”	The ceremony at which the Series I Bonds offer documents, approved by SEC, are executed by the parties to the offer
“Sinking Fund”	A fund specifically established and managed by the Joint Trustees on behalf of the State, for Series 1 Bonds, for purposes of servicing the Coupon and Principal repayment obligations; and into which payments from the ISPO and the CDSA shall be remitted in accordance with the terms and conditions of the issue of the Series 1 Bonds
“Trust Deeds”	The Programme Trust Deed and the Series I Trust Deed
“Trustees”	FBNQuest Trustees Limited, Radix Trustees Limited, Paxhill Minerva Limited, Sterling Asset Management and Trustees Limited, STL Trustees Limited, UTL Trust Management Services Limited, and United Capital Trustees Limited
“VAT”	Value Added Tax

2. PARTIES TO THE OFFER

REPRESENTATIVES OF THE LAGOS STATE EXECUTIVE COUNCIL

Mr. Babajide Olusola Sanwo-Olu
Governor

Dr. Rabiul Onaolapo Olowo
Honourable Commissioner for Finance

Mr. Moyosore Jubril Onigbanjo SAN
Attorney-General and Honourable Commissioner for Justice

Dr. Shefiu Abiodun Muritala
Accountant-General to the State

Address:

Lagos State Debt Office
(Lagos State Ministry of Finance)
Lagos State Secretariat
Alausa, Ikeja
Lagos

PROFESSIONAL PARTIES TO THE PROGRAMME

LEAD ISSUING HOUSE / BOOKRUNNER:

Chapel Hill Denham Advisory Limited

10 Bankole Oki Street

Ikoyi

Lagos

JOINT ISSUING HOUSES / BOOKRUNNERS:

APEL Asset Limited

8, Alhaji Bashorun Street

Off Norman Williams Crescent

South-West IkoyiLagos

Chartwell Securities Limited

13 IPM Avenue

Central Business District

Alausa, Ikeja,

Lagos

Cordros Capital Limited

70 Norman Williams Street

Ikoyi, Lagos

Dynamic Portfolio Limited

20 Campbell Street

Lagos Island, Lagos

FCMB Capital Markets Limited

6th Floor, First City Plaza

44 Marina Road

Lagos

Kedari Capital Limited

8A Ojora Close

Off Idowu Martins Street

Victoria Island, Lagos

Phoenix Global Capital Markets Limited

9A Sir Samuel Manuwa Street

Victoria Island

Lagos

Radix Capital Partners Limited

3rd Floor, AIICO House

PC 12, Churchgate Street

Victoria Island

Lagos

United Capital Plc

3rd & 4th Floors

Afriland Towers

97/105 Broad Street

Lagos

Capital Bancorp Plc

3rd Floor, UNTL House

1 Davies St, Lagos Island

Lagos

Comercio Partners Capital Limited

10B Layi Yusuf Crescent

Off Admiralty Way

Lekki Phase 1, Lagos

Coronation Merchant Bank Limited

10 Amodu Ojikutu Street

Victoria Island, Lagos

FBNQuest Merchant Bank Limited

10 Keffi Street

Ikoyi, Lagos

Kairos Capital Limited

2nd Floor, Foresight House

163/165 Broad Street Marina

Lagos

LeadCapital Plc

281 Ajose Adeogun Street

Victoria Island

Lagos

Quantum Zenith Capital & Investments Limited

12th Floor, Plot 2

Ajose Adeogun Street

Victoria island

Lagos

Stanbic IBTC Capital Limited

I.B.T.C. Place

Walter Carrington Crescent

Victoria Island

Lagos

Vetiva Capital Management Limited

Plot 266B, Kofo Abayomi Street

Victoria Island

Lagos

TRUSTEES:**FBNQuest Trustees Limited**

10 Keffi Street
South-West Ikoyi
Lagos

Radix Trustees Limited

3rd Floor, AIICO House
PC 12 Churchgate Street
Victoria Island, Lagos

STL Trustees Limited

30 Marina
Lagos Island
Lagos

UTL Trust Management Services Limited

ED building (2nd floor)
47 Marina
Lagos

SOLICITORS TO THE ISSUE:**Banwo & Ighodalo**

48 Awolowo Road
Ikoyi
Lagos

SPA Ajibade & Co

27A Macarthy Street
Lagos Island
Lagos

SOLICITORS TO THE ISSUER:**G. Elias**

6 Broad Street
Lagos Island
Lagos

Olaniwun Ajayi LP

Plot L2, 401 Close
Banana Island
Lagos

RATING AGENCIES:**Agusto & Co. Limited**

UBA House (5th Floor)
57 Marina
Lagos

REGISTRARS:**Meristem Registrars & Probate Services Limited**

213 Herbert Macaulay Way
Yaba, Lagos
Web: www.meristemng.com
Email: contact@meristemng.com
Tel: 0700-MERISTEM

Paxhill Minerva Limited

10 Bankole Oki Street
Ikoyi
Lagos

Sterling Asset Management and Trustees Limited

62 Adetokunbo Ademola Street
Victoria Island
Lagos

United Capital Trustees Limited

Afriland Towers (3rd and 4th Floors)
97/105 Broad Street
Lagos

Idowu Sofola & Co.

Ereke House, Plot 15, CIPM Road
CBD, Ikeja
Lagos

Jackson, Etti & Edu

3-5 Sinari Daranijo Street,
Victoria Island
Lagos

Global Credit Ratings Co. Limited

New Africa House (11th Floor)
31 Marina
Lagos

REPORTING ACCOUNTANT:**Ernst & Young**

UBA House (10th Floor)
57 Marina
Lagos

STOCKBROKERS:

MBC Securities Limited (Lead)

St. Nicholas House (11th Floor)
26 Catholic Mission Street
Lagos

Bancorp Securities Limited

3rd Floor, UNTL House,
1 Davies Street
Lagos

Lead Securities and Investments Limited

Plot 281, Ajose Adeogun Street
Victoria Island
Lagos

Nigerian Stockbrokers Limited

6th Floor, Knight Frank Building
24 Campbell Street
Lagos

Sigma Securities Limited

6th Floor, Suite 13
11, Awolowo Road
Ikoyi
Lagos

RECEIVING BANKS:

Access Bank Plc

14/15, Prince Alaba Oniru Road
Victoria Island
Lagos

First Bank of Nigeria Limited

Samuel Asabia House
35 Marina
Lagos

Stanbic IBTC Bank Plc

I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

United Bank for Africa Plc

UBA House
57 Marina
Lagos

Zenith Bank Plc

Plot 84, Ajose Adeogun Street
Victoria Island
Lagos

Arthur Stevens Asset Management Limited

86, Raymond Njoku Street
South-West Ikoyi
Lagos

Chapel Hill Denham Securities Limited

10 Bankole Oki Street
Ikoyi
Lagos

Network Capital Limited

13, Maitama Sule Street
South-West Ikoyi
Lagos

Readings Investment Limited

26 Keffi Street
Ikoyi
Lagos

Signet Securities Limited

House, Level 4, Church,
29 Marina Rd, Lagos Island
Lagos

Fidelity Bank Plc

2 Kofo Abayomi Street
Victoria Island
Lagos

First City Monument Bank Limited

Primrose Tower, 17A Tinubu Street
Marina
Lagos

Sterling Bank Plc

Sterling Towers
20 Marina road
Lagos

Union Bank of Nigeria Plc

Stallion Plaza
36 Marina
Lagos

3. INDICATIVE TIMELINE

The dates provided below reflect principal events of the Series I Bond offer and are indicative only. The dates are subject to change, without notice, by the Issuing Houses in consultation with the Issuer.

Date	Activity	Responsibility
[•]	Receive SEC clearance of the Pricing Supplement and approval to commence Bookbuild	Issuing Houses
[•]	Commence Bookbuild	Issuing Houses / Bookrunners
[•]	Conclude Bookbuild	Issuing Houses / Bookrunners
[•]	Determine coupon rate and aggregate principal amount of Bonds to be issued	Issuing Houses / Bookrunners
[•]	Dispatch Allocation Confirmation Notices to successful investors	Issuing Houses / Bookrunners
[•]	Update Offer documents and file with the SEC	Issuing Houses
[•]	Obtain SEC's 'No-Objection' and clearance to convene signing ceremony	Issuing Houses / Bookrunners
[•]	Hold Signing Ceremony/Allotment of Bonds	All Parties
[•]	Effect payment of Participation Amounts to Receiving Banks	Applicants
[•]	Remit net issue proceeds to the Issuer	Receiving Banks
[•]	File executed Offer documents and the Basis of Allotment with SEC	Issuing Houses
[•]	Receive SEC 'No Objection' to the Basis of Allotment	Issuing Houses
[•]	Publish Allotment Announcement	Issuing Houses
[•]	Credit Depository accounts of investors / allottees	Registrars
[•]	Obtain approval for listing of the Bonds	Issuing Houses / Stockbrokers
[•]	Listing of the Bonds on FMDQ and/or NGX	Issuing Houses / Stockbrokers
[•]	File Post Allotment Report with SEC	Issuing Houses

4. DECLARATION BY THE STATE



November 9, 2022

The Director-General
Securities & Exchange Commission
272/273 Samuel Adesujo Ademulegun Street
Central Business District
Abuja

DECLARATION OF ISSUER - SERIES I BOND ISSUANCE OF UP TO ₦100,000,000,000 (ONE HUNDRED BILLION NAIRA) ("SERIES I BOND")

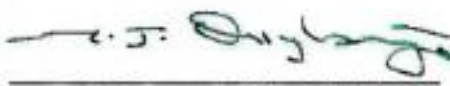
This Pricing Supplement has been prepared by the Issuing Houses on behalf of Lagos State Government ("the State") for the purpose of providing a description to investors, of the relevant aspects of the State in connection with the Series I Bond Issuance.

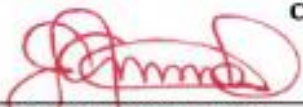
In that regard, and on behalf of the Lagos State Executive Council, we hereby make the following declarations:

1. The information contained in this Pricing Supplement is, to the best of our knowledge, in accordance with the material facts and contains no omission likely to affect its import nor which will render any statement herein misleading or untrue.
2. There has been no significant change in the financial condition or material adverse change in the financial prospects of the State during the last twelve (12) months preceding the date of this Pricing Supplement; and
3. Lagos State is not in breach of any terms and conditions in respect of any borrowed funds, which has resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the twelve (12) months preceding the date of this Pricing Supplement.

Signed for and on behalf of
Lagos State Government
by its duly authorized representatives:


Dr. Rabiu Olowo
Honourable Commissioner for Finance


Mr. Moyosore Onigbanjo SAN
Honourable Attorney-General and
Commissioner for Justice


Mr. Babajide Sanwo-Olu
Governor of Lagos State


PRINCE ABDUL-MUJIB
ADETOKUNBO MUMUNI
Legal Practitioner & Notary Public
28, Joseph Str, Lagos Island

5. SUMMARY OF THE OFFER

The following are the final terms of the Series I Bonds that are the subject of this Pricing Supplement. These terms and conditions are only applicable to this Issue.

1. **Issuer:** Lagos State Government
2. **Authorisation:** Lagos State Executive Council Resolution dated September 9, 2022
Lagos State House of Assembly Resolution dated October 4, 2022
3. **Description of the Bond:** 10 Year [●]% Fixed Rate Bonds due 2032
4. **Series Number:** I
5. **Aggregate Nominal Amount:** Up to ₦100,000,000,000.00 (One Hundred Billion Naira)
6. **i) Issue Price:** At par ₦1,000.00 (One Thousand Naira) per unit of the Bond
ii) Issue Coupon: [●]% per annum
iii) Coupon Basis: Fixed Rate
7. **i) Gross Proceeds:** ₦100,000,000,000.00
ii) Net Proceeds: ₦[97,729,636,350.00]¹
8. **Minimum Participation Amount:** Minimum of ₦10,000,000.00 (i.e. 10,000 units at ₦1,000.00 / unit) and multiples of ₦1,000.00 thereafter.

Bids below the Minimum Participation Amount will be disregarded unless they form part of a cumulative bid from the investor that is, in aggregate, greater than the Minimum Participation Amount. Final allotment to respective bidders may be less than Minimum Participation Amount if bids must be pro-rated for any reason.
9. **Denomination:** ₦1,000.00 (One Thousand Naira)
10. **i) Issue Date:** [●], 2022
ii) Coupon Commencement Date: Coupon shall accrue from the Issue Date
11. **Tenor:** 10 years
12. **Maturity Date:** [●], 2032
13. **Principal Redemption / Repayment Basis / Reopening:** Amortised redemption of the Principal Amount from the Issue Date following the expiration of the Principal Moratorium Period with respect to the Principal Amount; or upon a call, at Par.

The Bond is callable by the Issuer at Par after Sixty (60) months on any Coupon Payment Date, subject to the Issuer having obtained prior regulatory approvals and the requisite notice period.
14. **Principal Moratorium Period:** Twenty-Four (24) months from the Issue Date of the Series I Bonds with respect to the Principal Amount.

¹ Following deduction of the sum of ₦[2,270,363,650.00], being the offer costs which represent [2.27]% of the Issue proceeds

15. **Status of the Bond:** The Bonds shall be direct, unsecured, senior and unconditional obligations of the Issuer and shall rank *pari-passu* among themselves and equally with other existing obligations of the Issuer.
16. **Listing:** FMDQ and/or NGX
17. **Method of Distribution:** By way of a Bookbuild to Qualified Investors, as defined in the SEC Rules
18. **Use of Proceeds:** To finance the execution of priority projects, per details stated in Schedule I on page [19] hereof.
19. **Security Trust Structure:** The Series I Bonds obligations will be serviced from the CDSA and an ISPO. The Issuer will appropriate the sum of ~~₦~~422,756,569.00 (Four Hundred and Twenty-Two Million, Seven Hundred and Fifty-Six Thousand, Five Hundred and Sixty-Nine Naira) from the CDSA, immediately upon the issuance of the Series I Bonds, for purposes of the repayment of the interest obligations under the Bond. The amount appropriated from the CDSA shall increase to ~~₦~~990,379,635.00 (Nine Hundred and Ninety Million, Three Hundred and Seventy-Nine Thousand, Six Hundred and Thirty-Five Naira), following the expiration of the Principal Moratorium Period.
- The CDSA is a dedicated internally segregated savings account established under the provisions of the Bonds Law, for purposes of servicing all of Lagos State's public debt. The Bonds Law provides for the creation of the CDSA by the Lagos State Government, into which a minimum of 15% of the State's IGR will be deposited on a monthly basis.
- The sum of ~~₦~~422,756,569.00 (Four Hundred and Twenty-Two Million, Seven Hundred and Fifty-Six Thousand, Five Hundred and Sixty-Nine Naira) will be transferred monthly from the CDSA to the Sinking Fund managed by the Trustees to the Issue. The sum shall be increased to ~~₦~~990,379,635.00 (Nine Hundred and Ninety Million, Three Hundred and Seventy-Nine Thousand, Six Hundred and Thirty-Five Naira), following the expiration of the Principal Moratorium Period.
- In addition, Lagos State has obtained an ISPO in the sum of ~~₦~~850,000,000.00 (Eight Hundred and Fifty Million Naira) monthly, for purposes of servicing the interest and principal repayment obligations under the Series I Bonds on a monthly basis. The ISPO will become effective immediately upon the issuance of the Series I Bonds.
20. **Event of Default:** Any of the conditions, events or acts provided in Clause [13] (*Events of Default*) of the Series I Trust Deed to be events upon the happening of which the Bonds in the relevant Pricing Supplement would be entitled to the remedies specified in Clause [11] (*Remedies and Enforcement of Remedies*) of the Series I Trust Deed.

PROVISIONS RELATING TO COUPON PAYABLE

21. **Fixed Rate Bond Provisions:**
- i) **Coupon Rate:** [●]% per annum
- ii) **Coupon Payment Date(s) :** Semi-annual interest payments, payable in arrears in the 6th and 12th month of each year from the Issue Date up to and including the Maturity Date.

iii) Coupon Amount(s):	Please refer to the <i>Coupon and Principal Amortization Payment Schedule</i> (Schedule III on page [30] hereof).
iv) Business Day Convention:	Modified Following Business Day: Where a Coupon Payment Date falls on a non-Business Day, such payment shall be postponed to the next day, which is a Business Day provided that if such a Business Day falls into the next calendar month, such Coupon Payment Date shall be brought forward to the immediately preceding Business Day.
v) Day Count Fraction:	Actual / 365 (actual numbers of days in a month / 365 days in the year).
vii) Other terms relating to method of calculating interest for Fixed Rate Bonds:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

22. Optional Early Redemption (Call Option):	The Series I Bonds are callable at par after Sixty (60) months, on any Coupon Payment Date; subject to the Issuer having obtained prior regulatory approvals and upon issuance of the requisite notice to Bondholders.
23. Optional Early Redemption (Put Option):	Not Applicable
24. Scheduled Amortization:	Applicable
25. Scheduled Redemption Dates:	Each 6th (Sixth) and 12th (Twelfth) month in each year commencing on [●], (which is the Coupon Payment Date following the twenty-fourth (24th) month of the Issue Date (being the end of the Principal Moratorium Period) until the Maturity Date.
26. Final Redemption Amount of each note:	₦1,000.00 (One Thousand Naira)
27. Redemption Amount(s):	See the <i>Coupon and Principal Amortization Payment Schedule</i> (in Schedule III on page [30] hereof).

