

SHELF PROSPECTUS

This document is important and should be read carefully. If you are in any doubt as to its contents or the action to be taken, please consult your banker, stockbroker, accountant, solicitor or any other professional adviser for guidance immediately. This prospectus has been reviewed and approved by the Board of Directors of Advans La Fayette Microfinance Bank Ltd and the members jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made inquiries which are reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading. Investing in this offer involves risks. For information concerning certain risk factors which should be considered by prospective investors, see “**risk factors**” on page 31 – 32 hereof.



ADVANS LA FAYETTE MICROFINANCE BANK LTD

RC 1037857

₦20,000,000,000.00

COMMERCIAL PAPER ISSUANCE PROGRAMME

Advans La Fayette Microfinance Bank Ltd (“**Advans**” or “**Advans La Fayette**”, the “**Issuer**” or the “**Company**”), a private liability company incorporated in Nigeria has established this ₦20,000,000,000 (Twenty Billion Naira) commercial paper issuance programme (the “**CP Programme**”), under which Advans may from time to time issue commercial paper notes (“**CP Notes**” or “**Notes**”), denominated in Nigerian Naira as may be agreed between the Issuer and each relevant Issuing and Placing Agent (as defined in the section entitled, “Summary of the Programme”, in separate series or tranches subject to all the relevant laws and in accordance with the terms and conditions (“Terms and Conditions”) contained in this Shelf Prospectus.

Each Series or Tranche (as defined in this document) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the Pricing Supplement applicable to such Series or Tranche (the “Applicable Pricing Supplement”). The maximum aggregate nominal amount of all CP Notes from time to time outstanding under the CP Programme shall not exceed ₦20,000,000,000.00 (Twenty Billion Naira) over a three-year period that this Shelf Prospectus, including any amendments thereto, shall remain valid.

This document has been prepared in accordance with the Central Bank of Nigeria(CBN)’s Guidelines on the Issuance and Treatment of Bankers’ Acceptance and Commercial Papers issued on 11 September 2019, the CBN letter to all deposit money banks and discount houses dated 12 July 2016 on Mandatory Registration and Listing of Commercial Papers (together the “CBN Guidelines”) the Investments and Securities Act, 2025 (“ISA”), and the New Rules and Sundry Amendments to the Rules and Regulations of the Securities and Exchange Commission (the “SEC” or the “Commission”), 2024 (the “SEC Rules”) in force as at the date thereof or as may be amended from time to time.

This Shelf Prospectus is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference and, in relation to any Series or Tranche, together with the Applicable Pricing Supplement. This Shelf Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Shelf Prospectus. A copy of this Shelf Prospectus and the documents specified herein have been delivered to the Commission for registration. Copies of this Shelf Prospectus can be obtained at no cost at the offices of the Issuer and Issuing and Placing Agents.

This Shelf Prospectus and the Debt Securities that it offers have been approved and registered by the Commission. The registration of this Shelf Prospectus and any Pricing Supplement thereafter does not in any way whatsoever suggest that the Commission endorses or recommends the CP Notes offered or assume responsibility for the correctness of any statement made or opinion or report expressed therein. No Instrument will be allotted or issued based on this Shelf Prospectus read together with any Supplementary Shelf Prospectus or Pricing Supplement later than 3 (three) years from the date of this Shelf Prospectus unless the validity period (as subsequently defined) is extended by the Commission.

The CP Notes issued under this Programme shall be issued in dematerialized form, registered with SEC, quoted and traded via the FMDQ Securities Exchange Limited (“FMDQ Exchange” or the “Exchange”) platform in accordance with the rules, guidelines and such other regulation with respect to the issuance, registration and quotation of commercial paper as may be prescribed by the Central Bank of Nigeria and SEC from time to time, or any other recognized trading platform as approved by the CBN. The Notes will settle via any Central Securities Depository recognised by the Securities and Exchange Commission, acting as custodian and clearing agent for the Notes.

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

LEAD ISSUING AND PLACING AGENTS



ANCHORIA
ADVISORY SERVICES

RC 1517636

RECEIVING BANK AND PAYING AGENT



RC 575

THIS SHELF PROSPECTUS IS DATED 16TH JUNE 2026

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DEFINITIONS AND INTERPRETATIONS

In this Prospectus, unless the context otherwise requires, the following expressions shall have the meanings respectively assigned to them:

TERMS/ ABBREVIATIONS	DESCRIPTION
“Agency Agreements”	The Issuing and Placing Agency Agreement and the Receiving and Paying Agency Agreement dated on or about the date of this Shelf Prospectus executed by the Issuer and the Agents
“Agents”	The Receiving Bank and Paying Agents, and the Issuing and Placing Agents
“Applicable Supplement” Pricing	The document(s) to be issued pursuant to the Shelf Prospectus, which shall provide the definitive final terms and conditions relating to a specific Tranche or Series of CP Notes under the Programme
“Board” or “Directors”	The Board of Directors of the Issuer
“Business Day”	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which commercial banks are open for general banking business in Nigeria
“Business Hours”	8:00 am to 5:00 pm on any Business Day
“CBN”	Central Bank of Nigeria
“CBN Guidelines”	CBN’s Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers dated 18th November 2009, and re-issued on 11th September 2019, and the CBN Circular of 12th July 2016 on Mandatory Registration and Listing of Commercial Papers as amended or supplemented from time to time
“CITA”	Companies Income Tax Act Cap C21, LFN 2004 (as amended by the Companies Income Tax Act No 11 of 2007, the Nigeria Tax Act 2025 and the Finance Acts)
“Commercial Paper”, “CP”, “CP Notes” or “Notes”	The commercial paper issued by the Issuer from time to time pursuant to the Shelf Prospectus and any Applicable Pricing Supplement as promissory notes and held in a dematerialized form by the Noteholders through the CSD
“Conditions” or “Terms and Conditions”	The terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Shelf Prospectus headed “Terms and Conditions of the Notes”
“CP Programme” or “Programme”	The Commercial Paper Issuance Programme described in this Shelf Prospectus pursuant to which the Issuer may issue several, separate Series or Tranches of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦20,000,000,000.00 (Twenty Billion Naira)
“CSCS”	Central Securities Clearing Systems Plc