GENERAL PROVISIONS APPLICABLE TO THE BONDS

28. Form of Bonds:	The Bonds will be issued in registered, dematerialised and electronic form. The issue and ownership of the Bonds will be effected and evidenced by the particulars of the Bonds being entered in the Register by the Registrar and the Bonds being electronically credited in the Depository accounts of the Bondholders.
29. Registrar	Meristem Registrars & Probate Services Limited
30. Trustees	FBNQuest Trustees Limited, Radix Trustees Limited, Paxhill Minerva Limited, Sterling Asset Management and Trustees Limited, STL Trustees Limited, United Capital Trustees Limited, and UTL Trust Management Services Limited.
31. Record Date:	No Bondholder may require the transfer of a Bond to be registered during the period that is twenty-one (21) days preceding each Coupon Payment Date.
32. Other terms or special conditions	See “ <i>Terms and Conditions</i> ” on pages [25] to [30] of the Shelf Prospectus and pages [40] to [43] of this Pricing Supplement.

DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

- | | |
|------------------------------|---|
| 33. Delivery | Delivery after payment following clearance by the SEC |
| 34. Depository | CSCS and/or FMDQ-D |
| 35. Clearing System: | CSCS and/or FMDQ Clear Limited |
| 36. Bonds Settlement: | Bonds purchases will be settled by electronic funds transfers through either the CBN Inter-Bank Funds Transfer System (“CIBFTS”), National Electronic Funds Transfer (“NEFT”) or Real Time Gross Settlement (“RTGS”). |

GENERAL

- | | |
|--|--|
| 37. Oversubscription: | In the event that the value of bids at the highest acceptable yield exceeds the amount of Bonds available at that yield, the State may either increase the amount available by up to 15% of the determined size so that a minimum number of Bonds can be issued on a pro-rata basis to each successful bidder at that yield, or decrease the amount available so that no allocation of Bonds is made at that yield; provided however that, where the State increases the amount available, the oversubscription shall not be more than 15% of the size (or such amounts as may be permitted by the SEC). |
| 38. Untraceable Bondholders: | Any monies paid by the Issuer in respect of any Bonds and remaining unclaimed at the end of 12 years after the principal of all the Bonds shall have become due and payable (whether at maturity or otherwise) and monies sufficient therefore shall have been duly made available for payment thereon, shall be repaid to the Issuer. Upon such repayment all liabilities of the Registrar with respect to such funds shall cease |
| 39. Issuing House(s) / Bookrunner(s)
(as defined in the Vending Agreement): | Chapel Hill Denham Advisory Limited (<i>Lead</i>), Apel Asset Limited, Capital Bancorp Plc, Chartwell Securities Limited, Comercio Partners Capital Limited, Cordros Capital Limited, Coronation Merchant Bank Limited, Dynamic Portfolio Limited, FBNQuest Merchant Bank Limited, FCMB Capital Markets Limited, Kairos Capital Limited, Kedari Capital Limited, LeadCapital Plc, Phoenix Global Capital Markets Limited, Quantum Zenith Capital & Investments Limited, Radix Capital Partners Limited, Stanbic IBTC Capital Limited, United Capital Plc and Vetiva Capital Management Limited |
| 40. Issuer Rating: | Aa-, Agosto & Co. / AA-, GCR |
| 41. Issue Rating: | Aa, Agosto & Co. |
| 42. Taxation: | See “ <i>Tax Considerations</i> ” on page [67] of the Shelf Prospectus and page [43] of this Pricing Supplement. |
| 43. Risk Factors: | See “ <i>Risk Factors</i> ” on page [48] to [54] of the Shelf Prospectus. |
| 44. Governing Law: | The Bonds will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria. |

45. **Underwriting:** The Bonds will not be underwritten.
46. **Indebtedness:** As at the date of the audited financial statement for the year ended 31 December 2021, the total debt position of the Issuer amounted to ₦1,164,871,843,000 (One Trillion, One Hundred and Sixty-Four Billion, Eight Hundred and Seventy-One Million, Eight Hundred and Forty-Three Thousand Naira). This consists of the State's internal loans (Naira denominated borrowings), external loans (long term foreign currency borrowings), and the principal amounts of existing bonds in issue.
47. **Claims and Litigation:** See an extract of the Solicitors to the Issue's Opinion on page [48] of this Pricing Supplement.
48. **Cost and Expenses** The costs, charges and expenses of and incidental to the issuance of the Series I Bonds, including fees payable to the SEC and the other professional parties, are estimated at about [₦2,270,363,650.00] and will be deducted from the gross proceeds.
49. **Summary of Financials (Audited):** See "*Historical Financial Information*" on pages [33] to [38] of this Pricing Supplement.

6. PRIOR DEBT ISSUANCE PROGRAMMES

Programme 1 - Up to ₦275 Billion

Lagos State Government established its 1st Debt Issuance Programme on 24 December 2008 (the “1st Programme”). The details of bonds issued under the 1st Programme are presented below:

Table 2: Issuances under the 1st Programme

S/N	Series	Tenor	Rate	Issue Year	Maturity Year	Issue Value (₦)	Status
1	Series I	5 years	13.00%	2009	2014	50,000,000,000	<i>Redeemed</i>
2	Series II	7 years	10.00%	2010	2017	57,500,000,000	<i>Redeemed</i>
Total						107,500,000,000	

Programme 2 - Up to ₦167.5 Billion

Lagos State Government established its 2nd Debt Issuance Programme on 22 November 2012 (the “2nd Programme”). The details of bonds issued under the 2nd Programme are presented below:

Table 3: Issuances under the 2nd Programme

S/N	Series	Tenor	Rate	Issue Year	Maturity Year	Issue Value (₦)	Status
1	Series I	7 years	14.5%	2012	2019	80,000,000,000	<i>Redeemed</i>
2	Series II	7 years	13.5%	2013	2020	87,500,000,000	<i>Redeemed</i>
Total						167,500,000,000	

Programme 3 - Up to ₦500 Billion

Lagos State Government established its 3rd Debt Issuance Programme on 30 December 2016 (the “3rd Programme”). The details of bonds issued under the 3rd Programme are presented below:

Table 4: Issuances under the 3rd Programme

S/N	Series	Tenor	Rate	Issue Year	Maturity Year	Issue Value (₦)	Status
1	Series I ²	7 years	16.50%	2016	2023	47,000,000,000	<i>Redeemed</i>
2	Series II Tranche I ²	7 years	16.75%	2017	2024	46,370,000,000	<i>Redeemed</i>
3	Series II Tranche II ³	10 years	17.25%	2017	2027	38,770,000,000	<i>Outstanding</i>
4	Series II Tranche III ²	6 ¼ years	15.60%	2018	2024	6,911,000,000	<i>Redeemed</i>
5	Series II Tranche IV ³	9 7/12 years	15.85%	2018	2027	5,336,000,000	<i>Outstanding</i>
6	Series III ³	10 years	12.25%	2020	2030	100,000,000,000	<i>Outstanding</i>
7	Series IV ³	10 years	13.00%	2021	2031	137,328,000,000	<i>Outstanding</i>
Total						381,715,000,000	

² Series I, Series II Tranche I and Series II Tranche III under the 3rd Programme were redeemed in 2021, as part of the State’s efforts to restructure and refinance its obligations.

³ The outstanding issuances under the existing programmes have a nominal and amortised cost balance of ₦281.4billion and ₦278.8billion respectively as at 31 December 2021.

7. DESCRIPTION OF THE ISSUE

Lagos State Government has established and registered its 4th (fourth) Programme - The ₦1,000,000,000,000.00 (One Trillion Naira) Debt and Hybrid Instruments Issuance Programme) by way of a Shelf Prospectus dated [●]. Further to this Programme, the State is embarking on the Series I issuance of up to ₦100,000,000,000.00 (One Hundred Billion Naira) 10-Year [●]% Fixed Rate Bonds due 2032. The Series I Bonds shall be constituted by the Series I Trust Deed.

SCHEDULE I - USE OF PROCEEDS

The estimated net issue proceeds of the Series I Bonds - being ₦[97,729,636,350.00], following the deduction of the offer costs of ₦[2,270,363,650.00] representing [2.27]% of the gross issue proceeds - will be utilized for purposes of financing the commencement and/or completion of the projects listed below:

S/N	Ministries, Departments and Agencies (MDAs)	Total Number of Projects	Total Value of Projects (₦)	Amount paid to Date (₦)	Amount to be Funded from Bond Proceeds (₦)	Current Completion Level (%)	% Funded by Series I Bonds	Expected Completion Level (%)
A	Office of Drainage and Water Resources	97	57,234,504,845.66	15,124,352,168.05	28,325,103,919.40	26.43%	49.49%	75.91%
B	Ministry of Waterfront Infrastructure Development	33	46,071,148,146.83	14,340,179,815.16	23,213,273,709.13	31.13%	50.39%	81.51%
C	Ministry of Works & Infrastructure	19	518,774,298,426.02	226,125,697,853.78	17,174,885,901.08	43.59%	3.31%	46.90%
D	Ministry of Health	7	60,405,491,573.49	5,900,423,971.23	12,057,481,535.47	9.77%	19.96%	29.73%
E	Ministry of Housing	4	15,944,461,367.07	6,664,614,369.60	8,346,938,163.43	41.80%	52.35%	94.15%
F	Ministry of Education	2	10,850,000,000.00	-	2,821,428,743.61	38.84%	26.00%	100.00%
G	Ministry of Agriculture	3	2,623,576,441.77	1,018,988,595.62	1,604,587,846.15	0.00%	61.16%	26.00%
H	Lagos Waste Management Authority (LAWMA)	2	2,156,735,432.00	-	2,156,735,432.00	0.00%	100.00%	100.00%
I	Lagos Water Corporation	1	5,537,000,000.00	1,790,000,000.00	2,029,201,099.73	32.33%	36.65%	68.98%
	Sub-Total	168	719,597,216,232.84	270,964,256,773.44	97,729,636,350.00			
	Transaction Costs				2,270,363,650.00			
	Total	168	719,597,216,232.84	270,964,256,773.44	100,000,000,000.00			

SCHEDULE II - USE OF PROCEEDS (DETAILED DESCRIPTION)

A. Office of Drainage and Water Resources							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%) ⁴	Funded from Bond Proceeds (₦)	Expected Completion Level (%) ⁵	Completion Period ⁶
1	Construction of Roche Collector Drain (Agege)	117,509,959.45	47,003,983.78	81%	70,505,975.67	100%	6 Months
2	Construction of Rectangular Drain I on Oko Oba Channel (Agege)	206,486,672.80	82,594,669.12	59%	123,892,003.68	100%	12 Months
3	Construction of Trapezoidal Drain II on Oko Oba Channel (Agege)	1,202,633,793.01	481,053,517.21	50%	325,990,148.06	67%	12 Months
4	Construction of Trapezoidal Drain III and Culvert on Oko Oba Channel (Agege)	1,321,209,904.71	528,483,961.88	40%	358,131,806.17	67%	12 Months
5	Deflooding of Government College, Agege	266,526,590.52	159,915,954.31	70%	106,610,636.21	100%	12 Months
6	Construction of Drain at Shasha Senior High School, Alimosho	169,950,000.00	67,980,000.00	85%	101,970,000.00	100%	12 Months
7	Construction of Aiyedun Olanrewaju Badmus Collector Drain, Isheri Oshun (Alimosho)	274,906,501.11	109,962,600.44	80%	111,775,685.40	81%	12 Months
8	Construction of Arida Collector Drain, Ikotun	293,447,864.38	117,379,145.75	65%	176,068,718.63	100%	12 Months
9	Construction of Akodu/Lord of Elijah Collector Drain, Ayobo, Ipaja	442,102,353.60	176,840,941.44	50%	179,756,729.62	81%	12 Months
10	Construction of Ajinde Ayo/Fasulade Close Collector Drain, Casso	708,391,376.55	279,194,473.65	68%	288,028,589.08	80%	12 Months
11	Construction of Drain to arrest Erosion on Sijuade Street	287,744,430.55	115,097,772.22	62%	172,646,658.33	100%	6 Months
12	Deflooding of Alaso Community Secondary School, Agbado Oke Odo	246,260,846.68	147,756,508.01	85%	98,504,338.67	100%	12 Months
13	Completion of Sosanya Alabata Collector Drain, Ikotun Ijegan LCDA	435,968,910.00	261,581,346.00	60%	174,387,564.00	100%	12 Months
14	Construction of Oye Elegunde/Ige Drain, Ojokoro	99,374,407.31	59,624,644.39	55%	39,749,762.92	100%	12 Months
15	Construction of Low Cost Housing Estate Collector Drain, Festac Extension, Mile 2, Amuwo Odofin	149,747,925.22	59,899,170.09	25%	89,848,755.13	100%	12 Months
16	Construction of Collector Drain to Deflood Anchorage Estate, Amuwo Odofin	305,285,775.79	122,114,310.32	25%	124,127,755.04	81%	12 Months
17	Construction of Alaba Okiri Collector Drain, Satellite Town	279,080,979.57	111,632,391.83	95%	167,448,587.74	100%	6 Months
18	Construction of Adio Mumuni Badmus Collector Drain	415,390,761.33	166,156,304.53	30%	168,895,922.32	81%	12 Months
19	Construction of Oremeji Sabitu Channel	637,094,297.16	254,837,718.86	20%	172,693,022.15	67%	12 Months
20	Construction of Drainage Networks within Temidire Community, Poka, Epe LGA	155,124,636.99	62,049,854.80	45%	93,074,782.19	100%	5 Months

⁴ Refers to current % scope of work completed.

⁵ Refers to expected % scope of work completed after utilization of proceeds

⁶ Refers to the estimated time of project completion from the date of disbursement from Bond proceeds.

A. Office of Drainage and Water Resources (continued)							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%) ⁴	Funded from Bond Proceeds (₦)	Expected Completion Level ⁵	Completion Period ⁶
21	Construction of Drain within Gbara Junior Secondary School, Eti Osa	50,311,331.56	20,124,532.63	50%	30,186,798.93	100%	12 Months
22	Lining of Peaceville-Greenville Collector Drain, Badore	397,535,621.58	159,014,248.63	40%	161,636,106.79	81%	6 Months
23	Construction of Itedo Collector Drain, Phase I, Lekki	599,486,111.47	239,794,444.59	69%	359,691,666.88	100%	9 Months
24	Construction of SS Ijeh Dolphin Estate Collector Drain, Ikoyi	110,991,089.65	44,396,435.86	15%	66,594,653.79	100%	6 Months
25	Construction of Kajola Drainage Channel, Ibeju Lekki	491,944,410.30	196,777,764.12	5%	200,022,274.55	81%	6 Months
26	Construction of Eleko Road Collector Drain, Eleko	176,905,204.10	106,143,122.46	45%	70,762,081.64	100%	6 Months
27	Flood Problem at Taye Ariwayo Street	406,218,988.38	243,731,393.03	38%	162,487,595.35	100%	5 Months
28	Construction of Jagal Close/Kudirat Abiola/Guest Estimate Avenue/ System 1 Channel	318,878,392.20	160,686,562.93	65%	158,191,829.27	100%	12 Months
29	Construction of Collector Drain to Deflood Area G Police Command and Mobil Petrol Station on Ijaiye Road, Ogba, Ikeja	207,558,563.23	83,023,425.29	70%	124,535,137.94	100%	12 Months
30	Completion of Guinness Idimangoro to Ikeja Airport, Ikeja	624,778,095.54	249,911,238.22	65%	374,866,857.32	100%	12 Months
31	Construction of Ikorodu GRA 2 Beach Collector Drain Culvert, Ibeshe	63,633,936.45	25,453,574.58	63%	38,180,361.87	100%	5 Months
32	Construction of Banjoko Collector Drain, Igbogbo	265,807,538.14	106,323,015.25	45%	159,484,522.89	100%	10 Months
33	Construction of Rafatu Ayinke Collector Drain, Igbogbo	134,214,889.27	53,685,955.71	72%	80,528,933.56	100%	6 Months
34	Lining of Kokoro Abu Channel, Phase I, Ikorodu	417,222,307.26	166,888,922.90	74%	250,333,384.36	100%	7 Months
35	Construction of Kayode Ifesowapo Collector Drain, Baiyeku	285,730,888.50	114,292,355.40	90%	171,438,533.10	100%	12 Months
36	Construction of Odudu Baiyeku Collector Drain II, Igbogbo Baiyeku	23,802,846.34	9,521,138.54	100% ⁷	14,281,707.80	N/A	6 Months
37	Construction of Poro Boge Collector Drain, Ijede	139,758,713.32	55,903,485.33	83%	83,855,227.99	100%	6 Months
38	Construction of Deck on Pile on Oba Sekumade Road	1,344,526,784.88	806,716,070.93	60%	537,810,713.95	100%	12 Months
39	Construction of Outfall Channel I For Oba Sekumade Road Project	334,521,840.36	133,808,736.14	30%	200,713,104.22	100%	12 Months
40	Construction of Outfall Channel II For Oba Sekumade Road Project	1,344,526,784.88	452,105,721.99	10%	306,373,419.97	56%	12 Months

⁷ Refers to projects that are 100% completed, where the Bond proceeds will be utilized to settle outstanding contractor liabilities.

A. Office of Drainage and Water Resources (continued)							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%) ⁴	Funded from Bond Proceeds (₦)	Expected % Progress ⁵	Completion Period ⁶
41	Construction of Outfall Channel III For Oba Sekumade Road Project	1,344,526,784.88	133,808,736.14	40%	249,360,834.94	28%	6 Months
42	Construction of Collector Drain at Ibironke Street off Sunmola Road, Kosofe	30,540,392.28	2,216,156.91	80%	28,324,235.37	100%	12 Months
43	Construction of Dr. Okey Onuzo/Dele Onabule Collector Drain, Gbagada	102,221,705.65	40,888,682.26	54%	61,333,023.39	100%	6 Months
44	Construction of Ilubinrin Pumping Station and Canal Improvement	1,625,298,663.15	650,119,465.26	25%	975,179,197.89	100%	10 Months
45	Construction of Upstream and Downstream Alara/Adeshina Collector Drain, Iwaya	144,816,644.56	57,926,657.83	30%	86,889,986.73	100%	12 Months
46	Lining of Majaro/Iwaya Channel (System 3C)	541,830,654.30	216,732,261.72	32%	146,870,523.88	67%	12 Months
47	Construction of Shoremekun/Abeokuta Street/Labinjo/Adeyanju/Wilkey/Folami Street, Idi-Oro	94,495,274.68	37,798,109.87	90%	56,697,164.81	100%	12 Months
48	Construction of Akinbode/Fashina Collector Drain (Mushin)	91,356,103.50	36,542,441.40	75%	54,813,662.10	100%	12 Months
49	Concrete Lining of Agboroko Primary Channel, Ojo LCDA	217,457,265.00	86,982,906.00	75%	130,474,359.00	100%	6 Months
50	Construction of Collector Drain at Abule Alafia Street, Okomaiko, Ojo LCDA	78,603,912.30	31,441,564.92	85%	47,162,347.38	100%	6 Months
51	Construction of Funsho Kinoshi/Jemtok/Canal Avenue Collector Drain (Oshodi Isolo)	127,073,169.75	65,024,992.03	70%	62,048,177.72	100%	12 Months
52	Construction of Ajisegiri Collector, Shogunle	278,221,708.30	111,288,683.32	70%	166,933,024.98	100%	12 Months
53	Construction of Isheri Oshun Road/Jakande Estate/System 6E	356,992,824.90	142,797,129.96	30%	145,151,597.09	81%	12 Months
54	Oyindamola/Awe/Oyebuchi/System 6C Collector Drain, Ago Palace Way	323,943,200.00	129,577,280.27	70%	131,713,775.65	81%	12 Months
55	Construction of Akinosi/Idowu Rufai Collector Drain, Okota Oshodi/Isolo LGA	349,730,328.38	209,838,197.03	65%	139,892,131.35	100%	12 Months
56	Construction of Drain at Alhaji Ariyo/Odunsi/Arobadade to Lagos Lagoon, Bariga	149,928,157.06	59,971,262.83	70%	89,956,894.23	100%	6 Months
57	Construction of Akinsemoyin Collector Drain, Surulere	99,596,052.15	39,838,420.86	80%	59,757,631.29	100%	12 Months
58	Construction of Iyun Collector Drain Behind National Stadium	116,457,915.55	46,583,166.22	50%	69,874,749.33	100%	12 Months
59	Construction of Oludipe Street Collector Drain	24,689,001.58	9,875,600.63	100% ⁷	14,813,400.95	100%	6 Months
60	Deflooding of Aiyetoro Primary School, Surulere	98,764,780.00	59,258,868.00	50%	39,505,912.00	100%	6 Months

A. Office of Drainage and Water Resources (continued)							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%) ⁴	Funded from Bond Proceeds (₦)	Expected Completion Level ⁵	Completion Period ⁶
61	Flooding Problem at Femi Ayantuga Street, Surulere	55,517,523.69	33,310,514.21	100% ⁷	22,207,009.48	NA	6 Months
62	Construction of Church Street/Ajani Martins/Lareto Collector Drain, Meiran	138,447,058.71	73,731,760.58	100% ⁷	64,715,298.13	NA	6 Months
63	Construction of Opeki Road Collector Drain, Mosan Okunola	168,507,819.23	73,731,760.58	100% ⁷	94,776,058.65	NA	6 Months
64	Deflooding of Schools within Education District Iv, Eric Moore High School	252,761,728.84	176,030,732.51	100% ⁷	76,730,996.33	NA	6 Months
65	Construction of Victoria Jimoh Collector Drain, Shasha (Deflooding of Akowonjo / Egbeda Road and its Adjoining Streets)	382,307,962.17	200,086,552.81	70%	182,221,409.36	100%	6 Months
66	Construction of Admiralty Way Collector Drain, Lekki	252,761,728.84	151,657,037.30	92%	101,104,691.54	100%	6 Months
67	Construction of Collector Drain at Ago Palace Way Around Community Road Junction	387,314,679.66	190,091,259.24	100% ⁷	197,223,420.42	NA	6 Months
68	Construction of Ajiran Outfall Channel, Eti-Osa	629,813,297.34	251,925,318.94	62%	170,719,408.72	67%	6 Months
69	Construction of Osapa Lagoon Trapezoidal Channel, Eti Osa	761,863,150.32	338,184,389.85	82%	264,449,318.95	79%	9 Months
70	Construction of Collector Drain to Deflood Divine Estate Through Tank Farm	545,429,169.93	218,171,667.97	86%	258,730,412.85	87%	6 Months
71	Concrete Lining of Akinola River/Aboru Channel	9,712,510,002.00	2,590,002,667.20	49%	1,096,961,308.31	38%	24 Months
72	Restoration and Construction of the Right of Way of Ikota Trapezoidal Channel	196,210,413.41	78,484,165.36	80%	79,778,227.70	81%	12 Months
73	Restoration of the Right of Way of Odo Iya Alaro Channel (System 1)	517,672,968.75	207,069,187.50	65%	175,402,820.79	74%	12 Months
74	Restoration of the Right of Way of System 12C Iju Ogundimu Channel	117,638,325.00	47,055,330.00	85%	47,831,187.52	81%	12 Months
75	Restoration of the Right of Way of Eputu Channel	129,532,528.13	51,813,011.25	80%	52,667,314.36	81%	12 Months
76	Restoration of the Right of Way of System 105, Igbogbo Solebo Ajegunle Channel	149,426,746.88	59,770,698.75	70%	60,756,209.77	81%	12 Months
77	Restoration of the Right of Way of Irede Satellite Town Primary Channel, Satellite Town	122,920,875.00	49,168,350.00	100% ⁷	66,638,729.88	NA	12 Months
78	Restoration and Construction of the Right of Way For Folarin Channel, Badore	265,200,000.00	106,080,000.00	65%	107,829,067.88	81%	12 Months
79	Construction of Drain to Deflood Adebisi Street and Its Environs	94,034,991.03	37,613,996.41	60%	38,234,183.38	81%	6 Months
80	Dredging of Obadore Channel	7,526,414,700.00	-	N/A	6,120,409,363.25	81%	TBA

A. Office of Drainage and Water Resources (continued)							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%)⁴	Funded from Bond Proceeds (₦)	Expected Completion Level⁵	Completion Period⁶
81	Dredging of Atiporomeh Primary Channel	802,595,430.00	-	N/A	652,663,024.89	81%	TBA
82	Dredging of Ijotun Drainage Channel	601,946,572.50	-	N/A	489,497,268.67	81%	TBA
83	Dredging of Ikota Stream	8,387,855,739.20	-	N/A	6,843,561,431.87	82%	TBA
84	Restoration and Protection of Odo-Iya Alaro Channel System 1 - Ogudu Third Axial Bridge to Anipole Cr	243,536,800.00	-	N/A	198,041,826.08	81%	TBA
85	Restoration and Protection of the Right -of-Way Akinola/Aboru Primary Channel	141,500,000.00	-	N/A	115,066,463.84	81%	TBA
86	Restoration and Protection of the Right -of-Way System 63 - Abraham Adesanya	163,450,000.00	-	N/A	132,915,996.57	81%	12 Months
87	Kale Crystal Primary Channel	116,048,400.00	-	N/A	94,369,463.05	81%	12 Months
88	Construction of Drain to Deflood Meiran Community School, Alimosho	105,506,414.43	42,202,560.37	82%	63,303,854.06	100%	6 Months
89	Erosion Control at Fagbohun Collector Drain, Ifako Ijaiye	738,812,150.38	443,287,290.23	35%	200,265,021.40	87%	24 Months
90	Construction of Adekunjo/Nureni Yusuf/Akinwale Avenue/Bale Animashaun	187,990,004.32	75,196,001.73	85%	112,794,002.59	100%	6 Months
91	Construction of Ab Manu Collector Drain, Iju Road, Ifako Ijaiye	322,110,811.14	128,844,324.46	68%	130,968,734.99	81%	12 Months
92	Construction of Baruwa Collector Drain, Ojokoro	117,532,817.97	62,211,494.24	100% ⁷	55,321,323.73	NA	6 Months
93	Construction of Pa Alao Ojo Collector Drain, Ojokoro	93,663,065.01	72,808,167.22	78%	20,854,897.79	100%	6 Months
94	Construction of Downstream of Majeobaje Collector Drain, Ijaiye	344,111,185.41	137,644,474.64	83%	206,466,710.77	100%	6 Months
95	Construction of Ojuelegba/Alakuko Road Collector Drain	188,551,482.37	75,420,592.95	55%	113,130,889.42	100%	6 Months
96	Deflooding of Abeokuta Expressway at Obadeyi Bus-Stop	241,311,441.89	144,786,865.13	70%	96,524,576.76	100%	12 Months
97	Consultancy Services For Drainage Right-of Way Monitoring (Drwmm)	82,560,000.00	-	N/A	67,137,012.40	81%	N/A
	Total (Office of Drainage and Water Resources) [A]	57,234,504,845.66	15,124,352,168.05		28,325,103,919.40		

B. Ministry of Waterfront Infrastructure Development							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%) ⁴	Funded from Bond Proceeds (₦)	Expected Completion Level ⁵	Completion Period ⁶
1	Channelization of Ferry Route: Ikorodu Route - Agboyi Ketu Channel	3,711,234,435.00	-	TBA	2,514,950,664.93	68%	12 Months
2	Channelization of Ferry Route: Ikorodu Route - Mende Channel	4,736,080,200.00	-	TBA	3,209,446,322.31	68%	12 Months
3	Channelization of Ferry Route: Ayobo/Ijon-Mile2 Channel	9,870,520,000.00	-	TBA	6,688,844,715.15	68%	12 Months
4	Construction of Jetties at Epe and Ebute Lekki (LFTZ) with Channelization of Ferry Route From Epe to Ebute Lekki (LFTZ)	7,024,053,280.74	2,809,621,312.14	31%	4,214,431,968.60	100%	18 Months
5	Channelization of Ferry Route (Ojo-Badagry) 10.3K	4,663,779,990.00	4,243,517,712.71	94%	420,262,277.29	100%	12 Months
6	Channelization of Ferry Route (Ebute –Ikorodu-Ilaje-Falomo) 6.4Km	3,028,000,000.00	2,858,267,378.33	95%	169,732,621.67	100%	12 Months
7	Channelization of Ferry Route (Ilaje Bariga- Whitesand-Oyingbo	1,598,229,723.30	1,000,878,276.13	95%	597,351,447.17	100%	12 Months
8	Construction of Jetty Terminal at Ishagira, Ojo	432,220,980.00	-	TBA	234,318,679.69	54%	12 Months
9	Construction of Jetty Terminal at Irede,Ojo	734,180,920.00	-	TBA	398,019,327.59	54%	12 Months
10	Construction of Jetty Terminal at Alaiyabiagba. Ajeromi/ Ifelodun	738,320,420.00	-	TBA	400,263,462.46	54%	12 Months
11	Construction of Jetty Terminal at Odo-Iya-Alaro	745,850,940.00	-	TBA	404,345,960.97	54%	12 Months
12	Construction of Jetty Terminal at Wole-Olateju, Lekki	795,850,940.00	-	TBA	431,452,312.87	54%	12 Months
13	Construction of Jetty Terminal at Ebute-Owere, Amuwo	764,180,920.00	-	TBA	414,283,138.73	54%	12 Months
14	Construction of Jetty Terminal at Ikare Island, Amuwo	432,220,980.00	-	TBA	234,318,679.69	54%	12 Months
15	Upgrading of Jetty at Liverpool Apapa.	119,604,375.00	113,624,155.71	100% ⁷	5,980,219.29	NA	10 Months
16	Upgrading of Jetty at Ijegun Egba, Amuwo Odofin	339,150,364.82	266,260,297.54	100% ⁷	72,890,067.28	NA	10 Months
17	Construction of Jetty with Waiting Shelter and Shoreline Protection at Marina,Badagry	479,963,587.50	419,352,347.31	100% ⁷	32,525,154.75	NA	10 Months
18	Construction of Jetty with Waiting Shelter and Shoreline Protection at Ito-Omu, Epe	313,556,357.63	247,401,859.15	100% ⁷	66,154,498.48	NA	10 Months
19	Construction of Jetty with Waiting Shelter and Shoreline Protection at Ilashe, Ojo	314,528,194.07	264,715,749.99	100% ⁷	49,812,444.08	NA	10 Months
20	Construction of Jetty with Waiting Shelter and Shoreline Protection at Offin, Ikorodu	314,528,194.07	233,954,878.51	100% ⁷	71,264,073.00	NA	10 Months

B. Ministry of Waterfront Infrastructure Development (continued)							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%)⁴	Funded from Bond Proceeds (₦)	Expected Completion Level⁵	Completion Period⁶
21	Construction of Jetty with Waiting Shelter and Shoreline Protection at Isalu Ajido, Badagry.	284,182,186.05	199,978,826.60	100% ⁷	84,203,359.45	NA	10 Months
22	Construction of Jetty with Waiting Shelter and Shoreline Protection at Takwa Bay	290,022,436.09	220,883,868.22	85%	69,138,567.87	100%	10 Months
23	Construction of Jetty with Waiting Shelter and Shoreline Protection at Ebute – Ero, Lagos	215,365,308.88	107,682,654.40	51%	107,682,654.48	100%	10 Months
24	Construction of Jetty with Waiting Shelter and Shoreline Protection at Ijede	409,167,383.72	204,583,691.86	48%	204,583,691.86	100%	10 Months
25	Construction of Jetty with Waiting Shelter and Shoreline Protection at Oke- Ira Nla	368,932,644.00	184,466,322.00	46%	184,466,322.00	100%	10 Months
26	Upgrading of Jetty at Mile 2, Amuwo Odofin	178,860,000.00	89,430,000.00	52%	89,430,000.00	100%	10 Months
27	Construction of Jetty Terminal at (Whitesand) Oyingbo	727,984,346.18	292,347,772.47	55%	435,636,573.71	100%	10 Months
28	Construction of Jetty Terminal at (Periwinle) Ilashe	728,710,806.18	291,484,322.47	55%	437,226,483.71	100%	10 Months
29	Construction of Concrete Jetty at Agboyi-Ketu, Kosofe	729,320,974.04	291,728,389.62	55%	437,592,584.42	100%	10 Months
30	Construction of Reinforced Jetty with Waiting Shelter and Shoreline Protection at Muwo, Ojo.	733,541,214.90	-	2%	397,672,526.16	54%	10 Months
31	Completion of Ilado Jetty Terminal, Amuwo Odofin LGA	85,524,452.44	-	TBA	46,365,118.09	54%	6 Months
32	Completion of Vip Jetty Terminal, Badagry LGA	73,003,765.56	-	TBA	39,577,315.19	54%	6 Months
33	Completion of Apa Terminal Jetty, Badagry LGA	90,477,826.66	-	TBA	49,050,476.18	54%	6 Months
	Total (Ministry of Waterfront Infrastructure Development) [B]	46,071,148,146.83	14,340,179,815.16		23,213,273,709.13		