“CSD” or “Central Securities Depository”	The Central Securities Clearing System, operated by the Central Securities Clearing System PLC or FMDQ Depository Limited (which expression shall include their successors) or any additional or alternative Central Securities Depository registered or recognized by the SEC and approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement
“CSD Rules”	The rules governing transfer of title in securities held with the CSD
“CSD Securities Account”	A securities account maintained by a Noteholder with the CSD
“Day Count Fraction”	The method of calculating the discount in respect of a Note as specified in the Applicable Pricing Supplement
“Dealing Member”	A SEC licensed member authorized to make market in securities admitted to trade on the FMDQ Exchange Platform
“Deed of Covenant”	The Deed of Covenant dated on or about the date of this Shelf Prospectus executed by the Issuer in favor of the Noteholders.
“Default Rate”	The interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate + 5% per annum (whichever is higher).
“Event of Default”	An event of default by the Issuer as set out in Condition 10 of the “Terms and Conditions”
“Face Value”	The par value of the Notes, as stated in the Applicable Pricing Supplement
“Finance Acts”	The Finance Act, 2019, the Finance Act, 2020, the Finance Act, 2021, the Finance Act, 2022 and the Finance Act, 2023
“FIRS”	Federal Inland Revenue Service
“FMDQ Exchange” or the “Exchange”	FMDQ Securities Exchange Limited
“FMDQ Rules”	FMDQ Commercial Paper Registration and Quotation Rules
“FMDQ Depository” or “FMDQD”	FMDQ Depository Limited
“Force Majeure”	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, nation/region-wide network downtime, legislation, acts of God, acts of terrorism, industrial unrest, lockout, plague, epidemic, pandemic and outbreak of infectious disease or any other public health crisis, including quarantine or other restrictions
“Government”	Any federal, state, or local government of the Federal Republic of Nigeria
“High Net-Worth Investors”	An individual investor whose aggregate net worth of investment assets exceeds ₦100,000,000.00 excluding automobiles, homes and furniture as currently defined by Rule 321 of the SEC Consolidated Rules and Regulations, 2013 or as may be amended from time to time by the SEC
“Holder” or “Noteholder”	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
“Implied Yield”	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
“ISA”	The Investment and Securities Act, 2025, as amended from time to time
“Issue Date”	The date on which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement
“Issue Price”	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
“Issuing and Placing Agents” or “IPAs”	Anchoria Advisory Services Limited and any other additional IPA appointed under the Programme from time to time, which appointment may be for a specific issue or on an on-going basis, subject to the Issuer’s right to terminate the appointment of any IPA

“Issuer” or “Advans La Fayette” the “Company”	Advans La Fayette Microfinance Bank Ltd
“Issuing and Placing Agent” or “Joint IPA”	Anchoria Advisory Services Limited
"LFN"	Laws of the Federation of Nigeria
“Material Adverse Change”	A material adverse change in the business, assets, liabilities or financial conditions, of the Issuer, or on the ability of the Issuer to perform and comply with its obligation(s) under the CP Programme
"Maturity Date"	The date as specified in each Applicable Pricing Supplement in which the Principal Amount is due
"Naira", "NGN" or "₦"	The Nigerian Naira
“NIBOR”	Nigerian Inter-Bank Offered Rate
“OTC”	Over the Counter
“Outstanding Notes”	In relation to the Notes, all the Notes issued, other than: those Notes which have been redeemed pursuant to the provisions of the Terms and Conditions. those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption in accordance with the relevant conditions has occurred and the redemption monies have been duly paid in accordance with the provisions of the Terms and Conditions; and those Notes which have become void under the provisions of the Terms and Conditions
“PITA”	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011; and the Finance Acts
“Principal Amount”	The nominal amount or Face Value of each Note, as specified in the Applicable Pricing Supplement
“Qualified Institutional Investors” or “QII”	These include banks, fund/asset managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, issuing houses, stockbroking firms, registrars, financial market infrastructures (FMIs), finance companies, financial/investment holding companies, financial/investment advisors and any other category of investors as may be determined by the Commission from time to time
“Receiving Bank and Paying Agent” or “RBPA”	Wema Bank Plc and/or any successor Receiving Bank, and Paying Agent(s) appointed from time to time in accordance with the Agency Agreement
“Redemption Amount”	The amount specified in the Applicable Pricing Supplement as the amount payable in respect of each Note on the Redemption Date
“Redemption Date” or “Maturity Date”	In relation to any Series, the date on which redemption monies are due and payable in respect of the Notes as specified in the Applicable Pricing Supplement
"Register"	A register or such registers as shall be maintained by the Registrar in which are recorded details of Noteholders
"Registrar"	The CSD duly appointed to hold the Notes in uncertificated (dematerialized) form or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme
“Relevant Currency”	The currency in which payments in respect of the Notes of the relevant Tranche or Series are to be made as indicated in the Applicable Pricing Supplement
“Relevant Date”	The payment date of any obligation due on the Notes
“Relevant Last Date”	The date stipulated by the CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
“Rollover”	A Rollover shall refer to the issuance of a CP for the repayment of an existing CP Issue on its maturity date. A CP Issue shall qualify as Rollover where: The funds of the investors from the matured CP issue are withheld at the request of the Issuer for investment in the new (Rollover) CP Issue under a

	registered Programme/Discrete Issue Only the existing investors of the matured CP Issue are invested in the new CP Issue having consented for their funds to be withheld for the purpose stated above. The combined tenors of the initial CP Issue and any subsequent Rollover(s) do not exceed 364 days
“SEC” or the “Commission”	The Securities and Exchange Commission, Nigeria
“SEC Rules” or the “Rules and Regulations”	The Rules and Regulations of the Securities and Exchange Commission 2013, the New Rules and Sundry Amendments to the Rules and Regulations of the Securities and Exchange Commission, 2024 (as may be amended from time to time by the SEC), made pursuant to the Investments and Securities Act 2025 (as may be amended from time to time)
“Series”	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices
“Shelf Prospectus”	This information memorandum which sets out the detailed particulars of the Programme and includes any supplementary Shelf Prospectus issued by the Issuer from time to time in respect of the Notes
“Specified Office”	The office of the Agents as specified under the Agency Agreements and shall include such other office or offices as may be specified from time to time thereunder
“Tranche”	In relation to a Series, those Notes of that Series that are issued on the same date and at the same issue price, thus identical in all respects
“Unique Identifier”	A code specifically designated/assigned to identify a CP
“VAT”	Value Added Tax as provided for in the Value/Added Tax Act, CAP VI, LFN 2004 (as amended by the Value Added Tax Act No 12 of 2007 and the Finance Acts)
“WHT”	Withholding Tax as provided for in section 78(2) of CITA (as amended) and section 70 of PITA (as amended) and the Finance Act 2023
“Zero Coupon Note”	A Note which will be offered and sold at a discount to its Face Value, and which will not bear interest, other than default interest payable in the case of late payment

IMPORTANT NOTICES

This Shelf Prospectus contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ₦20,000,000,000.00 (Twenty Billion Naira). The Notes shall be issued subject to the Terms and Conditions contained in this Shelf Prospectus.

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

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

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

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

Neither this Shelf Prospectus nor any other information supplied in connection with the CP Programme is intended to provide a basis for any credit or other evaluation or should be considered as a recommendation or the rendering of investment advice by the Issuer or the IPAs that any Recipient of this Shelf Prospectus should purchase any Notes.

No representation, warranty or undertaking, express or implied is made and no responsibility is accepted by the IPAs or other professional advisers as to the accuracy or completeness of the information contained in this Shelf Prospectus or any other information provided by the Issuer. The IPAs and other professional advisers do not accept any liability, whether arising in tort, contract or otherwise (save to the extent permitted by law), in relation to the information contained in this Shelf Prospectus or any other information provided by the Issuer in connection with the Programme.

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

The delivery of this Shelf Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time after the date hereof. Investors should review, among other things, the most recent audited annual and unaudited financial statements of the Issuer prior to taking any investment decision. If you are in any doubt about its content or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor, or any other professional adviser for guidance immediately.

Notes issued under the Programme shall be open to Qualified Institutional Investors, High Net-Worth Individuals, and Retail Investors who meet the qualification criteria prescribed by the Commission from time to time.

All currency risks assumed by investors upon purchase of the Notes are borne by the individual investors. The IPAs and RBPAs are under no obligation to seek recovery or initiate any action against the Issuer.

THE SECURITIES AND EXCHANGE COMMISSION TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS DOCUMENT

1. INCORPORATION OF DOCUMENTS BY REFERENCE

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

1. Each Applicable Pricing Supplement relating to any Series or Tranche issued under the Programme.
2. The audited annual financial statements (and notes thereto) of the Issuer and any unaudited or audited interim financial statements published subsequent to such audited annual financial statements of the Issuer for the financial years or periods prior to each issue of Notes under this Programme; and
3. Any supplements and/or amendments to this Shelf Prospectus circulated by the Issuer from time to time in accordance with the Shelf Prospectus,

which shall be deemed to be incorporated into, and to form part of, this Shelf Prospectus and which shall be deemed to modify and supersede the contents of this Shelf Prospectus as appropriate.

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

- a) a material change in the condition (financial or otherwise) of the Issuer which is not then reflected in the Shelf Prospectus or any supplement to the Shelf Prospectus; or
- b) any modification of the terms of the Programme, which would then make the programme materially inaccurate or misleading.
- c) Any other material change in the disclosures contained in the Shelf Prospectus as it relates to the Issuer.

Any such new Shelf Prospectus or Shelf Prospectus as supplemented and/or modified shall be deemed to have substituted the previous Shelf Prospectus or to have modified the previous Shelf Prospectus from the date of its issue.

The audited financial statements and documents incorporated by reference shall be provided by the Issuer upon request, unless such documents have been amended or replaced (and may, at the Issuer's discretion, be delivered electronically). Requests for such documents shall be directed to the Issuer or the IPAs at their specified offices as set out in this Shelf Prospectus.

2. SUMMARY OF THE PROGRAMME

This summary information should be read in conjunction with the full text of this Shelf Prospectus, from where it is derived and the Applicable Pricing Supplement. The information below is a summary of the key features and summarized terms and conditions of the proposed CP Programme.

TERMS	DESCRIPTION
ISSUER:	Advans La Fayette Microfinance Bank Ltd
PROGRAMME DESCRIPTION:	The ₦20,000,000,000.00 Commercial Paper Issuance Programme established by the Issuer which allows for the multiple issuances of Notes from time to time under a standardized documentation framework
SIZE OF PROGRAMME:	₦20,000,000,000 (Twenty Billion Naira)
ISSUANCE IN SERIES:	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
ISSUING AND PLACING AGENTS AND ARRANGERS:	Anchoria Advisory Services Limited
RECEIVING BANK AND PAYING AGENT	Wema Bank Plc
SOLICITOR:	Detail Commercial Solicitors
REGISTRARS/CUSTODIAN:	Central Securities Depository specified in the Applicable Pricing Supplement
USE OF PROCEEDS:	Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer to support its short-term financing requirements.
METHOD OF ISSUE:	The Notes may be offered and sold by way of a fixed price offer for subscription or through a book building process and/or any other methods as described in the Applicable Pricing Supplement, within Nigeria or otherwise, in each case as specified in the Applicable Pricing Supplement.
TENOR:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 30 (Thirty) days and a maximum of 364 (Three Hundred and Sixty-Four) days, including rollover from the date of issue. The maturity date of all Outstanding Notes shall fall within the validity period of the latest Issuer/CP Programme rating filed with the Commission.
INTEREST PAYMENTS:	Notes shall be issued at a discount and in the form of Zero-Coupon Notes. Thus, the Notes will not bear interest, other than in the case of late payment.
SOURCE OF REPAYMENT:	The repayment of all obligations under the Programme will be funded from the cash flows of the Issuer, unless otherwise specified in the Applicable Pricing Supplement.

ISSUE PRICE:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement.
ISSUE SIZE:	As specified in the Applicable Pricing Supplement.
CURRENCY OF ISSUE:	The Notes issued under this programme will be denominated in Nigerian Naira (N).
REDEMPTION:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines.
RATING:	The Issuer has been assigned a long-term national rating of Bbb- and short-term rating of A3 by Agusto as well as a long-term national rating of BBB+ and short-term rating of A1 by Data Pro. Pursuant to the CBN Guidelines and SEC Rules, either the issuer of a CP or the specific issue itself shall be rated by a rating agency registered in Nigeria or any international rating agency acceptable to the CBN. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
STATUS OF THE NOTES:	Each Note constitutes a senior, direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes rank pari passu among themselves and, save for certain debt obligations preferred by law, pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time.
QUOTATION:	The CP Programme and the Notes to be issued under the Programme will be registered with the SEC. The Issuer will quote all Series or Tranche of Notes on the FMDQ Exchange platform or any other recognized trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation of any Series or Tranche of Notes quoted on the relevant trading platform
TAXATION:	Refer to the section of this Shelf Prospectus headed “Tax Considerations”.
GOVERNING LAW:	The Notes issued under the Programme and all related contractual documentation will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

3. OVERVIEW OF ADVANS LA FAYETTE MICROFINANCE BANK LTD

3.1 BACKGROUND

Advans La Fayette Microfinance Bank Ltd was incorporated on the 30th of May 2012. The Bank received license from the Central Bank of Nigeria on 28th January 2013 and commenced operation during that year. The name of the bank changed during the year 2019 from La Fayette Microfinance Bank to ADVANS La Fayette Microfinance Bank to reflect the ownership from the parent company. The principal activity of Advans La Fayette Microfinance Bank Limited is provision of microfinance, retail and Small and Medium Enterprises (SME) banking services. The Microfinance Bank is eligible to accept deposits from individuals, groups and organizations and also raise finance in accordance with the CBN regulations and guidelines on microfinance banks. The Directors expect these activities to continue for the foreseeable future.

3.2 BUSINESS SEGMENTS

Advans La Fayette Microfinance Bank Limited (operating as **Advans Nigeria**) focuses on delivering financial services that promote financial inclusion; especially targeting micro, small, and medium-sized enterprises (MSMEs) as well as underserved individuals across Nigeria, notably in Oyo State and Ibadan.