C. Ministry of Works and Infrastructure							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%) ⁴	Funded from Bond Proceeds (₦)	Expected Completion Level ⁵	Completion Period ⁶
1	Rehabilitation of St. Finbarrs Road (Unilag Junction to Abule Okuta) in Somolu LGA	3,502,143,595.68	2,423,848,757.24	64%	152,506,787.82	100%	12 Months
2	Rehabilitaion/Upgrading of Eti-Osa/Lekki/Epe Expressway (Phase 1) from Eleko to Epe T-Junction (Phase 1) Ibeju Lekki LGA	65,005,452,647.37	59,076,676,695.06	96%	11,771,714.55	96%	18 Months
3	Construction of Lagos Badagry Expressway Lot 2A Segment II	70,893,848,318.61	55,000,000,000.00	85%	33,910,394.17	85%	12 Months
4	Construction of Lagos Badagry Expressway Lot 2A Segment III	89,256,556,340.22	40,448,455,209.15	70%	18,110,330.79	70%	12 Months
5	Continuation of The Rehabilitation/Upgrading of Agric-Isawo-Konu-Arepo Road (Phase 1)	27,533,229,585.53	13,341,673,559.84	55%	17,097,284.46	55%	20 Months
6	Reconstruction/Upgrade of Igbogbo -Bola Ahmed Tinubu-Igbe Road, Ikorodu	31,120,380,110.92	11,402,831,427.99	38%	22,974,475.98	38%	12 Months
7	Rehabilitation of Oyinkan Abayomi Drive, Ikoyi, Eti-Osa LGA	7,172,220,781.79	2,868,888,312.72	59%	4,505,462.30	59%	15 Months
8	Rehabilitation of Macpherson Road, Ikoyi, Eti-Osa LGA	2,080,775,669.00	832,310,267.60	46%	846,033,562.79	46%	15 Months
9	Reconstruction/Upgrade of Adeniji Adele Street in Lagos Island LGA	10,198,810,591.57	4,079,524,236.63	84%	176,988,732.47	84%	18 Months
10	Construction of Aka -Kembiri Road	4,686,922,729.22	1,874,769,091.69	27%	108,354,330.09	42%	18 Months
11	Construction of Old Ojo Road (Phase I- Irede Road Oluti Bus Stop) in Amuwo Odofin LGA	11,908,226,177.84	-	9%	254,381,490.28	12%	16 Months
12	Construction of Ile Eja Road, Olaiya / Ajibola Hassan- Alhaji Mustapha-Olu Adeyanju with Bridge-Rabiatu Ogbedengbe Road Network in Alimosho LGA	6,943,484,385.10	2,777,393,754.04	14%	106,956,066.51	42%	18 Months
13	Construction of Abiola Onijemo Road	4,995,763,931.58	1,998,305,572.63	4%	207,037,035.79	44%	18 Months
14	Construction of Gberigbe Road	8,923,928,222.86	3,569,571,289.14	6%	13,800,819.01	40%	24 Months
15	Construction of Abaranje Road in Alimosho LGA	6,225,091,235.21	2,490,036,494.08	42%	35,258,550.27	42%	24 Months
16	Construction of Akesan-Igando Road in Alimosho LGA	3,233,572,803.39	-	10%	828,012,619.60	26%	12 Months
17	Construction of Babafemi Dada with Bridge-Yinka Folarin-Jamiu Lawal-Shalom Academy Road Network in Alimosho LGA	5,208,097,279.61	2,083,238,911.84	52%	150,039,397.58	52%	9 Months
18	Construction of Regional Road Lekki in Eti Osa LGA	53,396,215,669.74	21,858,174,274.13	52%	9,187,146,846.61	58%	12 Months
19	Construction of Eti Osa - Lekki - Epe Expressway Phase II (Eleko Junction to Greensprings) Ibeju Lekki LGA	106,489,578,350.78	-	5%	5,000,000,000.00	5%	18 Months
	Total (Ministry of Works and Infrastructure) [C]	518,774,298,426.02	226,125,697,853.78		17,174,885,901.08		

D. Ministry of Health							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%) ⁴	Funded from Bond Proceeds (₦)	Expected Completion Level ⁵	Completion Period ⁶
1	Construction OF New Staff Quarters For Resident Doctors in Lagos State University Teaching Hospital (Lasuth), Ikeja	3,152,268,422.83	1,260,907,369.13	2%	542,127,038.10	57%	24 Months
2	Revovation of Ajeromi Hospital	1,100,430,280.95	-	TBA	840,325,834.60	76%	8 Months
3	Construction of Infectious Disease Research Centre, Yaba	20,000,000,000.00	-	TBA	1,490,849,354.78	7%	24 Months
4	Construction & Equipping of Psychiatric Hospital Majidun, Ketu Ejirin	8,720,363,663.13	1,026,513,706.05	10%	3,493,657,541.04	52%	24 Months
5	Rehabilitation/Expansion& Quuipping of Shomolu General Hospital	18,000,000,000.00	-	0%	1,544,859,052.13	9%	TBA
6	Demolition and Construction of Traditional Medicine Board	759,683,723.00	-	0%	759,683,723.00	100%	TBA
7	Construction of 280 Bed General Hospital in Ojo	8,672,745,483.58	3,613,002,896.05	40%	3,385,978,991.83	81%	24 Months
	Total (Ministry of Health) [D]	60,405,491,573.49	5,900,423,971.23		12,057,481,535.47		

E. Ministry of Housing							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%) ⁴	Funded from Bond Proceeds (₦)	Expected Completion Level ⁵	Completion Period ⁶
1	Ibeshe Phase II	5,968,528,049.96	2,441,411,219.99	2%	3,527,116,829.97	100%	24 Months
2	Egan Igando Cluster I	1,576,757,841.33	885,252,142.32	100% ⁷	691,505,699.01	NA	7 Months
3	Egan Igando Cluster II	3,061,224,468.49	-	0%	2,128,315,634.45	70%	8 Months
4	Sangotedo II	5,337,951,007.29	3,337,951,007.29	55%	2,000,000,000.00	100%	8 Months
	Total (Ministry of Housing) [E]	15,944,461,367.07	6,664,614,369.60		8,346,938,163.43		

F. Ministry of Education							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%) ⁴	Funded from Bond Proceeds (₦)	Expected Completion Level ⁵	Completion Period ⁶
1	New Construction & Rehabilitation Works in Tolu School Complex at Ajeromi Ifelodun	10,500,000,000.00	-	0%	2,471,428,743.61	24%	TBA
2	Upgrade of Learning Space Equipment For 18 Classroom Block at Vetland Senior Grammar School Agege	350,000,000.00	-	0%	350,000,000.00	100%	3 Months
	Total (Ministry of Education) [F]	10,850,000,000.00	-		2,821,428,743.61		

G. Ministry of Agriculture							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%) ⁴	Funded from Bond Proceeds (₦)	Expected Completion Level ⁵	Completion Period ⁶
1	Development of Red Meat Value Chain-Lagos State Cattle Feedlot Project	923,576,441.77	-	0%	923,576,441.77	100%	6 Months
2	Establishment of Mid-Level Agro Produce Hubs	1,400,000,000.00	1,018,988,595.62	76%	381,011,404.38	80%	12 Months
3	Establishment of Processing and Preservation Centres	300,000,000.00	-	0%	300,000,000.00	100%	TBA
	Total (Ministry of Agriculture) [G]	2,623,576,441.77	1,018,988,595.62		1,604,587,846.15		

H. Lagos Waste Management Authority (LAWMA)							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%) ⁴	Series I Bond Proceeds (₦)	Expected Completion Level ⁵	Completion Period ⁶
1	Construction of Material Recovery Facility/Transfer Loading Station (Mrf/Tls)	1,956,735,432.00	-	0%	1,956,735,432.00	100%	6 Months
2	Construction of Workshop Building	200,000,000.00	-	0%	200,000,000.00	100%	3 Months
	Total (LAWMA) [H]	2,156,735,432.00	-		2,156,735,432.00		

I. Lagos Water Corporation							
S/N	Project Description	Project Cost (₦)	Amount Paid to Date (₦)	Current Completion Level (%) ⁴	Funded from Bond Proceeds (₦)	Expected Completion Level ⁵	Completion Period ⁶
1	Construction of Adiyin Phase II Water Treatment Plant	5,537,000,000.00	1,790,000,000.00	80%	2,029,201,099.73	86%	18 Months
	Total (Lagos Water Corporation) [I]	5,537,000,000.00	1,790,000,000.00		2,029,201,099.73		

Net Proceeds [A+B+C+D+E+F+G+H+I]		₦ 97,729,636,350.00	
Transaction Costs		₦ 2,270,363,650.00	
Gross Proceeds		₦ 100,000,000,000.00	

SCHEDULE III - COUPON AND PRINCIPAL AMORTISATION SCHEDULE

Period	Bond Obligation Repayment Dates	Semi-annual Interest Payment (₦'000)	Principal Repayment (₦'000)	Total Repayment (₦'000)	Principal Obligation Outstanding (₦'000)
Payment 1	[●]	[●]	[●]	[●]	[●]
Payment 2	[●]	[●]	[●]	[●]	[●]
Payment 3	[●]	[●]	[●]	[●]	[●]
Payment 4	[●]	[●]	[●]	[●]	[●]
Payment 5	[●]	[●]	[●]	[●]	[●]
Payment 6	[●]	[●]	[●]	[●]	[●]
Payment 7	[●]	[●]	[●]	[●]	[●]
Payment 8	[●]	[●]	[●]	[●]	[●]
Payment 9	[●]	[●]	[●]	[●]	[●]
Payment 10	[●]	[●]	[●]	[●]	[●]
Payment 11	[●]	[●]	[●]	[●]	[●]
Payment 12	[●]	[●]	[●]	[●]	[●]
Payment 13	[●]	[●]	[●]	[●]	[●]
Payment 14	[●]	[●]	[●]	[●]	[●]
Payment 15	[●]	[●]	[●]	[●]	[●]
Payment 16	[●]	[●]	[●]	[●]	[●]
Payment 17	[●]	[●]	[●]	[●]	[●]
Payment 18	[●]	[●]	[●]	[●]	[●]
Payment 19	[●]	[●]	[●]	[●]	[●]
Payment 20	[●]	[●]	[●]	[●]	[●]

The table above indicates the semi-annual payments due to Bondholders during the tenor of the Issue, reflecting the coupon of [●]% per annum. During the Principal Moratorium Period, coupon payments of ₦[●] will be made semi-annually on each Coupon Payment Date.

Following the expiration of the 24 (twenty-four) month Principal Moratorium Period, the sum of ₦[●], representing both the amortized Principal and accruing interest, will be paid semi-annually on each Coupon Payment Date.

The Issuer will appropriate the sum of ₦422,756,569.00 from the CDSA, immediately upon the issuance of the Series I Bonds for purposes of the repayment of the interest obligations under the Series I Bonds. The amount appropriated from the CDSA shall be increased to ₦990,379,635.00 following the expiration of a 24 (twenty-four) month Principal Moratorium Period on repayment of the Principal Amount.

In addition, Lagos State has obtained an ISPO in the sum of ₦850,000,000.00 monthly for purposes of servicing the interest and principal repayment obligations under the Series I Bonds. The ISPO will be effective immediately upon the issuance of the Bonds.

Thus, the total monthly appropriation into the Sinking Fund (from CDSA and ISPO) will be ₦1,272,756,569.00, which shall be increased to ₦1,840,379,635.00, following the expiration of a 24 (twenty-four) month Principal Moratorium Period on repayment of the Principal Amount.



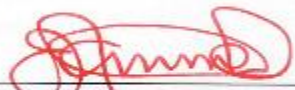
LAGOS STATE GOVERNMENT ("LAGOS STATE" or "THE STATE")

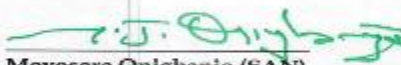
**ESTABLISHMENT OF A N1,000,000,000,000 DEBT AND HYBRID INSTRUMENTS
ISSUANCE PROGRAMME ("DAHI ISSUANCE PROGRAMME") AND THE ISSUANCE OF
SERIES 1, SERIES 2 AND SERIES 3 INSTRUMENTS THEREUNDER**

RESOLUTION OF THE LAGOS STATE EXECUTIVE COUNCIL

At a meeting of the Executive Council ("the EXCO") of the Lagos State Government ("the State") held at The Council Chambers, Lagos House, Alausa on the 15th day of June, 2022, the following were duly passed as resolutions of the EXCO:

1. Pursuant to Section 9 of the Bonds, Notes and other Securities Law 2008 of Lagos State ("the Law"), the State through its Debt Management Office be and is hereby authorised to raise additional funding by the establishment of a Debt and Hybrid Instruments Issuance Programme in an amount of N1,000,000,000,000.00 (One Trillion Naira) ("the DAHI Issuance Programme") for the issuance of sukuk through the creation of a special purpose vehicle or as may be otherwise required, investment certificates, bonds, green bonds or other debt, debt-linked, credit-linked, currency linked instruments whether redeemable, senior, secured, unsecured, preferred by way of public offering, book build, private placement at such dates and times and on such terms and conditions, and in compliance with applicable laws and regulations, subject to obtaining the approvals of the relevant regulatory authorities.
2. Pursuant to resolution 1 above, the State through its Debt Management Office be and is hereby authorised to issue instruments - up to an aggregate value of N134,815,000,000.00 (One Hundred and Thirty-Four Billion Eight Hundred and Fifteen Million Naira) ("the Series 1, Series 2 and Series 3 Issuances") under the DAHI Issuance Programme, whether by way of public offering, private placement, rights offering, book building process or other methods or combination of methods, in such tranches, or proportions, at such coupons or interest rates within such maturity periods or such other method(s) as may be determined by the Honourable Commissioner for Finance and the State's Financial Adviser/Issuing House and approved by the relevant regulatory authorities;
3. The specific value of the following Series to be issued under the DAHI Issuance Programme will be determined following the completion of the issuance process:
 - Series 1 Bonds
 - Series 2 Sukuk
 - Series 3 Green Bonds
4. That subject to the approval of the regulatory authorities, the State be is hereby authorized to absorb excess monies arising from the respective Series 1, Series 2 and Series 3 Issuances in the event of an over-subscription up to the maximum limit prescribed under applicable regulations.
5. The Financial Adviser/Lead Issuing House - Chapel Hill Denham - be and are hereby designated as being primarily responsible for the Series 1, Series 2 and Series 3 Issuances and the building of the Order Book for the respective issuances, in the event that a book build is undertaken.
6. His Excellency (The Governor), the Honourable Commissioner for Finance and the Honourable Commissioner for Justice/Attorney-General of Lagos State be and are hereby authorised to approve, sign and/or execute all documents.
7. The Honourable Commissioner for Finance be and is hereby authorized to appoint such professional parties and advisers, as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of the applicable regulatory authorities.


Babajide Olusola Sanwo-Olu
Governor


Moyosore Onigbanjo (SAN)
Attorney-General

Dated this 09th day of Sept, 2022



LAGOS STATE GOVERNMENT



LAGOS STATE
HOUSE OF ASSEMBLY

LSHA/LM/C/49/VOL.II/582

7th October, 2022

The Commissioner,
Ministry of Finance,
The Secretariat,
Alausa,
Lagos.