Their core business segments include:

1. **Credit & Loan Services:** Advans Nigeria provides a diverse range of loan products tailored to different client segments:
 - Micro- and business loans like Advans 48, Advans Access, Advans Further, and Advans Business, with limits ranging from ₦50,000 up to ₦150 million and flexible repayment terms of 6–24 months.
 - Sector-specific loans such as Advans School Boost (for school owners) and Eduloan (for parents/guardians to fund education)
 - Agriculture loans branded as Farm Up, designed to help farmers with inputs, equipment, or working capital.
2. **Deposit Services (Savings & Current Accounts):** Advans Nigeria offers standard deposit products to help clients manage cash flow, build savings, and access digital payment services:
 - Current accounts, savings accounts, and term deposits in local currency, tailored for MSMEs, individuals, and school owners FMO+1.
 - Competitive interest rates on savings (e.g. up to ~11% through their digital channel, Adspire).
3. **Digital Banking & Payment Channels:** This segment is anchored by their digital banking suite, which includes:
 - Adspire: a fully digital mobile banking app enabling account opening in under a minute, earning interest, instant loans, airtime purchases, bill payments, and fund transfers.
 - USSD banking (*dial 5644#) for transactions, loan access, and airtime recharge on feature phones.
 - Point-of-Sale (POS) terminals that support merchants and MSMEs for cashless transactions.
4. **Insurance & Risk Mitigation Products:** Through partnerships with insurance providers, Advans offers asset and life/medical insurance solutions aimed at helping clients handle emergencies or business risks, for instance, covering workplace incidents or healthcare costs.

3.3 CAPITAL MARKET HISTORY

Advans La Fayette Microfinance Bank Limited was incorporated in 2012 and commenced operations in 2013 as a state-licensed microfinance bank in Ibadan, Oyo State. The bank was established as part of the Advans Group, an international microfinance network focused on financial inclusion and SME financing in emerging markets.

From inception, the bank has been equity-funded by reputable institutional and development finance investors, led by Advans SA as the majority shareholder. Other early shareholders included International Finance Corporation (IFC), KfW Development Bank, and FMO (the Dutch Development Bank). These equity investments formed the bank's initial capital base and supported its start-up operations, governance framework, and early growth.

Advans La Fayette Microfinance Bank has not been listed on any stock exchange and has no history of public equity or bond issuance. Its capital structure has largely been supported through shareholder equity injections and retained earnings, complemented by deposits and other permissible funding sources.

In 2019, the bank upgraded from a state microfinance licence to a national microfinance banking licence, following additional capitalisation in line with Central Bank of Nigeria (CBN) requirements. This upgrade enabled geographic expansion and stronger balance-sheet growth. Over the years, the bank has continued to strengthen its capital position through organic growth, prudent profit retention, and shareholder support, supporting its expanding loan portfolio and nationwide operations. The bank has also received an investment-grade local credit rating, reflecting adequate capitalisation, strong shareholder backing, and improving financial performance.

3.4 DESCRIPTION OF SHAREHOLDING

The issued and fully paid-up share capital of the Company as at 31st December 2024 is 5,226,000,000 ordinary shares of 50 kobo each.

The list of shareholders is as follows:

	Shareholders	Number of shares	Percentage Holding (%)
1.	Advans S.A SICAR	5,225,999,999	99.99
2.	Duchatelle Steven	1	0.01
	Total	5,226,000,000	100

3.5 PROFILE OF DIRECTORS

BRIEUC CARDON DE LICHTBUER - CHAIRMAN

Brieuc Cardon de Lichtbuer is a Belgian finance and microfinance professional with over two decades of international experience spanning Europe and Africa. He began his career at ING Belgium, where he held senior roles in corporate and SME banking, managing large client portfolios and leading teams to improve service quality and efficiency. His work there also extended into microfinance, where he helped develop ING's Microfinance Support Team to provide technical assistance to financial institutions. Driven by a passion for inclusive finance, Brieuc joined the Advans Group in 2010 and has since held leadership positions across several subsidiaries, including Deputy CEO in Congo, CEO of Advans Ghana, and CEO of Advans Tunisie, where he successfully grew outreach to thousands of micro-entrepreneurs and SMEs.

Since 2022, Brieuc has served as Group Head of Business Development at Advans International in Paris, where he defines and implements the group's business development strategy and oversees innovation in financial products, delivery channels, and client services. He also chairs the boards of Advans Nigeria and Advans Cameroun, contributing to governance and long-term sustainability across the group. With fluency in five languages and a strong background in both traditional banking and microfinance, Brieuc combines business acumen, cross-cultural leadership, and a deep commitment to expanding access to finance in underserved markets.

EMMANUEL ARIS – NON-EXECUTIVE DIRECTOR

Emmanuel Aris is the Corporate Development Manager at Advans International with over twelve years of experience in microfinance, SME finance, and investment across emerging markets in Africa and Asia. He is responsible for the design and execution of the group's investment strategy, including greenfield projects, capital raising, institutional restructuring, and regulatory engagements.

Since joining Advans International in 2010, he has held progressive roles across the investment function and has led several complex projects, including the creation and licensing of Advans Tunisie and the restructuring of Advans Bank Tanzania, which was later transformed into Letshego Bank Tanzania. He currently serves as a Board member of La Fayette Microfinance Bank Limited (Nigeria), Advans Pakistan Microfinance Bank, and Advans Myanmar, where he provides strategic oversight and works closely with senior management.

Emmanuel holds a double Master's degree in Finance and Management from EDHEC Business School, France, and completed a rigorous preparatory programme (Classes Préparatoires) in economics, mathematics, and general studies in France.

GRÉGOIRE DANIEL-FEDOU – NON-EXECUTIVE DIRECTOR

Grégoire Daniel-Fedou is a seasoned leader in microfinance and financial inclusion, with more than 20 years of experience building and scaling institutions across emerging markets. He began his career with Horus Development Finance in 2003 and quickly grew into leadership roles, from Deputy General Manager in Chad to Head of Operations at Advans Group. His journey has taken him from conducting impact studies in rural Myanmar to helping design and launch new microfinance institutions across Africa and Asia. In Côte d'Ivoire, where he served as CEO for six years, Grégoire led the transformation of Advans CI into one of the most innovative and successful MFIs in West Africa, achieving profitability, paying dividends, and pioneering digital services in a post-conflict environment.

Today, as Group Deputy CEO and COO of Advans International, Grégoire oversees the performance and growth of the group's affiliates, driving strategic initiatives in business development, digital transformation, and human capital. He also chairs and serves on the boards of multiple Advans subsidiaries, ensuring strong governance and long-term sustainability. With an MBA from ESSEC Business School and fluency in both French and English, Grégoire brings a mix of technical expertise, strategic vision, and hands-on field experience that reflects his passion for making financial services more accessible and impactful.

CÉLINE PRADAYROL - NON-EXECUTIVE DIRECTOR

Céline Pradayrol is a microfinance and banking professional with over 25 years of international experience across Africa, Asia, and Europe. She has held leadership roles in performance monitoring,

finance, and governance within the Advans Group, including serving as Head of Performance Monitoring at Advans International and as a Board Director of Advans Ghana. Her expertise spans designing financial policies and tools, strengthening institutional capacity, and leading data-driven performance monitoring and reporting systems to support organizational growth.

Earlier in her career, Céline worked as CEO of Finadev Tchad and Project Manager at Finadev Benin, where she developed strategies, launched branches, and built operational teams. As a consultant with Horus Development Finance, she delivered technical assistance in more than 15 countries, supporting microfinance institutions with accounting systems, MIS implementation, governance, and training. She holds an MSc in Management (International Business) from ESCAE Clermont-Ferrand and an MBA from Georgia Institute of Technology and is fluent in French and English with a good command of Spanish.

GUILLAUME VALENCE - *NON-EXECUTIVE DIRECTOR*

Guillaume Valence is an experienced financial services leader with over 20 years of international experience in microfinance, SME banking, and institutional transformation. He began his career in France before moving into the Advans Group network, where he played a central role in establishing and growing microfinance institutions across Africa and Asia. In Cameroon, he helped launch the Group's first SME banking department, later replicated in other subsidiaries, and rose through roles as Deputy COO and Head of SME Banking. In Nigeria, he served as Deputy CEO and then Managing Director of La Fayette Microfinance Bank, successfully guiding its transformation into a nationally licensed institution, achieving break-even in record time, and delivering strong growth even during the country's economic downturn.

Guillaume went on to lead Advans Pakistan Microfinance Bank as CEO, where he drove a major turnaround, stabilized the institution during crises such as COVID-19 and severe floods, and set the stage for the Group's responsible exit from Pakistan. Today, he is the CEO of Advans Ghana, where he oversees a network of 20 branches serving 130,000 clients, and has already restored profitability and solvency while laying out ambitious digital and growth plans. Fluent in French and English, with additional skills in German, Guillaume combines technical expertise in risk and finance with a proven ability to lead teams, drive cultural transformation, and deliver sustainable impact in challenging environments.

BABAJIDE ADENIYI OLATUNDE-AGBEJA – *INDEPENDENT NON-EXECUTIVE DIRECTOR*

Babajide Adeniyi Olatunde-Agbeja is a highly respected Chartered Insurance Broker and business leader with over four decades of experience in Nigeria's insurance industry. Starting his career at Femi Johnson & Company in 1981, he quickly rose through the ranks, gaining deep expertise across underwriting, claims, reinsurance, and risk management for major corporations. In 1991, he founded Boff & Company Insurance Brokers Limited, where he has served as Chairman and CEO ever since, building it into one of Nigeria's leading insurance brokerage firms with a reputation for professionalism, efficiency, and strong client service. His career reflects a blend of technical mastery, entrepreneurial drive, and a passion for advancing industry standards.

Beyond corporate leadership, Babajide has played an active role in shaping Nigeria's insurance sector through professional associations and thought leadership. He is a Fellow of the Nigerian Council of Registered Insurance Brokers, past President of the Council, and has served on numerous industry committees. Internationally, he has represented Nigeria at global insurance and leadership platforms, attended nearly a hundred international conferences, and earned recognition for his contributions to professional development and community service. Widely respected for his vision, mentorship, and commitment to excellence, Babajide continues to champion growth, innovation, and capacity building in the Nigerian insurance landscape.

IJEOMA ANUSIONWU – *INDEPENDENT NON-EXECUTIVE DIRECTOR*

Ijeoma Anusionwu is a senior banking and wealth management executive with over 25 years of experience across retail banking, wealth management, commercial banking, and investment advisory in Nigeria, Africa, the Middle East, and Asia. She spent over two decades at Standard Chartered Bank, where she held several senior leadership roles, including Regional Head of Investment Advisory and Managed Investments for Africa, the Middle East, and the UAE, overseeing assets under management of over US\$5.7 billion and leading multi-country, cross-functional teams.

Throughout her career, she has demonstrated strong expertise in business and product development, P&L management, risk governance, and strategic leadership, and has pioneered several industry-first

initiatives, including the introduction of bonds and treasury instruments to the retail segment in Africa, the launch of bancassurance, and the development of new wealth management and priority banking propositions across multiple markets. She has also led large-scale transformation projects, managed through major market disruptions, and consistently delivered strong growth in assets, revenues, and profitability.

Ijeoma holds a master's degree in business administration from Enugu State University, a Bachelor of Laws (LL.B) from the University of Nigeria, and was called to the Nigerian Bar. She also holds a CISI Level 3 Certification and is an alumna of INSEAD Business School, where she completed several executive leadership and wealth management programmes.

RUKAIYA EL-RUFAl – *INDEPENDENT NON-EXECUTIVE DIRECTOR*

Rukaiya EL-Rufai is a Chartered Accountant and public policy professional with over 15 years of experience spanning consulting, telecommunications, and government advisory. She has worked with leading firms such as PwC, Deloitte, KPMG, and Etisalat, where she built expertise in sustainability, enterprise risk management, fiscal policy, and corporate governance. At Deloitte and PwC, she not only established and grew sustainability and climate change practices but also advised governments and private sector players on ESG transformation, sustainable finance, and circular economy strategies. Her work reflects a strong blend of technical expertise and practical experience in supporting organizations to align with international frameworks like TCFD, SASB, GRI, and IFRS sustainability standards.

Currently, Rukaiya serves as the Special Adviser to the President of Nigeria on the National Economic Council (NEC) and Climate Change. In this role, she supports high-level policy deliberations, advises on Nigeria's climate change commitments, and drives initiatives to unlock private sector investment in green growth. She previously served as Special Adviser to the Minister of Finance, Budget & National Planning, where she helped conceptualize and implement Nigeria's revenue growth agenda. With international training from Oxford, the LSE, and Hertie School of Governance, Rukaiya combines deep technical knowledge with a passion for driving sustainable development, making her a respected voice in ESG, climate policy, and economic reform across Africa.

3.6 PROFILE OF MANAGEMENT TEAM

ELVIS KWABENA OHENEBA – *ACTING MANAGING DIRECTOR*

Elvis Kwabena Oheneba is a seasoned business development and corporate strategy executive with over 19 years of experience in the financial services industry across Ghana and Nigeria. He currently serves as the Acting Managing Director/CEO of Advans La Fayette Microfinance Bank Limited, where he has held various leadership roles including Deputy CEO, Chief of Business and Strategy, and Head of Network, Sales and Distribution. His career reflects strong expertise in strategic planning, sales growth, and operational leadership within the microfinance and banking sectors.

He began his career at the University of Ghana before moving to Barclays Bank Ghana and later Advans Ghana Savings and Loans, where he advanced to Head of Sales, Marketing, and Retail Banking. Elvis holds an MBA in Finance from Lead City University, a Mini MBA in SME and Business Strategy from the China Europe International Business School (CEIBS), and a BA (Hons) in Political Science and Sociology from the University of Ghana.

4. USE OF PROCEEDS

Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issue of Notes will be used to support the Issuer's general corporate purposes and short-term funding requirements.

SOURCES OF REPAYMENT

The repayment of all obligations under the Programme will be funded from the operating cash flows of the Issuer, unless otherwise specified in the Applicable Pricing Supplement.

5. REVISED CBN GUIDELINES ON ISSUANCE OF CPS

BACKGROUND

The summary below is not a full and complete reproduction of the regulatory frameworks for CP issuance and registration in Nigeria. Subject to the commencement of the implementation of the SEC's New Rules and Sundry Amendments to the Rules and Regulations of the Commission issued in December 2024, the CBN Guidelines, ISA 2025, and the FMDQ Rules are the legal and regulatory frameworks regulating the issuance, registration and quotation of CPs. The summary below attempts to capture the broad terms of the CBN Guidelines and the SEC Rules. Investors are advised to read the CBN Guidelines and the SEC Rules on the legal and regulatory framework for CP in Nigeria.