**RESOLUTIONS OF THE LAGOS STATE HOUSE OF ASSEMBLY ON THE
ESTABLISHMENT OF A ₦1,000,000,000,000.00 (ONE TRILLION NAIRA)
DEBT AND HYBRID INSTRUMENTS ISSUANCE PROGRAMME BY THE
LAGOS STATE GOVERNMENT**

1. The Lagos State House of Assembly (the "House of Assembly") at its sitting of **Tuesday, 4th October, 2022** duly considered the request of the Lagos State Government ("the State") with respect to the establishment of a **₦1,000,000,000,000.00 (One Trillion Naira)** Debt and Hybrid Instruments Issuance Programme, and unanimously passed the under-listed Resolutions to the effect that:
 - a) "subject to the approval of the State Executive Council (EXCO), the State be and is hereby authorised to raise additional funding by the establishment of an up to **₦1,000,000,000,000.00 (One Trillion Naira)** Debt and Hybrid Instruments Issuance Programme for the issuance of sukuk through the creation of a special purpose vehicle or as may be otherwise required, investment certificates, bonds, green bonds or other debt, debt-linked, credit-linked, currency linked instruments whether redeemable, senior, secured, unsecured, preferred or other types of securities by way of a public offering, book build, private placement or such other method(s) as may be approved by the relevant regulatory authorities; at such time and upon such terms and conditions including the price/coupon/return/rental rate as may be agreed with the Commissioner for Finance upon the advice of the State's Financial Advisers ("the DAHI Issuance Programme");
 - b) the EXCO be and is hereby authorised to submit the requisite documents, as may be required from time to time and deemed appropriate for the purpose of effecting issuances under the DAHI Issuance Programme, and obtaining the requisite Irrevocable Standing Payment Order (ISPO), for purposes of securing the State's repayment of the proceeds from instruments issued under the said DAHI Issuance Programme;
 - c) the EXCO shall have the power to delegate such functions and duties as deemed appropriate to qualified persons, for purposes of issuances under the DAHI Issuance Programme, subject to such supervision and review as may be prescribed by the EXCO;
 - d) that the State be and is hereby authorised to enter into all such agreements deeds, notices and other documents, appoint such professional parties and advisers, perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any applicable regulatory authority; and
 - e) the foregoing Resolutions be transmitted to the relevant regulatory authorities, including the Securities & Exchange Commission for purposes of securing all required approvals for the said DAHI Issuance Programme and issuances thereunder."
2. The foregoing Resolutions are hereby forwarded to you for your information and further action, please.
3. Please accept my best regards for your esteemed person and Office.

O.B. Onafeko
Clerk of the House

Office of the Clerk to the House, House of Assembly Complex, Alausa, Ikeja.
Tel: 07053939165, 07068799881 E-mail: clerk.lsha@lagoshouseofassembly.gov.ng Website: www.lagoshouseofassembly.gov.ng

APPENDIX III - HISTORICAL FINANCIAL INFORMATION

The financial information set out in this Pricing Supplement has been extracted from the Reporting Accountant's Report on the audited annual financial statements of the State.

7.1. Extract of Reporting Accountants Report

The following is an extract of the report of the Reporting Accountants, Ernst & Young, on the State's historic financial information for the five-year period ended 31 December 2021.



Ernst & Young
10th Floor
UBA House
57, Marina
P. O. Box 2442, Marina
Lagos.

Tel: +234 (01) 631 4500
Fax: +234 (01) 463 0481
Email: Services@ng.ey.com
www.ey.com

ACCOUNTANTS' REPORT ON THE AUDITED FINANCIAL STATEMENTS

The Lagos State Government
The Secretariat,
Obafemi Awolowo way, Ikeja,
Lagos State,
Nigeria.

Sir,

ACCOUNTANTS' REPORT ON THE AUDITED FINANCIAL STATEMENTS OF THE LAGOS STATE GOVERNMENT FOR THE FIVE YEARS ENDED 31 DECEMBER 2017, 2018, 2019, 2020 AND 2021 IN RESPECT OF THE STATE'S N100 BILLION SERIES I CONVENTIONAL BOND ISSUANCE

We have reviewed the audited financial statements of the Lagos State Government that comprises of the statement of financial position as at 31 December 2017, 2018, 2019, 2020 and 2021, the statement of financial performance and the statement of cash flows for each of the five years for the proposed N100 Billion Series I Conventional Bond Issuance ("The Offer"). The Office of the Auditor General expressed a true and fair view on the financial statements of the Lagos State Government for the years ended 31 December 2017, 2018, 2019, 2020 and 2021.

State's Responsibility for the Financial Statements

Lagos State Government ("LASG", or "The State") is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) and for such internal control as the State determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with the International Standard on Review Engagement (ISRE) 2400, Engagements to Review Historical Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements taken as a whole, are not prepared in all material respects in accordance with the International Public Sector Accounting Standards (IPSAS). This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 is a limited assurance engagement. The accountant performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates 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 these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not give a true and fair view of the financial position of Lagos State Government as at 31 December 2017, 2018, 2019, 2020 and 2021, and their financial performance and cash flows for each of the three years, in accordance with the International Public Sector Accounting Standards (IPSAS).

This report is solely for the use of the Executive of Lagos State Government and other relevant parties to the Offer. No part of this report may be quoted or circulated outside these parties without the prior written approval of Ernst & Young.

Yours faithfully,

Olufemi O Alabi,
For: Ernst & Young Lagos, Nigeria

2022

Statement of Significant Accounting Policies

The following are some of the significant accounting policies, adopted by the State in preparation of its financial statements:

a. Basis of Accounting

The financial statements have been prepared using the accrual basis in accordance with the requirements of IPSAS and in accordance with Sections 13 and 14 of the Lagos State Public Finance Law 2011. The accounting framework focuses on reporting the budgetary activities of the State for the financial year.

b. Accounting Period

The accounting year is from 1 January to 31 December for the years under review; 2017, 2018, 2019, 2020 and 2021.

c. Reporting Currency

The financial statements are presented in Naira, which is the functional and reporting currency of Lagos State Government and all values are rounded to the nearest thousand (₦'000).

d. Presentation of the financial Statements

Details of general and specific funds are disclosed by the way of notes in the financial statements of the State.

e. Going Concern

The financial statements have been prepared on a going concern basis.

f. Revenue

Revenue includes only the gross inflow of economic benefits or service potential received or is receivable by the entity on its own account. Those amounts collected as an agent of the government or on behalf of third parties are not considered as revenue. Revenue is measured at the fair value of the consideration received or receivable.

g. Interest Cost

Interest cost is calculated using the Effective Interest Rate Method.

h. Cash and Cash Equivalents

Cash and cash equivalents comprises cash-in-hand or bank, deposit held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i. Inventory

Inventories are stated at the lower of cost, current replacement cost and net realizable value.

j. Financial Instrument

The State classifies its financial assets at fair value through surplus or deficit, held to maturity, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Financial liabilities are classified at fair value through surplus or deficit and at amortised cost. The classification is based on the nature or characteristic of the instrument.

k. Public Debt Charge

Public debt charges are interest and other expenses incurred by the State in connection with the borrowing of funds for qualifying assets. The State adopts the benchmark treatment, under which public debt charges are recognised as an expense in the period in which they are incurred, regardless of how the debts are applied.

l. Foreign Currency Transactions

Foreign currency transactions throughout the year are converted into Naira at the prevailing CBN rate of exchange at the dates of the transactions. Foreign currency balances as at the year-end are valued at the prevailing exchange rate.

7.2. Statement of Financial Performance

In Nigerian Naira thousands	2021	2020	2019	2018	2017
Revenue					
Revenue from Non-Exchange Transactions					
Taxation Income	426,898,806	359,062,218	348,001,114	315,058,302	294,228,541
Levies, Fees and Fines	59,633,437	30,959,474	26,597,553	56,696,075	31,102,702
Statutory Allocation	193,834,285	183,318,609	229,495,389	223,055,445	141,779,984
Grants	3,890,084	23,297,649	483,934	906,136	1,541,792
Other Revenue from Non-exchange Transactions	10,368,461	16,274,837	3,958,723	4,771,419	4,425,874
Sub-Total	694,625,073	612,912,787	608,536,713	600,487,377	473,078,892
Revenue from Exchange Transactions					
Income from Other Services	53,295,385	28,182,565	24,014,757	29,762,979	18,064,269
Capital Receipts	19,214,610	13,927,938	8,972,288	18,226,434	10,020,357
Investment Income	2,305,992	715,558	2,077,847	3,997,434	8,618,701
Interest Income	1,388,937	2,824,976	1,161,184	626,729	1,503,257
Sub Total	76,204,924	45,651,037	36,226,076	52,613,576	38,206,584
Total Operating Revenue	770,829,998	658,563,824	644,762,789	653,100,953	511,285,476
Expenses					
Wages, Salaries and Employee Benefits	146,506,990	146,382,953	107,132,214	101,901,147	92,238,735
Grants and Other Transfers	20,749,030	17,854,381	16,626,164	13,263,284	13,754,039
Subvention to Parastatals	88,716,995	64,739,661	53,445,714	48,203,055	46,987,881
General and Administrative Expenses	137,803,773	81,482,983	106,740,051	116,463,388	81,689,452
Total Operating Expenses	393,776,787	310,459,978	283,944,143	279,830,874	234,670,107
Surplus for the Period, before Capital Items, Foreign Exchange Losses and Public Debt					
	377,053,210	348,103,846	360,818,646	373,270,079	276,615,369
Capital Expenditure	214,028,463	201,717,468	134,521,650	209,955,639	278,170,966
Public Debt Charges	71,809,540	56,881,730	62,533,163	72,453,612	65,613,231
Net (Gain) /Loss on Foreign Exchange Transactions	31,216,312	120,008,937	(2,332,949)	(9,512,243)	36,816,477
Depreciation	124,398,243	117,159,235	104,491,678	103,798,136	92,992,223
Net (Gain) /Loss on Damaged Assets	106,894	-	-	-	-
Damaged Assets	-	5,490,787	-	-	-
Sub Total	441,559,452	501,258,157	299,213,542	376,695,144	473,592,897
Surplus/Deficit for the period	(64,506,242)	(153,154,311)	61,605,104	(3,425,065)	(196,977,528)

7.3. Statement of Financial Position

In Nigerian Naira thousands	2021	2020	2019	2018	2017
Assets					
Current Assets					
Cash and Cash Equivalents	82,894,933	76,334,742	32,843,581	63,802,820	26,507,574
Receivables from Exchange Transactions	20,000	20,000	20,000	326,317	328,310
Recoverables from Non-Exchange Transactions	26,263,131	23,623,994	20,374,573	29,444,014	10,063,446
Inventory	4,845,369	4,170,930	3,076,958	1,662,267	3,891,143
Sub Total	114,023,433	104,149,666	56,315,112	95,235,417	40,790,473
Non-current Assets					
Available-for-sale Investments	65,567,467	59,978,963	47,665,927	78,162,126	76,194,201
Other Financial Assets	24,968,880	23,830,621	16,453,704	16,878,439	31,347,239
Property, Plant and Equipment	2,741,172,484	2,360,167,407	2,271,309,526	2,325,962,624	2,064,995,625
Sub Total	2,831,708,831	2,443,976,991	2,335,429,157	2,421,003,189	2,172,537,065
Total Assets	2,945,732,264	2,548,126,657	2,391,744,269	2,516,238,606	2,213,327,538
Liabilities					
Current Liabilities					
Payables and Other Liabilities	64,607,078	47,917,520	123,543,010	251,528,522	60,915,062
Public Funds	429,576	482,501	434,004	222,367	498,832
Public Debt(Borrowings)	178,942,489	90,044,475	101,234,508	98,580,250	75,911,450
Finance Lease Obligations	1,242,797	1,747,553	2,769,303	3,195,005	3,109,967
Sub Total	245,221,940	140,192,049	227,980,825	353,526,144	140,435,311
Non-current Liabilities					
Public Debt (Borrowings)	983,407,164	917,419,663	684,608,927	701,682,995	772,505,434
Finance Lease Obligations	1,279,393	2,053,679	3,099,800	4,803,526	6,626,927
Retirement Benefit Obligations	11,475,383	15,066,885	41,857,304	37,067,229	37,805,586
Sub Total	996,161,940	934,540,227	729,566,031	743,553,750	816,937,947
Total Liabilities	1,241,383,880	1,074,732,276	957,546,856	1,097,079,894	957,373,258
Net Assets					
Accumulated Surplus	1,642,280,917	1,416,415,418	1,387,531,487	1,341,996,586	1,179,760,078
Available-for-sale Reserve	62,067,467	56,978,963	46,665,926	77,162,126	76,194,202
Sub Total	1,704,348,384	1,473,394,381	1,434,197,413	1,419,158,712	1,255,954,280
Total Net Assets and Liabilities	2,945,732,264	2,548,126,657	2,391,744,269	2,516,238,606	2,213,327,538

7.4. Statement of Changes in Net Assets

In Nigerian Naira thousands	Accumulated surplus	Available for sale reserve	Total reserve
Balance at 1 January 2021	1,416,415,418	56,978,963	1,473,394,381
Actuarial Gains/(Losses)	(5,198,764)	-	(5,198,764)
Newly recognised assets	295,570,505		295,570,505
Change in Fair Value Available-for-sale Financial Assets		5,088,504	5,088,504
Adjustments for Payables			-
Surplus/(Deficit) for the Period	(64,506,242)		(64,506,242)
Balance at 31 December 2021	1,642,280,917	62,067,467	1,704,348,384
Balance at 1 January 2020	1,387,531,487	46,665,926	1,434,197,413
Actuarial Gains/(Losses)	892,887		892,887
Newly recognised assets	101,222,731		101,222,731
Change in Fair Value Available-for-sale Financial Assets		10,313,037	10,313,037
Adjustments for Payables	79,922,624		79,922,624
Surplus/(Deficit) for the Period	(153,154,311)	-	(153,154,311)
Balance at 31 December 2020	1,416,415,418	56,978,963	1,473,394,381
Balance at 1 January 2019	1,341,996,586	77,162,126	1,419,158,712
Actuarial Gains/(Losses)	(15,045,327)		(15,045,327)
Change in Fair Value Available-for-sale Financial Assets		(30,496,200)	(30,496,200)
Bond Sinking Fund	3,141,791		3,141,791
LCC and Ibile Holdings Loans	(4,166,667)		(4,166,667)
Surplus/(Deficit) for the Period	61,605,104	-	61,605,104
Balance at 31 December 2019	1,387,531,487	46,665,926	1,434,197,413
Balance at 1 January 2018	1,179,760,078	76,194,202	1,255,954,280
Actuarial Gains/(Losses)	(5,812,523)	-	(5,812,523)
Change in Fair Value Available-for-sale Financial Assets	-	967,924	967,924
Recognition of New Class of Property Plant Equipment	171,474,096		171,474,096
Surplus/(Deficit) for the Period	(3,425,065)	-	(3,425,065)
Balance at 31 December 2018	1,341,996,586	77,162,126	1,419,158,712
Balance at 1 January 2017	1,381,465,775	76,733,407	1,458,199,182
Actuarial Gains/(Losses)	(4,728,169)	-	(4,728,169)
Change in Fair Value Available-for-sale Financial Assets	-	(539,205)	(539,205)
Recognition of New Class of Property Plant Equipment	-	-	-
Surplus/(Deficit) for the Period	(196,977,528)	-	(196,977,528)
Balance at 31 December 2017	1,179,760,078	76,194,202	1,255,954,280