REGULATORY FRAMEWORK

Issuance and investment in CPs by banks and discount houses in Nigeria are subject to the provisions of the CBN Guidelines and the SEC Rules. The provisions applicable to CPs under the CBN Guidelines are as highlighted below:

QUALIFICATION

A CP qualifies as a financing vehicle if:

The Issuer has been in operation for a minimum period of five (5) years;

- i. The Issuer has 3 years audited financial statements, the most current not exceeding nine (9) months from the last financial year end. Provided that where CPs are to be issued to retail investors, the Issuer's latest audited account shall be current and valid;
- ii. The Issuer has shareholders' funds (unimpaired by losses) of not less than Five Hundred Million Naira (₦500,000,000.00) certified by its auditors, where the Notes are to be issued to retail investors;
- iii. The Issuer has an approved credit line with a guarantor or a comparable agreement, where the Notes are guaranteed; and
- iv. The Issuer has a credit rating of investment grade from a rating agency registered with the Commission.

SIZE AND TENOR

CPs shall be issued at the primary market for a minimum value of ₦100,000,000 (One Hundred Million Naira) or such minimum size as the Commission may stipulate from time to time.

Furthermore, they shall be issued for maturities of between 30 (Thirty) days and 364 (Three Hundred and Sixty-Four) days, including rollover, from the date of issue. The interest or discount element on maturing CPs may not be capitalised and rolled over.

RATING

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

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

INVESTORS IN COMMERCIAL PAPERS

Based on the SEC Rules, CPs may be issued to and held by Qualified Institutional Investors, High Net-Worth Individuals and Retail Investors.

FORMS OF MAINTAINING CPs

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

RECEIVING BANK AND PAYING AGENT

Only a deposit money bank and discount house may act as a RBPA for the issuance of CPs.

ISSUING AND PLACING AGENT

Only a non-bank financial institution may act as an IPA for issuance of CP.

GENERAL REQUIREMENTS

- i. CPs are only redeemable at maturity and as such cannot be pre-liquidated.
- ii. Investors may rediscount the paper with the Issuer before maturity at new market terms if the Issuer is willing to purchase the risk.
- iii. Any proposed issue of CPs shall be completed within the period of 10 (ten) working days from the date of opening of the issue for subscription.
- iv. All CPs issued in Nigeria shall be registered with the clearing system, which shall serve as the custodian of all issues and central depository for all dematerialised instruments.

MANDATORY REGISTRATION AND QUOTATION

The CBN circular on Mandatory Registration and Listing of Commercial Papers (CPs) dated 12 July, 2016 requires CPs to be registered and quoted on authorised securities exchanges. Accordingly, banks are prohibited from transacting in CPs (that are not quoted or intended for quotation on an authorised securities exchange), in any capacity whatsoever, including but not limited to as issuer, guarantor, issuing and placing agent, Receiving Bank and Paying Agent and any other respective party. Further to this, the SEC Rules on the issuance of commercial papers issued by SEC on 23 December 2024 provides that all CPs proposed to be issued shall first be approved by the Commission.

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

COMPLIANCE WITH CBN GUIDELINES AND SEC RULES

The Issuer has complied with the provisions stated in the CBN Guidelines and SEC Rules applicable to the Programme. A legal opinion confirming adherence to the CBN Guidelines is incorporated on page 50 of this Shelf Prospectus.

COMPLIANCE WITH SECURITIES REGULATIONS

The Issuer is required to register the CP Programme and the Notes to be issued under the Programme with the SEC. This is by virtue of the New Rules and Sundry Amendments to the Rules and Regulations of the Securities and Exchange Commission and the Investment and Securities Act, 2025, which now requires the registration of all securities issued under the ISA 2025 with the SEC.

6. TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the CPs which, subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are contained in the applicable Pricing Supplement (the “Final Terms”), will govern the CPs to be issued under the Programme.

The provisions of these Terms and Conditions of the CPs (the “Conditions”) which are applicable to the CPs issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Any provisions of the Final Terms modifying, supplementing, or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions.

CONDITION 1

CURRENCY, FORM, TITLE AND DENOMINATION

1.1. ISSUE AND CURRENCY OF THE CPs

- 1.1.1. The CPs may be issued from time to time by the Issuer in Tranches pursuant to the Programme. A Tranche of CPs may, together with a further Tranche or Tranches, form a Series of CPs issued, provided that the aggregate Principal Amount of all CPs outstanding under the Programme at any point in time does not exceed ₦20,000,000,000.00 (Twenty Billion Naira). The Applicable Pricing Supplement for each Tranche/Series of CPs is (to the extent relevant) incorporated herein for the purposes of those CPs and supplements these Conditions.
- 1.1.2. The Noteholders are by virtue of their subscription to or purchase of the CPs, deemed to have notice of, and are entitled to the benefit of and are subject to all the provisions of the applicable Pricing Supplement and the Deed of Covenant.
- 1.1.3. The Notes shall be registered electronically and serially numbered.
- 1.1.4. CPs issued under the Programme will be Zero Coupon Notes.
- 1.1.5. The CPs may be issued in Nigerian Naira or any other currency specified in the applicable Pricing Supplement.

1.2. FORM AND TITLE

- 1.2.1. The CPs shall be issued in an uncertificated (de-materialised or book entry) form, which shall be registered with a separate securities identification code with the CSD.
- 1.2.2. Title to the CPs passes upon credit to the CSD account of the Holder.
- 1.2.3. The Noteholder of any Series will (except as otherwise required by law) be treated as legal and beneficial owner for all purposes, including but not limited to the payment of outstanding obligations in respect of the CPs, and no person will be liable for so treating the Noteholder.

1.3. DENOMINATION

The aggregate Principal Amount of the CPs will be as specified in the applicable Pricing Supplement, offered in a minimum denomination of ₦1,000.00 (One Thousand Naira) (or the equivalent in the Relevant Currency); and will be sold at such discount from their face amounts as shall be agreed upon by the Issuing and Placing Agents and the Issuer; and shall have a maturity not exceeding three hundred and sixty-four (364) days, including the roll over from the Issue Date.

1.4. CLOSED PERIODS

No Holder may require the transfer of the CPs (i) during the period of fifteen (15) days ending on the Redemption Date or such other date as may be specified in the Applicable Pricing Supplement; or (ii) following the issuance of default notice to the Issuer pursuant to Condition 9 (Events of Default).

CONDITION 2

STATUS OF THE NOTES

Each CP constitutes a direct, senior, unconditional, unsubordinated, and unsecured obligation of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the CPs shall, save for such obligations as may be preferred by applicable legislation relating to preferred payment obligations, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, from time to time.

CONDITION 3

REDEMPTION

Unless previously redeemed or purchased and cancelled as specified below, the CPs will be redeemed at the Redemption Amount, specified in or determined by the manner specified in the Applicable Pricing Supplement, on the Maturity Date subject to the provisions contained in Condition 4 (*Payments*).

CONDITION 4

PAYMENTS

- 4.1. Only Noteholders named in the Register as at the close of business on the Relevant Last Date shall be entitled to payment of amounts due and payable in respect of CPs. The Noteholder shall be the only person entitled to receive payments in respect of CPs and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of each amount so paid.
- 4.2. Payments of any outstanding obligation regarding the CPs will be made in the Relevant Currency by credit/electronic funds transfer to the specified bank account of the Holder.
- 4.3. In the case of joint Holders, payment by electronic transfers will be made to the account of the first named Holder in the Register. Payment by electronic transfer to the first named Holder in the Register shall discharge the Issuer of its relevant payment obligations under the CPs.
- 4.4. In the case of nominees, the nominee shall be paid as the registered Holder, which payee shall in turn be responsible for transferring such funds to the holders of the beneficial interests and the Issuer's obligation in respect of such payment shall be fully discharged. The Issuer shall not be under an obligation to enquire as to whether such funds are transferred to the Holders of the beneficial interests and bears no liability with respect to whether or not such amount is transferred by the nominee to the beneficial interest holder(s).
- 4.5. If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer by reason of a Force Majeure event, the Issuer shall to the extent practicable make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) of any such amounts made payable to the relevant Holder. Such payments by cheque shall be sent by post to the address of the Holder of registered CPs as set forth in the Register or, in the case of joint Holders of registered CPs, the address set forth in the Register of that one of them who is first named in the Register in respect of that CP.
- 4.6. Cheques may be posted by ordinary post/registered mail, provided that the Issuer shall not be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Holders for the purposes of all cheques posted in terms of this Condition 4.6.
- 4.7. Where the Issuer fails to redeem the CPs on the Redemption Date, interest shall begin to accrue on the Redemption Amount at the Default Rate from the date on which the Redemption Amount becomes due and payable until the date on which all amounts due in respect of such CP have been paid.
- 4.8. If the Redemption Date is not a Business Day, then the Holder thereof shall not be entitled to the Redemption Amount until the next Business Day, and the Holder shall not be entitled to any interest, return or other payment in respect of any such delay. Provided that where the next Business Day falls in a different calendar month, that payment shall be made on or by the immediately preceding Business Day.
- 4.9. On the Redemption Date, payment shall only be made to the Holders if the Issuer has made funds available to the Receiving Banks and Paying Agents.
- 4.10. In respect of payments relating to CPs under a Tranche, notwithstanding that such CPs may have

the same Issue Date, where the total Principal Amount payable by a Noteholder in respect of the said CPs has not been received by the relevant Issue Date but is received within 5 (five) Business Days thereof, the discount payable by the Issuer in respect of such CPs shall be adjusted accordingly.

- 4.11. All monies payable in respect of the CPs shall be paid to or to the order of the Holders by the Receiving Banks and Paying Agents. Holders shall not be required to present and/or surrender any documents of title to the Receiving Banks and Paying Agents.
- 4.12. Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each CP, where the Agent has provided evidence that the money was transferred into the account of the Holder.

CONDITION 5

TRANSFER OF CPS

- 5.1. All CPs issued under the Programme in dematerialized or immobilized (book entry) form may be transferred only in accordance with the CSD Rules.
- 5.2. Transfer of the CPs will only occur by way of electronic book entry in the CSD accounts of the Holders in accordance with the CSD Rules.

CONDITION 6

REGISTER

- 6.1. The Register shall be maintained by the CSD. The Register shall reflect the number of CPs issued and shall contain the name, address, and bank account details of the registered Holders. The Register shall set out the aggregate Principal Amount of the CPs issued to such Holder and the date of issue.
- 6.2. The records of the relevant CSD and/or statements/certificates issued by the CSD as to the aggregate number of CPs standing to the CSD account of any Holder shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the Agents as the legal and beneficial owner of such aggregate number of CPs for all purposes.
- 6.3. The Register shall be open for inspection during the Business Hours of the Registrar to any Holder or any person authorized by the Holder.
- 6.4. The CSD shall alter the Register in respect of any change of name, address or bank account number of any of the registered Holders of which it is notified in accordance with these Conditions.

CONDITION 7

TAXATION

CPs issued under the Programme will be Zero Coupon Note and as such, will be offered and sold at a discount to Face Value. The CPs will thus not bear interest (save for default interest payable on late payments) and the Issuer will not be required to withhold or deduct tax from payments in respect of the CPs to the Holders. However, the discount on the CPs may be taxed in accordance with applicable Nigerian tax laws.

CONDITION 8

PRESCRIPTION

No action can be brought by a Holder in respect of the CPs unless the action is commenced within six (6) years from the appropriate Relevant Date.

CONDITION 9

EVENTS OF DEFAULT

Upon the happening of any of the following events ("Events of Default") which is continuing, any Holder may by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer, declare the CPs held by that Holder to be forthwith due and payable, provided that (other than in the event of non-payment or part payment) no such action shall be taken if it is as a result of Force Majeure or in order to comply with any law or regulation of Nigeria or to comply with any order of a court

of competent jurisdiction. In addition, the Holders shall have the right to exercise all other remedies available to them under the laws of the Federal Republic of Nigeria. Upon the occurrence of an Event of Default, the Issuer shall pay Holders interest at the Default Rate until the debt obligations to the investors have been settled in full.

- 9.1. **Failure to Notify:** Failure to notify SEC and the FMDQ Exchange (where applicable) by 5:00pm in writing that the CP has been liquidated and that funds have been transferred to all Holders on the Maturity Date of the CP and failure to provide evidence of settlement of all Noteholders to the Exchange on the Maturity Date;
- 9.2. **Non-Payment or Part Payment:** Part-payment or non-payment of the CP value to Noteholders shall also constitute a Credit Default. In the case of a Rollover, if any Noteholder objects to a proposed Rollover, the Issuer shall effect the payment of the value of the Noteholder's CP holding on the Maturity Date, based on the initial terms of the Issue. Failure by the Issuers to effect such payment shall result in a default;
- 9.3. **Breach of Other Obligations:** The Issuer does not perform or comply with any one or more of its other obligations under the CPs which default is incapable of remedy or where capable of remedy, is not remedied within thirty (30) Business Days after written notice of such default shall have been given to the Issuer at its specified office;
- 9.4. **Breach of Representation:** Any representation, warranty or undertaking made in connection with any documentation supplied by the Issuer pursuant to the Programme is in the reasonable opinion of the Issuing and Placing Agents, materially incorrect;
- 9.5. **Winding-up:** An order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer applies or petitions for a winding-up or administration order in respect of itself or ceases or through an official action of its Board threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Holders provided that the proposed merger involving the Issuer as approved by its Board as at the date of the agreement shall not require the approval of the Holders;
- 9.6. **Insolvency:** The Issuer is, or is deemed by law or a court to be insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer;
- 9.7. **Enforcement Proceedings:** A distress, attachment, execution, or other legal process is levied, enforced, or sued out, on or against a material or substantial part of the property, assets or revenues of the Issuer, and such distress, attachment, execution, or other legal process is not discharged or stayed within ninety (90) days; or
- 9.8. **Failure to take action:** Any action, condition or thing (including the obtaining of any consent or approval) now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme for the issuance of the CPs is not taken, fulfilled or done, or any such consent, or

approval shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the CPs or the Programme for the issuance of the CPs.