7.5. Statement of Cash Flows

In Nigerian Naira thousands	Notes	2021	2020	2019	2018	2017
Cash Flows from Operating Activities						
Receipts						
Revenue from Non-exchange Transactions:						
Net Tax Receipts	9	427,584,690	356,771,632	349,743,683	316,920,461	291,360,448
Levies, Fees and Fines	10	59,633,437	30,959,474	26,597,553	56,696,075	31,102,702
Statutory Allocation	11	193,834,285	183,318,609	229,495,389	223,055,445	141,779,984
Grants	12	3,890,084	23,297,649	483,934	906,136	1,541,792
Other Revenue from Non-exchange Transactions	13	10,368,461	16,274,837	3,958,723	4,675,400	4,138,056
Exchange Gain (Realised)	24	1,074,714	1,432,013	108,159	29,106	373,916
Sub Total		696,385,671	612,054,214	610,387,441	602,282,623	470,296,898
Revenue from Exchange Transactions:						
Income from Other Services	14	53,295,385	28,182,565	24,014,757	29,762,979	18,064,269
Capital Receipts	15	19,214,610	13,927,938	8,972,288	18,226,434	10,020,357
Investment Income	16	2,305,992	715,558	2,077,847	3,997,434	8,618,701
Interest Income	17	1,388,937	2,824,976	1,161,184	626,729	1,503,257
Changes in Other Receivables		(9,301,848)	(1,595,696)	(2,392,096)	(27,229,232)	(282,071)
Sub Total		66,903,076	44,055,341	33,833,980	25,384,344	37,924,512
Total Receipts		763,288,745	656,109,553	644,221,421	627,666,967	508,221,410
Payments						
Wages, Salaries and Employee Benefits	52	153,535,508	170,757,709	119,276,435	97,232,735	86,519,151
Contribution to Gratuity and Pension Fund	37	-	-	-	11,219,291	15,035,339
Grants and Other Transfer Payments		-	-	-	13,263,284	13,754,039
Subvention to Parastatals		90,300,512	67,809,488	56,988,273	48,203,055	46,987,881
Lease Rental Payments		-	-	-	3,512,794	3,490,585
General and Administrative Expenses		154,667,722	100,270,930	164,229,302	109,579,674	81,689,452
Payment to Suppliers	30	674,439	1,093,971	1,414,691	(561,484)	3,622,503
Movement in Payables		(16,689,557)	(4,297,133)	-	-	-
Exchange difference on Foreign Exchange Transactions		-	-	-	27,977	-
Payment of Public Debt Charges		66,878,934	50,874,606	60,957,114	69,852,466	58,147,065
Total Payments		449,367,558	386,509,571	402,865,815	352,329,792	309,246,015
I. Net Cash Flows from Operating Activities		313,921,187	269,599,982	241,355,606	275,337,175	198,975,395
Cash Flows from Investing Activities						
Purchase and Construction of Assets	40	(424,468,173)	(304,936,589)	(241,057,123)	(213,765,023)	(309,334,887)
(Increase)/Decrease in Bond Sinking Fund		(1,138,256)	(7,376,920)	3,566,523	14,468,801	76,997,781
(Increase)/decrease in receivables		-	-	120,566	-	-
Movement in payables		-	-	-	-	-
Revaluation loss on special deposit		-	-	-	-	(506,250)
II. Net Cash Flows used in Investing		(425,606,429)	(312,313,509)	(237,370,034)	(199,296,222)	(232,843,356)
Cash Flows from Financing Activities						
Proceeds from Borrowings	41	280,604,556	235,988,822	117,634,154	45,000,000	151,227,720
Repayment of Borrowings	42	(162,306,198)	(149,832,631)	(152,790,600)	(83,469,243)	(128,593,260)
Movement in Public Funds	34	(52,925)	48,497	211,637	(276,464)	277,035
III. Net Cash Flows used in Financing		118,245,433	86,204,688	(34,944,810)	(38,745,707)	22,911,494
Net Cash Flow (I)+(II)+(III)		6,560,191	43,491,161	(30,959,238)	37,295,246	(10,956,467)
Increase/decrease in Cash and its Equivalent						
Closing Cash and its Equivalent	27	82,894,933	76,334,742	32,843,581	63,802,820	26,507,574
Less: Opening Cash and its Equivalent	27	76,334,742	32,843,581	63,802,820	26,507,574	37,464,041
Increase/(decrease) in Cash and its Equivalent		6,560,191	43,491,161	(30,959,239)	37,295,246	(10,956,467)



November 7, 2022

The Managing Director
Chapel Hill Denham Advisory Limited
10 Bankole Oki Street
Ikoyi
Lagos

SUBMISSION OF MATERIAL ADVERSE CHANGE STATEMENT ON LAGOS STATE GOVERNMENT SERIES I BOND ISSUANCE OF UP TO ₦100,000,000,000 (ONE HUNDRED BILLION NAIRA) ("SERIES I BOND")

Except as disclosed in this Pricing Supplement, there has been no material adverse change in the financial position or prospects of the Issuer and no significant change in the financial or trading position of the Issuer.

In addition, during the twelve (12) calendar months immediately preceding the date of filing an application with the Securities & Exchange Commission for the registration of this Pricing Supplement, Lagos State 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.

The Issuer accepts responsibility for the information contain in this Pricing Supplement, which, contains all information that is material in the context of the Series I Bond Issuance.

SIGNED for and on behalf of the Issuer, Lagos State Government:


Dr. Rabiul Olowo
Honourable Commissioner for Finance

TERMS AND CONDITIONS

The following are the terms and conditions of the Series I Bonds, substantially as they will appear on the reverse of the Series I Bond Certificates, issued in uncertificated (dematerialised or book entry) form. Words and expressions defined in the Series 1 Trust Deed (as same may be amended, varied, or supplemented from time to time with the consent of the Parties thereto) are expressly and specifically incorporated into and shall apply to these Conditions (as defined below). Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Trust Deeds unless the context otherwise requires or unless otherwise stated.

1. THE BONDS

The [₦100,000,000,000.00] [(One Hundred Billion Naira)] Series I [●]% Fixed Rate Bonds due 2032 (the “Bonds” or “Series I Bonds”) issued by the Government of Lagos State of Nigeria (the “State” or “Issuer”) pursuant to the provisions of the Enabling Law and the resolutions of the Lagos State Executive Council, dated 9 September, 2022 and the Lagos State House of Assembly on 4 October, 2022 (the “Resolutions”).

The Bonds are constituted by a trust deed dated [●] (the “Series 1 Trust Deed”) between the Issuer and FBNQuest Trustees Limited, Radix Trustees Limited, STL Trustees Limited, United Capital Trustees Limited, UTL Trust Management Services Limited, Sterling Asset Management and Trustees Limited, and Paxhill Minerva Limited (the “Joint Trustees”), which expression shall include all persons who for the time being are bond trustees under the Series 1 Trust Deed acting for the benefit of the holders of the Series 1 Bonds (the “Bondholders”). The statements set out in these terms and conditions (the “Conditions”) are subject to the detailed provisions of the Series 1 Trust Deed and the Programme Trust Deed dated on and about that date of this Series 1 Trust Deed.

2. FORM, DENOMINATION AND TITLE

(a) Denomination

The Bonds will be in fully registered form, in denominations of ₦1,000.00 (One Thousand Naira). The minimum subscription amount for the Bonds is ₦10,000,000.00 (Ten Million Naira). The Issuer, the Joint Trustees and any agent will (except as otherwise required by law) deem and treat the registered Bondholder of the Bonds as the absolute owner thereof for all purposes.

(b) Title

(i) Issue of Bonds in Dematerialised Form

Investors may hold the Bonds in dematerialised form and deal in the same in accordance with CSD procedures and guidelines. Subscribers desirous of receiving Bonds in dematerialised form should indicate to their stock broking firm; their CSD account details and other relevant details in the appropriate space on the application form attached to the Pricing Supplement upon clearance of the basis of allotment by SEC, the Registrar shall take necessary steps to credit the designated CSD accounts of the allottee(s) with the number of allotted Bonds. In case of incorrect details provided by the Investors and inability of the Registrar to credit the CSD account, the Bonds will be issued in accordance with the procedures and guidelines of the relevant CSD.

Statements issued by the CSD as to the aggregate number of such Bonds standing to the credit of the 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 Joint Trustees and the Registrar as the beneficial owner of such aggregate number of Bonds for all purposes.

(ii) Certificates

Notwithstanding the above and further to the provisions of the ISA, every Bondholder shall be entitled upon election to receive a Certificate covering the aggregate amount of his beneficial interest in the Bonds from the Registrar

3. TRANSFER OF THE BONDS

(a) Transfers

The Bonds may be transferred in whole or in part in multiples of ₦5,000,000.00 (Five Million Naira) (“Minimum Transfer Amount”) or integral multiples of that amount in any form approved by the Issuer and the Joint Trustees, subject to the procedures and guidelines of the relevant CSD. All transfers of Series 1 Bonds and entries in the Register will be made subject to the prevailing SEC Rules and Regulations.

(b) Delivery of new Certificates

The transfer of Series 1 Bonds in uncertificated (dematerialized or book entry) form shall be regulated by the CSD procedures and guidelines.

Where a Bondholder has elected to receive a Certificate, on registration of a transfer of Series 1 Bonds, the Certificate evidencing that holding will be cancelled and replaced. Each new Certificate to be issued upon a transfer of the Bonds will, within 5 (five) Business Days of receipt by the Registrar of the duly completed form of transfer, be provided to the new Bondholder entitled to the Bonds.

Where some but not all of the Bonds in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Bonds not so transferred will, within 5 (five) Business Days of receipt by the Registrar of the original Certificate, be provided such Bondholder.

(c) Transmission by operation of law

Any person becoming entitled to any Series 1 Bonds by operation of law (including the death, liquidation or bankruptcy of any Bondholder) may, upon producing evidence of such entitlement as shall be reasonably acceptable to the Issuer, obtain registration as the holder of such Series 1 Bonds or may execute a transfer of such Series 1 Bonds. This provision includes any case where a person becomes entitled as a survivor of persons registered as Joint Bondholders.

4. REPAYMENT STRUCTURE

- 4.1 The Series I Bond obligations will be serviced from the CDSA and an ISPO. The Issuer will appropriate the sum as provided in the Pricing Supplement from the CDSA, immediately upon the issuance of the Series I Bonds, for purposes of the repayment of the interest obligations under the Bond.
- 4.2 In addition to deductions from the CDSA, the Series 1 Sinking Fund will be credited on a monthly basis with such amounts as would be required pursuant to the ISPO issued by the Issuer and duly approved by the Honourable Minister of Finance.
- 4.3 Payment of the principal, Coupon, Joint Trustees’ fees and Expenses including other monies (if any) due and payable by the Issuer under this Series will be made from the Series 1 Sinking Fund to be managed by the Joint Trustees for the benefit of the Bondholders in accordance with the Series 1 Trust Deed.

5. COUPON PAYMENTS

(a) Period of Accrual of Coupon

The Bonds shall accrue Coupon from (and including) the Allotment Date. Coupon will cease to accrue on the Bonds on the due date for redemption thereof, unless payment of principal is improperly withheld or refused. Any overdue principal of the Bonds will continue to bear interest at rates determined by the Issuer in conjunction with the Joint Trustees acting on behalf of Bondholders.

(b) Coupon Payment Dates

Coupon is payable semi-annually in arrears in the 6th (sixth) and 12th (twelfth) month of each year that the Bonds remain outstanding. The period from and including a Coupon Payment Date (or, in the case of the first period, the Allotment Date) but excluding the next Coupon Payment Date is referred to as the “Coupon Period”. If the Coupon is required to be calculated for a period of less than one year (other than a semi-annual period), it will be calculated on the basis of the actual number of days in the month divided by the 365 days in the year and in the case of an incomplete month, the number of days elapsed.

(c) Notifications to be final

All notifications, opinions, determinations, certificates, calculations, quotations, and decisions given, expressed, made or obtained by the Registrar shall (in the absence of wilful default, negligence, bad faith or manifest error) be binding on the Issuer, the Registrar and all Bondholders and (subject as aforesaid) no liability to the Bondholders shall attach to the Registrar in connection with the exercise by it of its powers, duties and discretions.

6. REDEMPTION AND CALL OPTION

- 6.1 The Aggregate Principal Amount shall be amortised over the life of the Series 1 Bonds on each Scheduled Payment Dates.
- 6.2 Notwithstanding the above, the Bond is callable by the Issuer at Par Value on any Coupon Payment Date after the fifth anniversary of the Issue Date, where it gives not less than thirty (30) Business Days irrevocable notice to the Bondholders.

7. PAYMENTS

- (a) Coupon on the Bond shall accrue from (and including) the Allotment Date and payments will be made to those persons whose names appear (or to the first named in the case of joint Holders) in the Register as on the Record Date or such date to be fixed by the Issuer for this purpose from time to time.
- (b) Principal payments in respect of the Series 1 Bonds shall commence on the first Coupon Payment Date following the end of the Principal Moratorium Period and will be made to those persons whose names appear (or to the first named in the case of joint Holders) in the Register as on the Record Date or such date to be fixed by the Issuer for this purpose from time to time.
- (c) In the event of the Issuer exercising the call option on the Bonds, subject to obtaining prior regulatory approval, the principal outstanding on the Bonds shall become due in part or in whole.
- (d) All payments shall be made in Nigerian Naira and by credit to the bank account of the Bondholder as specified on the application form attached to the Pricing Supplement by the Registrar. If a bank account is not provided for this purpose, all applicable payments will be withheld until the relevant bank account details have been provided. No additional amounts will be paid on any Coupon withheld. The Bondholder or his legal representative 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.
- (e) 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 following Business Day unless the day falls on in 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 amount or other payment in respect of any such delay. For the purpose of this Condition, "Business Day" means any day on which banks are open for business in the Federal Republic of Nigeria and in the case of transfer to or from an account held by a non-resident investor, in the place where such bank account is maintained.
- (f) Any monies paid by the Issuer in respect of any Bonds and remaining unclaimed at the end of 12 years after the principal of all the Bonds shall have become due and payable (whether at maturity or otherwise) and monies sufficient therefore shall have been duly made available for payment thereon, shall be repaid to the Issuer. Upon such repayment all liabilities of the Registrar with respect to such funds shall cease.
- (g) The Bonds will be subject to the six-year statute of limitations period relating to claims for principal and interest as provided by Section 262 of the ISA.
- (h) The Joint Trustees shall make payments of Coupon and the Principal Amount in respect of the Bonds in accordance with the Conditions and this Trust Deed and for so long as the Bonds are evidenced by records confirmed by the Registrar.

8. TAXATION

The Federal Government of Nigeria by the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order, 2011, (the “**CIT Order**”) had exempted bonds issued by State Governments from taxes ordinarily imposed under the Companies Income Tax Act Chapter C21, LFN 2004 (as amended by the Finance Acts 2019, 2020 and 2021) for ten (10) years. The exemption expired on January 1, 2022, hence the Issuer will be required by law to withhold tax on Coupon payments to corporate Bondholders and no additional amounts shall be paid to the Bondholders as a result thereof. Coupon payments on Bonds derived from Nigeria and accruing to both Nigerian investors and non-Nigerian investors would ordinarily be subject to withholding tax in Nigeria at the applicable rate of 10%. Effective July 1, 2022, withholding tax on interest payments to a foreign company or foreign resident from a country with which Nigeria has a double taxation treaty will generally be payable at the rate of 7.5 - 10%, pursuant to the Federal Inland Revenue Service Circular of May 11, 2022. By virtue of the Finance Act, 2020 which expressly excludes securities from the definition of goods under the VAT Act, the proceeds realized from a disposal of the Bonds will not be liable to VAT. However, commissions payable to the CSD for stock exchange transactions will be subject to VAT following the expiration of the Value Added Tax (Exemption of Commissions on Stock Exchange Transactions) Order, 2014. Furthermore, by virtue of the Personal Income Tax (Amendment) Act 2011, bonds issued by State Governments are generally exempt from personal income tax (PIT). However following the expiration of the exemption granted by the Minister of Finance under a Notice titled the Personal Income Tax Exemption of Holders of Bonds and Short-Term Government Securities Notice (dated 2 January 2012) and further to a Notice by the State titled Payment of Personal Income Tax on Profit from Bonds and Short-Term Government Securities (dated 28th June 2022), 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 in accordance with the Personal Income Tax (Amendment) Act 2004 with effect from January 2, 2022, except for bonds issued by the Federal Government of Nigeria.

9. MEETINGS OF HOLDERS

Schedule 2 of the Programme Trust Deed which contains provisions regarding meetings of the Bondholders will apply *mutatis mutandis* to the Series 1 Bonds, provided that the meeting of the Bondholders may be held physically (including utilizing proxies designated by the Trustees) or virtually, or a combination of both as the Joint Trustees may determine or deem fit.

10. JOINT TRUSTEES TO HAVE REGARD TO THE INTEREST OF HOLDERS AS A CLASS

In connection with the exercise by the Joint Trustees of any of their trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Joint Trustees shall have regard to the general interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof; and the Joint Trustees shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Joint Trustees or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders except to the extent already provided for in paragraph 8 (Taxation) above.

APPENDIX VI - EXTRACT FROM THE ISSUER'S RATINGS REPORT

The following information is an extract from the Issuer's Rating Report prepared by Global Credit Ratings Co. Limited:



Credit Rating Announcement

GCR upgrades Lagos State Government's national scale long term and short term Issuer ratings to AA^{-(NG)} / A1^{+(NG)}, Stable Outlook.

Rating Action

Lagos, Nigeria, 31 August 2022 – GCR Ratings ("GCR") has upgraded the national scale long term and short term Issuer ratings of Lagos State Government to AA^{-(NG)} and A1^{+(NG)} respectively. Concurrently, GCR has upgraded the national scale long term Issue ratings of Lagos State Government's Programme 3 Series 2 (Tranches II & IV), Series 3 and Series IV Senior Unsecured Bond Issuances to AA^{-(NG)} each. The Outlook on the ratings is Stable.

Rated Entity / Issue	Rating class	Rating scale	Rating	Outlook
Lagos State Government of Nigeria	Long Term Issuer	National	AA ^{-(NG)}	Stable
	Short Term Issuer	National	A1 ^{+(NG)}	
Senior Unsecured P3S2 T II N38.8bn Bonds	Long Term Issue	National	AA ^{-(NG)}	Stable
Senior Unsecured P3S2 T IV N5.3bn Bonds	Long Term Issue	National	AA ^{-(NG)}	Stable
Senior Unsecured P3S3 N100bn Bonds	Long Term Issue	National	AA ^{-(NG)}	Stable
Senior Unsecured P3SIV N137.3bn Bonds	Long Term Issue	National	AA ^{-(NG)}	Stable

Rating Rationale

The ratings upgrade is underpinned by Lagos State Government of Nigeria's ("the State" or "Lagos State") strong revenue generation, with a diversified internal economy which has supported robust growth in internally generated revenue ("IGR"). However, this strength is tempered by its weak leverage metrics due to the persistent rise in debt.

Lagos State's strong business profile is a key rating strength. The State is the economic and commercial centre of Nigeria, contributing over 25% to national gross domestic product and housing some of the country's critical infrastructures. This, combined with its well-diversified economy continues to attract more migrants, as evidenced by the growth in population to over 28 million people in 2021 (2020: 26 million+). Notwithstanding these strengths, the State's socio-economic profile is relatively modest, characterised by high poverty and unemployment levels and large informal settlements. The infrastructure deficit remains a bottleneck to economic performance, particularly as the ever-increasing population exceeds the State's ability to undertake capex. Nevertheless, Lagos State has a robust project pipeline aimed at expanding the economy and improving the business environment.

The State's operating performance is also a positive rating factor underpinned by consistent growth in IGR over the review period. Accordingly, IGR rose by 22.7% in FY21 and further by 32.4% during 1H FY22 on the back of continued improvement in tax collection. This was also supported by higher tax assessment arising from the recent amendment to Personal Income Tax Act covered under the Finance Act 2020. While the State's IGR has maintained a strong upward momentum over the last two years, federal transfers excluding value-added tax are yet to recover from the negative impact of COVID-19 pandemic. Thus, the overall increase in total recurrent income only stood at 17.4% and 26.7% at FY21 and 1H FY22 respectively, well below the growth in IGR.

Lagos State Government of Nigeria

Rating Assigned:

Aa-

This is a municipal that possesses very strong financial condition and very strong capacity to meet to meet local currency obligations in a timely manner.

Outlook: Stable

Issue Date: 22 November 2022

Expiry Date: 30 September 2023

Previous Rating: A+

INSIDE THIS REPORT	
Rating Rationale	1
Municipal Profile	4
Financial Condition	7
Outlook	12
Financial Summary	13
Rating Definition	15

Analysts:

Ikechukwu Iheagwam

ikechukwuiheagwam@agusto.com

Isaac Babatunde

isaacbabatunde@agusto.com

Agusto & Co. Limited

UBA House (5th Floor)

57, Marina

Lagos

Nigeria

www.agusto.com

RATING RATIONALE

- Agusto & Co. hereby upgrades the rating assigned to the Lagos State Government ("Lagos", "the State" or "LASG") to "Aa-" on account of the State's resilient financial condition, robust financial flexibility and very strong capacity to meet local currency obligations in a timely manner from its internally generated revenue (IGR) which accounts for over 70% of total revenue over the last three years. Also, the assigned rating reflects Lagos State's good and sustainable cash-generating capacity, acceptable expenditure profile and stable political environment elicited by the good working relationship amongst the tiers of government in the State. Although we note as a rating concern the rising stock of LASG's public debts, we recognize positively that the concessionary rates as well as the longer tenors for most of them have reduced the annual debt service burden. Overall, we opine that Lagos State remains one of the most strategic and economically viable states in the country that can function independently of the share of centrally distributed funds.
- In the financial year ended 31 December 2021 (FYE 2021), Lagos State recorded total revenue (including grants) of ₦770.8 billion, up by 17% from the prior year, while total expenditure rose to ₦840.7 billion (2020: ₦577.8 billion), resulting in a deficit of ₦69.9 billion (2020: deficit of ₦152.5 billion). However, if we adjust the net loss on foreign exchange transactions and non-cash depreciation, LASG would have reported total expenses of ₦685.3 billion and a surplus of ₦85.6 billion in 2021 (2020: deficit of ₦32.5 billion). In FYE 2021, LASG's posted a positive net operating cash flow of ₦313.9 billion (2020: ₦269.5 billion) and an overall net cash position of ₦6.5 billion (2020: ₦43.4 billion) reflecting a strong cash generating capacity. In line with the International Public Sector Accounting Standards (IPSAS) for recognizing and measuring assets and liabilities, the State's total identifiable assets and liabilities stood at ₦2.95 trillion (2020: ₦2.56 trillion) and ₦1.24 trillion (2020: ₦1.07 trillion) respectively as at FYE 2021.
- Lagos State's internally generated revenue (IGR) rose by 27% year-on-year to ₦573.1 billion in 2021, accounting for 75% of total revenue, mainly boosted by higher Pay-As-You-Earn tax (PAYE) as well as other taxes, levies and fines receipts. Over the last three years, the State's IGR has accounted for over 70% of total revenue, thus significantly reducing its dependence on centrally collected revenue from the Federal Government. In 2021, the State's share of statutory allocation (SA) increased by 7% to ₦54.7 billion

The copyright of this document is reserved by Agosto & Co. Limited. No matter contained herein may be reproduced, duplicated or copied by any means whatsoever without the prior written consent of Agosto & Co. Limited. Action will be taken against companies or individuals who ignore this warning. The information contained in this document has been obtained from published financial statements and other sources which we consider to be reliable but do not guarantee as such. The opinions expressed in this document do not represent investment or other advice and should therefore not be construed as such. The circulation of this document is restricted to whom it has been addressed. Any unauthorized disclosure or use of the information contained herein is prohibited.

APPENDIX VII - EXTRACT FROM THE ISSUE RATINGS REPORT

The following information is an extract from the Issue Rating Report prepared by Agosto & Co:



2022 Municipal Bond Rating Report

Lagos State Government of Nigeria

Up to ₦100 Billion Series I: 10-Year Fixed Rate Bond Due 2032 under the ₦1 Trillion Debt and Hybrid Instruments Issuance Programme

Issue Rating:

Aa*

High quality debt issue with very low credit risk; very strong capacity to pay returns and principal on local currency debt in a timely manner.

Issue Date: 24 November 2022
Expiry Date: 30 November 2023

**This Issue rating is indicative and subject to change at any time. However, a final rating will be based on receipt of all duly executed contractual agreements.*

The final issue rating will be subject to annual monitoring and review on the anniversary of the Bond.

Lagos State Rating: Aa-
Expiry Date: 30 September 2023

INSIDE THIS REPORT

Rating Rationale	1
The Issuer's Profile	4
Bond Structure	5
Outlook	10
Financial Summary	11
Rating Definition	13
Appendix	14

Analysts:

Ikechukwu Iheagwam

ikechukwuiheagwam@agusto.com

Isaac Babatunde

isaacbabatunde@agusto.com

Agusto & Co, Limited

UBA House (5th Floor)

57, Marina

Lagos

Nigeria

www.agusto.com

RATING RATIONALE

- Agusto & Co. hereby assigns an indicative "Aa" rating to the Lagos State Government's ("Lagos State", "LASG", "the Issuer" or "the State") up to ₦100 Billion Series I: 10-Year Fixed Rate Bond Due 2032 ("Series I", "the Issue" or "the Bond") under the LASG's ₦1 Trillion Debt and Hybrid Instruments Issuance Programme ("DAHI" or "the Programme"). The assigned Issue rating reflects our opinion on the State's strong capacity to service the Series I Bond obligations (coupon and principal) jointly from the Lagos State's Consolidated Debt Service Account ("CDSA") funded from monthly internally generated revenue remittances and the issuance of an Irrevocable Standing Payment Order ("ISPO") to be approved by the Federal Ministry of Finance.
- In the financial year ended 31 December 2021 (FYE 2021) and the six months ended 30 June 2022 (unaudited), Lagos State's financial condition remained very strong upheld by good and sustainable cash-generating capacity, acceptable expenditure profile, robust financial flexibility, very strong capacity to meet local currency obligations promptly from its internally generated revenue (IGR) which accounts for over 70% of total revenue over the last three years as well as stable political environment elicited by the good working relationship amongst the tiers of government in the State. However, we note LASG's rising stock of public debts as a concern but we recognize that the concessionary rates as well as the longer tenors for most of them have reduced the annual debt service burden while moderating the overall leverage profile of the State.
- Lagos State plans to issue up to ₦100 billion Series I Bond as part of an aggregate issuance of ₦134.8 billion under the DAHI in December 2022 to finance identified infrastructure projects in the State. The proposed Series I coupon will be determined through a book-building process and paid semi-annually over the ten-year tenor of the Bond. The Issue principal will enjoy a moratorium of 24 months from the Issue date and subsequently be amortized half yearly over the remaining eight years. In line with the Series I Trust Deed, the Issuer reserves the sole discretion to redeem all or part of the outstanding bond, after 5 years from the issue date provided not less than 30 days' notice is given to the bondholders.

This Series I Bond Rating Report should be read in conjunction with Agosto & Co's 2022 Rating Review Report for Lagos State Government

The copyright of this document is reserved by Agosto & Co. Limited. No matter contained herein may be reproduced, duplicated or copied by any means whatsoever without the prior written consent of Agosto & Co. Limited. Action will be taken against companies or individuals who ignore this warning. The information contained in this document has been obtained from published financial statements and other sources which we consider to be reliable but do not guarantee as such. The opinions expressed in this document do not represent investment or other advice and should therefore not be construed as such. The circulation of this document is restricted to whom it has been addressed. Any unauthorized disclosure or use of the information contained herein is prohibited.

Lagos State Government's up to ₦100 Billion Series I: 10-year Fixed Rate Bond Issuance Due 2032

TRANSACTION PARTIES

Issuer:

Lagos State Government

Lead Issuing House/Bookrunner:

Chapel Hill Denham Advisory Limited

Joint Issuing Houses/Bookrunners:

Apel Asset Limited
Capital Bancorp Plc
Chartwell Securities Limited
Comercio Partners Capital Limited
Coronation Merchant Bank Limited
Dynamic Portfolio Limited
FBNQuest Merchant Bank Limited
FCMB Capital Markets Limited
Kairas Capital Limited
Kedari Capital Limited
Lead Capital Plc
Phoenix Global Capital Markets Limited
Quantum Zenith Capital & Investments Limited
Radix Capital Partners Limited
Stanbic IBTC Capital Limited
United Capital Plc
Vetiva Capital Management Limited

Bond Trustees:

FBNQuest Trustees Limited
Paxhill Minerva Limited
Sterling Asset Management and Trustees Limited
STL Trustees Limited
UTL Trust Management Services Limited
United Capital Trustees Limited

Solicitors to the Issuer:

G. Elias & Co
Olaniwun Ajayi LP
Jackson, Etti & Edu

Solicitors to the Issue:

Barwa & Ighodalo
Idowu Sofola & Co.
SPA Ajibade & Co.

Solicitors to the Trustees:

Akinboro & Co.
Templars
Sofunde Osakwe Ogundipe & Belgore Law

Registrars:

Meristem Registrars & Probate Services Limited

Reporting Accountant:

Ernst & Young

Stockbrokers:

Chapel Hill Denham Securities Limited
Bancorp Securities Limited
MBC Securities Limited

- The Series I Bond obligations will be jointly serviced from monthly deductions from the Lagos State CDSA as well as the issuance of an ISPO to be approved by the Federal Ministry of Finance authorizing monthly deductions from the State's share of statutory allocation into a designated sinking fund account (SFA) to be managed by the Bond Trustees for the benefit of the Bondholders. In line with the Trust Deed, the sum of ₦422.8 million will be transferred monthly from the CDSA from the date of issue for 24 months into the SFA. Thereafter, the monthly sum shall increase to ₦990.4 million over the remaining tenor of the Bond. In addition, a monthly ISPO of ₦850 million, will be deducted from the State's share of statutory allocation from the Bond issue date for 120 months into the SFA to meet the Bond obligations as and when due.
- As at 30 September 2022, the Issuer's estimated outstanding debt of ₦1.30 trillion (split into domestic 60% and external borrowings 40%) represented about 169% of 2021 revenue, which is above the 50% limit set by the Investment and Securities Act (ISA) 2007 (section 223) for state governments' borrowings. However, the Investment and Securities (Exemption of State Government, etc) Order 2019¹, exempts state governments in Nigeria from the operations of section 223 of ISA 2007 for three years, subject to meeting the prescribed conditions. The Exemption Order is mainly contingent on a state maintaining an IGR of not less than 60% of consolidated revenue in the preceding three years as well as its total annual debt service obligations arising from the proposed issuance not exceeding 40% of the total revenue accrued to its consolidated revenue fund in the twelve months preceding the proposed new issuance. Lagos State has maintained an IGR to total revenue ratio above 60% over the last decade, with an average of 70% over the last three years (2019 - 2021). Following the proposed Series I Bond issuance, LASG's total annual debt service obligations would represent about 24% of the total revenue, which is lower than the 40% limit approved for states based on the Exemption Order.
- Based on our analysis, the amount to be set aside by way of CDSA and ISPO contributions (as noted in the Series I Trust Deed) into the SFA (excluding investment income and bond-related expenses) over ten years will be sufficient to cover the total Bond obligations (coupon estimated at 14.75%) resulting in an SFA adequacy of 1.02 times. However, should the Bond close at an interest rate higher than 14.75%, Lagos State will be required to augment the shortfall from its IGR. In our view, we expect the Issuer to meet the Series I Bond obligations as and when due as long as the monthly CDSA through IGR remittances and ISPO deductions are honoured.
- Based on the above, we attach a stable outlook to Lagos State's ₦100 Billion Series I 10-Year Fixed Rate Bond Due 2032.

¹ The Investment and Securities (exemption of state government, etc) Order 2019, exempts state governments in Nigeria and the Federal Capital Territory from the operation of the provisions of section 223 of the ISA of 2007. This Order was made by the Honourable Minister of Finance, on 27 December 2019 and valid for a period of three years.



APPENDIX VIII - OTHER DISCLOSURES

DISCLOSURE ON CLAIMS, LITIGATIONS AND MATERIAL CONTRACTS

The extract of the Solicitors Opinion issued by the Solicitors to the Issue - Banwo & Ighodalo, Idowu Sofola, SAN & Co. and SPA Ajibade & Co. - in connection with the issuance of the Series I Bonds by the Issuer is set out below:

Material Contracts Summary

In the context of the contemplated transaction, a materiality threshold of ₦100,000,000.00 (One Hundred Million Naira) was set to identify the relevant material contracts entered into by the State between October 8, 2021 and August 5, 2022. The Lagos has, through its ministries and agencies, entered into 140 (One Hundred and Forty) material contracts in relation to various projects across the State. As at August 5, 2022, the aggregate monetary obligations due under the 140 (One Hundred and Forty) contracts are approximately ₦345,285,311,576.30 (Three Hundred and Forty-Five Billion, Two Hundred and Eighty-Five Million, Three Hundred and Eleven Thousand, Five Hundred and Seventy-Six Naira, Thirty Kobo) and US\$28,810,301.68 (Twenty-Eight Million, Eight Hundred and Ten Thousand, Three Hundred and One Dollars, Sixty-Eight Cents). The Solicitors to the Issue are of the opinion that:

- i. the contracts were entered into in the ordinary course of governance; and
- ii. the terms of the contracts do not affect the ability of the State to discharge its obligations under the Transaction

Claims and Litigation Summary

In the context of the transactions contemplated a materiality threshold of ₦100,000,000.00 (One Hundred Million Naira) (the “Materiality Threshold”) was set by the Solicitors to the Issue to determine the material litigations. From the review of the Reports provided to the Solicitors to the Issue on 9 November 2022, the State is currently involved in Ninety-Three (93) cases within the Materiality Threshold. The total claims in the cases against the State, within the Materiality Threshold, is approximately ₦82,596,474,183.02 (Eighty-Two Billion, Five Hundred and Ninety-Six Million, Four Hundred and Seventy-Four Thousand, One Hundred and Eighty-Three Naira, and Two Kobo). In arriving at this figure, the Solicitors to the Issue have discountenanced the sum of ₦4,400,000,000 (Four Billion and Four Hundred Million Naira) in: (i) one of the mirror suits filed by the same Claimant and (ii) a matter in which the State is the Claimant. Also, this figure does not include the claims against the State in the cases wherein the quantum of the claims in such cases were not specified in the schedule of litigation provided by the State.

The Solicitors to the Issue noted that there are Eight (8) cases in which monetary judgment has been awarded against the State in the total sum of ₦1,208,589,882.84 (One Billion, Two Hundred and Eight Million, Five Hundred and Eighty-Nine Thousand, Eight Hundred and Eighty-Two Naira, Eighty-Four Kobo). Of the said Eight (8) cases, the State has lodged appeals in Two (2) cases. Although, the Solicitors to the Issue are not aware of the pendency of any appeal lodged by the State in the remaining Six (6) cases, they reasonably believe that the State will appeal the judgments in those cases.

Thus, the total monetary exposure of the State in the pending cases and the cases where judgment sums have been awarded against it are approximately ₦83,805,064,065.86 (Eighty-Three Billion, Eight Hundred and Five Million, Sixty-Four Thousand, Sixty-Five Naira, and Eighty-Six Kobo).

It is noteworthy that a significant portion of the aggregate monetary exposure in these cases is made up of claims for general and exemplary damages, which typically do not reflect actual losses suffered by the claimant(s). Furthermore, due to the peculiarities of the Nigerian adjudicatory process and the length of time involved in prosecuting cases from the court of first instance up to the Supreme Court, The Solicitors to the Issue are of the opinion that the potential liabilities which the State may be exposed to on account of the cases, are unlikely to crystallize at once and impact the State negatively.

Based on the information made available to the Solicitors to the Issue in connection with the review, the Solicitors to the Issue are of the considered opinion that there is no material litigation or judgment pending against the State, or to the knowledge of its officials, that:

- i. may adversely affect the State’s ability to observe its duties under the Series 1 Bonds
- ii. restrains or enjoins the issuance or the sale of the Series 1 Bonds;
- iii. in any way contests, challenges or affects the validity of the Series 1 Bonds nor are there any proceedings or actions on the State’s issuance of the Series 1 Bonds; or
- iv. affects the validity of the pledge or application of any monies or security provided for the payment of the Series 1 Bonds.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of the Issuer and the Issuing Houses as listed on pages [7] to [8] of this Pricing Supplement during the hours of 8:00am and 5:00pm (both aforementioned times inclusive) on any Business Day from the date of this Pricing Supplement, throughout the Validity Period:

- The Bonds Law;
- The resolution of the Lagos State Executive Council approving the Programme;
- The resolution of the Lagos State House of Assembly approving the Programme;
- The State's most recently published annual public accounts (including its annual Statement of revenue and expenditure);
- The State's most recent annual budget as presented to the Lagos State House of Assembly;
- Letter from the Solicitors to the Issue on the outstanding claims, litigations and material contracts involving the State;
- The Shelf Prospectus issued in respect of the Programme;
- The Programme Trust Deed issued in respect of the Programme;
- This Pricing Supplement issued in connection with the Series I Bonds;
- The Series Trust Deed issued in connection with the Series I Bonds;
- The Vending Agreement issued in connection with the Series I Bonds;
- The Reporting Accountant's Report on the consolidated financial statements of the State for the years ended 31 December 2017, 2018, 2019, 2020 and 2021;
- The schedule of claims and litigation involving the Issuer together with the opinion of the Solicitors to the Issued prepared in connection therewith;
- The written consents of the Parties referred to in this Pricing Supplement;
- Other material contracts (as applicable); and
- Letter from the SEC approving the registration of this Pricing Supplement.

The above-listed documents, which have been filed with the SEC, are incorporated by reference in this Pricing Supplement.

RELATIONSHIP BETWEEN THE STATE & ADVISERS

There is no relationship between the Issuer and any of its Advisers.

MATERIAL CONTRACTS

Lagos State Government entered into the following agreements in respect of the outstanding issuances:

- A Programme Trust Deed dated 30 December 2016;
- A Series II Tranche II Trust Deed dated August 2017;
- A Vending Agreement dated August 2017;
- A Series II Tranche IV Trust Deed dated January 2018;
- A Series III Trust Deed dated 29 January 2020;
- A Series III Vending Agreement dated 29 January 2020;
- A Series IV Trust Deed dated 20 December 2021; and
- A Series IV Vending Agreement dated 20 December 2021.

CONSENTS

The under listed parties have given and have not withdrawn their written consents to the issue of this Pricing Supplement, with the inclusion of their names and reports (where applicable) in the form and context in which they appear:

Representatives of the Lagos State Executive Council	Mr. Babajide Olusola Sanwo-Olu Dr. Rabi'u Onaolapo Olowo Mr. Moyosore Jubril Onigbanjo SAN Dr. Shefiu Abiodun Muritala
Lead Issuing House / Bookrunner	Chapel Hill Denham Advisory Limited
Joint Issuing Houses / Bookrunners	APEL Asset Limited Chartwell Securities Limited Capital Bancorp Plc Comercio Partners Capital Limited Cordros Capital Limited Coronation Merchant Bank Limited Dynamic Portfolio Limited FBNQuest Merchant Bank Limited FCMB Capital Markets Limited Kairos Capital Limited Kedari Capital Limited LeadCapital Plc Phoenix Global Capital Markets Limited Quantum Zenith Capital & Investments Limited Radix Capital Partners Limited Stanbic IBTC Capital Limited United Capital Plc Vetiva Capital Management Limited
Solicitors to the Issue	Banwo & Ighodalo Idowu Sofola, SAN & Co. SPA Ajibade & Co.
Solicitors to the Issuer	G. Elias Jackson, Etti & Edu Olaniwun Ajayi LP
Trustees	FBNQuest Trustees Limited Paxhill Minerva Limited Radix Trustees Limited Sterling Asset Management and Trustees Limited STL Trustees Limited United Capital Trustees Limited UTL Trust Management Services Limited

Stockbrokers	MBC Securities Limited
	Arthur Stevens Asset Management Limited
	Bancorp Securities Limited
	Chapel Hill Denham Securities Limited
	Lead Securities and Investment Limited
	Network Capital Limited `
	Nigerian Stockbrokers Limited
	Readings Investment Limited
	Sigma Securities Limited
	Signet Securities Limited
Reporting Accountant	Ernst & Young
Registrars	Meristem Registrars & Probate Services Limited
Receiving Banks	Access Bank Plc
	First Bank of Nigeria Limited
	First City Monument Bank Limited
	Stanbic IBTC Bank Plc
	United Bank for Africa Plc
	Union Bank of Nigeria Plc
	Zenith Bank Plc
	Fidelity Bank Plc
	Sterling Bank Plc
Rating Agencies	Agusto & Co. Limited
	Global Credit Ratings Co. Limited

APPENDIX IX: PROCEDURE FOR APPLICATION AND ALLOTMENT

1. *Invitation for Participation*

Qualified Investors are hereby invited to participate in the Issue through the Issuer, Issuing Houses / Bookrunners to the Issue (“the Selling Group”).

- 1.1. The Bookbuilding Period commences on [●] 2022 and concludes on [●] 2022. Orders must be for a minimum of ₦10,000,000.00 (Ten Million Naira) and in integral multiples of ₦1,000.00 (One Thousand Naira) thereafter.
- 1.2. The amount indicated on the Commitment Form (“Commitment Form”) by a Participant (“Participation Amount”) and the rate within the Price Range indicated in the Commitment Form by a Participant (“Bid Coupon Rate”) should be entered in the space provided in the prescribed Commitment Form attached to this Pricing Supplement. Photocopies or scanned copies of the Commitment Form will not be accepted.
- 1.3. By completing the Commitment Form, each Participant hereby agrees that the Order is irrevocable and, to the fullest extent permitted by law, the obligations in respect thereof shall not be capable of rescission or termination by any Participant.
- 1.4. Participants may place an order for the Bonds at any price within the Price Range subject to the Minimum Participation Amount and the terms and conditions stated on the Commitment Form.
- 1.5. A corporate Participant should affix its official seal in the box provided and state its incorporation (RC) Number or, in the case of a corporate foreign subscriber, its appropriate identification/incorporation number in the jurisdiction in which it is constituted.
- 1.6. Upon the completion and submission of the Commitment Form, the Participant is deemed to have authorised the Issuer and the Issuing Houses / Bookrunners to effect the necessary changes in the Prospectus as would be required for the purposes of filing an application for the clearance and registration of the final Pricing Supplement with the SEC. The Commitment Form shall be considered as the Application Form for the purposes of registration of the final Pricing Supplement with the SEC.
- 1.7. Participants shall have the option to make a maximum of three orders on a single Commitment Form and such options shall not be considered as multiple applications.
- 1.8. The Commitment Form presents the Participant with the choice to bid for up to three (3) optional Bid Coupon Rates within the Price Range and to specify the Participation Amount in each option. The Bid Coupon Rates and the Participation Amounts submitted by the Participant in the Commitment Form will be treated as optional demands from the Participant and will not be cumulated.
- 1.9. After determination of the Coupon Rate, the maximum Participation Amount specified by a Participant at or below the Clearing Price will be considered for allocation and the rest of the order(s), irrespective of the corresponding Bid Coupon Rate(s), will become automatically invalid.
- 1.10. The Issuer, in consultation with the Bookrunners, reserves the right not to proceed with the Issue at any time including after the Bookbuilding Opening Date but before the Allotment Date without assigning any reason therefore but subject to obtaining clearance from the SEC.
- 1.11. All application monies will be retained in a separate interest yielding account with the Receiving Bank pending allotment.

2. Payment Instructions

Successful Participants should ensure that payment of the Participation Amount is received on the Signing Ceremony Date via RTGS into the following designated Issue Proceeds Accounts domiciled with the Receiving Bank:

Bank	Account Name	Account No.
Access Bank Plc	CHDA / Lagos State Series I Bonds (Offer Proceeds Account)	[●]
Fidelity Bank Plc	CHDA / Lagos State Series I Bonds (Offer Proceeds Account)	[●]
First Bank of Nigeria Limited	CHDA / Lagos State Series I Bonds (Offer Proceeds Account)	[●]
First City Monument Bank Limited	CHDA / Lagos State Series I Bonds (Offer Proceeds Account)	[●]
Stanbic IBTC Bank Plc	CHDA / Lagos State Series I Bonds (Offer Proceeds Account)	[●]
Sterling Bank Plc	CHDA / Lagos State Series I Bonds (Offer Proceeds Account)	[●]
United Bank for Africa Plc	CHDA / Lagos State Series I Bonds (Offer Proceeds Account)	[●]
Union Bank of Nigeria Plc	CHDA / Lagos State Series I Bonds (Offer Proceeds Account)	[●]
Zenith Bank Plc	CHDA / Lagos State Series I Bonds (Offer Proceeds Account)	[●]

3. Allocation/Allotment

- 3.1 On the Pricing Date⁸, the Issuing Houses / Bookrunners will analyse the demand generated at various price levels and, in consultation with the Issuer, finalise the Coupon Rate and the allocations to each Participant. Allocation Confirmation Notices will be sent to successful Participants thereafter.
- 3.2 The Representatives of the Lagos State Government Executive Council and the Issuing Houses / Bookrunners reserve the right to accept or reject any application in whole or in part for not complying with the terms and conditions of the Issue.
- 3.3 Upon clearance of the Final Pricing Supplement by the SEC, allotment of Bonds shall be effected in a dematerialised (uncertificated) form. Participants are mandatorily required to specify their Bank Verification Number, FMDQ Client Business Partners Identification Number and the name of their FMDQ Depository Participant⁹ or CSCS Account Number and Clearing House Number (CHN) for a Bond Account in the spaces provided on the Commitment Form. Allotment of Bonds in dematerialized form shall be effected not later than 15 (fifteen) Business Days from the Allotment Date.

4. Bank Account Details

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

⁸ Being the date on which the Bookbuild closes and the price at which the Series I Bonds will be issued is determined.

⁹ An institution that is a duly registered member of FMDQ Depository Limited.

COMMITMENT FORM

FOR ELIGIBLE INVESTORS ONLY



BOOKBUILD PERIOD	
OPENS	CLOSES
FEBRUARY 06, 2023	FEBRUARY 14, 2023

LAGOS STATE GOVERNMENT

OFFER FOR SUBSCRIPTION (BY WAY OF A BOOKBUILD) OF

UP TO **₦100,000,000,000**

SERIES I: 10 YEAR [•]% FIXED RATE BONDS DUE 2032

UNDER THE ₦1,000,000,000,000 DEBT AND HYBRID INSTRUMENTS ISSUANCE PROGRAMME

LEAD ISSUING HOUSE / BOOKRUNNER

Chapel Hill Denham Advisory Limited



CHAPEL HILL DENHAM

RC 1381308

JOINT ISSUING HOUSES / BOOKRUNNERS



Orders must be made in accordance with the instructions set out in this Pricing Supplement. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any professional adviser for guidance. By signing this form, you confirm and agree that the Issuing Houses are acting as agents for the Issuer and no other party, including any investor, in relation to the Offer.

All Sections of this Form must be completed (as applicable) PLEASE USE BLOCK LETTERS																	
QUALIFIED INVESTOR (PLEASE TICK ✓)		DATE (DD/MM/YYYY)										CONTROL No. (FOR REGISTRARS' USE ONLY)					
☐	High Net worth Investors			/			/	2	0	2	3						
☐	Fund Managers	DECLARATION															
☐	Pension Fund Administrators	I/We confirm that I am/we are eligible to participate in this Issue in accordance with the applicable SEC rules and regulations.										☒	I/We authorise the Issuer to amend the Pricing Supplement as may be required for purposes of filing a final version with the SEC without recourse to me/us and I/we use this commitment form as the application for the Bond Issue				
☐	Insurance Companies	I/We confirm that I/we have read the Pricing Supplement dated [•] and that my/our order is made on the terms set out therein.										☒	I/We note that the Issuer and the Issuing House/Bookrunner are entitled in their absolute discretion to accept or reject this order.				
☐	Investment/Unit Trusts	I/We hereby irrevocably undertake and confirm that my/our order for Bonds equivalent to Participation Amount set out below at the Coupon to be discovered through the book building process										☒	I/We agree to accept the participation amount as may be allocated to me/us subject to the terms of the Pricing Supplement.				
☐	Market Makers	I/We authorise you to enter my/our name on the register as a holder(s) of the Bonds that may be allotted to me/us and to register my/our address as given below.										☒	I/We confirm that we have conducted all appropriate Know-your-customer identification and verification checks on the subscribers to our fund/investment vehicle, in line with all applicable AML/CFT legislation and regulations.				
☐	Staff Schemes																
☐	Trustees/Custodians																
☐	Banks																
☐	Private Equity Funds																

PARTICIPATION DETAILS (the Participation Amount(s) and the Bid Coupon Rate(s) being offered must be indicated in the boxes below)

Participants have the option to make a maximum of three (3) orders on the Commitment Form. Each option shall be regarded as a separate application and will be not be considered as multiple applications. All orders must be for a minimum amount of ₦10,000,000.00 (Ten Million Naira) and in multiples of ₦1,000.00 (One Thousand Naira) thereafter.

ORDER 1

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦1,000.00 THEREAFTER)														BID COUPON RATE		
IN FIGURES	₦															
IN WORDS																

ORDER 2

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦1,000.00 THEREAFTER)														BID COUPON RATE		
IN FIGURES	₦															
IN WORDS																

ORDER 3

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦1,000.00 THEREAFTER)														BID COUPON RATE		
IN FIGURES	₦															
IN WORDS																

PLEASE TURN OVER TO COMPLETE THIS FORM

COMMITMENT FORM (REVERSE SIDE)

PARTICIPATION DETAILS (INDIVIDUAL/CORPORATE/JOINT) (Please use one box for one alphabet leaving one box blank between first word and second)

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

ALLOTMENT PREFERENCE

E-ALLOTMENT DETAILS

--	--	--	--	--	--	--	--	--

[illegible]

--	--	--	--	--	--	--	--	--

[illegible][illegible]

--	--	--	--	--	--	--

BANK DETAILS (FOR E-PAYMENTS)			
Bank Name	Branch	Account Number	IFSC Code

--	--

[illegible]

TE	
----	--

[illegible][illegible]

--	--	--	--	--	--	--

[illegible]

SIGNATURE	2 ND SIGNATURE (CORPORATE / JOINT)	SEAL & RC. NO.							
NAME OF AUTHORISED SIGNATORY (CORP ONLY)	NAME OF AUTHORISED SIGNATORY (CORP/JOINT)								
DESIGNATION (CORP ONLY)	DESIGNATION (CORP/JOINT)								
		RC							
STAMP OF BOOK RUNNER / SELLING AGENT		Meristem Registrars & Probate Services Limited 213 Herbert Macaulay Way Yaba, Lagos Web: www.meristemng.com Email: contact@meristemng.com Tel: 0700-MERISTEM							
		(BOOK RUNNERS / ISSUING HOUSES / STOCKBROKERS TO THE ISSUE ONLY)							

*BPID - BUSINESS PARTNER IDENTIFICATION NUMBER