CONDITION 10

ACTION UPON EVENT OF DEFAULTS

- 10.1 Upon the occurrence of an Event of Default and such Event of Default is continuing, any Noteholder may by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer, declare the CPs held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of a Force Majeure event or if the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction.
- 10.2 Upon the occurrence of an Event of Default which results in the inability of the Issuer to make a payment on the Maturity Date, the Issuer shall pay the Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.
- 10.3 In addition, each Noteholder shall have the right to exercise all other remedies available to it/him/her under the laws of the Federal Republic of Nigeria.

CONDITION 11

NOTICES

11.1. NOTICE TO THE NOTEHOLDERS

- 11.1.1. Notices to the Holders will be valid if mailed to them at their respective addresses of record or electronically mailed to them via their respective email addresses in the relevant Register. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the SEC Rules, CBN Guidelines, the FMDQ Exchange Rules, the CSD Rules or such other regulatory authority as may be applicable to the CPs.
- 11.1.2. Parties agree that the Issuing and Placing Agents' obligation under Condition 11.1.1, shall be limited to providing administrative support to relay notices issued to Holders pursuant to the SEC Rules, CBN Guidelines, the FMDQ Exchange, CSD Rules or such other regulatory authority as may be applicable to the CPs. The Receiving Banks and Paying Agents shall not be obliged to review or check the adequacy, accuracy, or completeness of any document/notice it relays or sends to the Holders pursuant to this Condition 11 where the Receiving Banks and Paying Agents receive such document/notice from the Issuer and is not involved in the preparation of such document/notice. For the avoidance of doubt, the duties of the Issuing and Placing Agents are solely mechanical and administrative in nature. The Issuing and Placing Agents are not obliged to review or check the adequacy, accuracy, or completeness of any document they receive directly from the Issuer for delivery, publication or notification to the Holders. Provided that where such document/notice is prepared by the Issuing and Placing Agents, the Issuing and Placing Agents shall be obliged to confirm the adequacy, accuracy and completeness of such document/notice.

11.2. NOTICE FROM THE NOTEHOLDERS

- 11.2.1 Notices to be given by any Holder to the Issuer shall be in writing and given by lodging the same with the Receiving Banks and Paying Agents.
- 11.2.2 Any change of name or address on the part of the Holder shall forthwith be notified to the Issuer and

the Agent and subsequently, the Register shall be altered accordingly following notifications to the CSD.

CONDITION 12

CHANGE OF AGENTS

- 12.1 Upon receipt of SEC's approval and where applicable, FMDQ Exchange's approval to effect the revision, and following the submission of a formal revision application, the Issuer is entitled to vary or terminate the appointment of the Agents and /or appoint additional or other agents and/or approve any change in the Specified Office through which any agent acts, provided that there will, at all times during the subsistence of the Programme, be an agent with a Specified Office.
- 12.2 The Agents act solely as agents of the Issuer and do not assume any obligation towards or any relationship of agency or trust for or with any Holder.

CONDITION 13

MODIFICATION

- 13.1 The Agents may agree with the Issuer, without the consent of the Holders to any modification of any of these Conditions which is in the opinion of the Agents of a minor or technical nature or is made to correct a manifest error, or to comply with the mandatory provisions of any law in Nigeria and which is in the opinion of the Agents not materially prejudicial to the interests of the Holders.
- 13.2 Save as provided in condition 13.1 above, no amendment of the Conditions may be effected unless:
- 13.2.1 such amendment is in writing and signed by or on behalf of the Issuer;
 - 13.2.2 the SEC and the Exchange (where applicable) are notified of such amendment; and
 - 13.2.3 such amendment:
 - (a) if it affects the rights, under the Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% (seventy-five percent) of the outstanding Principal Amount of the CPs; or
 - (b) if it affects only the rights, under the Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy-five percent) of the Outstanding Principal Amount of all the CPs held by that group.
- 13.3 Such modification, authorisation or waiver shall be binding on the Noteholders and shall be notified to the Noteholders, as soon as practicable in accordance with Condition 11 (*Notices*).

CONDITION 14

MEETINGS OF NOTEHOLDERS

- 14.1 The Issuer may at any time convene a meeting of all Noteholders (whether physically or virtually) upon at least twenty-one (21) days prior written notice to such Holders. The notice is required to be given in terms of Condition 11 (*Notices*). Such Notice shall specify the date, place, agenda, and time of the meeting to be held, which place shall be in Nigeria.
- 14.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 14.3 Two (2) or more Noteholders holding or representing by proxy a simple majority of the Principal

Amount of the CPs that are Outstanding for the time being, shall be able to request the Issuer to convene a meeting of Holders. Should the Issuer fail to requisition such a meeting within ten (10) Business Days of such a request being received by the Issuer, the Holders requesting the meeting may convene such a meeting.

- 14.4 A Holder may by an instrument in writing (a “Form of Proxy”) signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a “Proxy”) to act on his or its behalf in connection with any meeting or proposed meeting(s) of the Holders.
- 14.5 Any Holder which is a corporation may by resolution of its directors or other governing body, authorise any person to act as its representative (a “Representative”) in connection with any meeting or proposed meeting(s) of the Holders.
- 14.6 Any Proxy or Representative so appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting(s) of the Holder specified in the appointment, to be the holder of the CPs to which the appointment relates, and the holder of the CPs shall be deemed for such purposes not to be the holder.
- 14.7 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 14. Should the Holders requisition a meeting, and the Issuer fails to call such a meeting within 10 (ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Holders, shall be selected by a simple majority of Holders present in person or proxy.
- 14.8 At any such meeting two (2) or more Holders present in person, by representative or by proxy, holding in aggregate not less than one third (1/3rd) of the Principal Amount of CPs shall form a quorum. On a poll, each Holder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of CPs, by denomination held by the Holder.
- 14.9 If within thirty (30) minutes after the time appointed for any such meeting a quorum is not formed, the meeting shall, if convened upon the requisition of Holders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than fourteen (14) days nor more than twenty-one (21) days thereafter and at the same time and place. At such adjourned meeting two or more Holders present or represented by proxy holding in aggregate not less than one third of the Principal Amount of outstanding CPs shall form a quorum and shall have power to pass any Special Resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.
- 14.10 A resolution in writing duly signed by seventy-five percent (75%) of the Holders holding in aggregate not less than seventy-five percent (75%) of the Principal Amount of outstanding CPs, shall be as effective for all purposes as a resolution duly passed at a meeting of the Holders, provided that the resolution was sent to all the Holders entitled to receive notice of a meeting of Holders. Such resolution may be contained in one document or in several documents of identical form signed by all the Holders entitled to receive notice of a meeting.

CONDITION 15

FURTHER ISSUES

- 15.1 The Issuer shall, subject to the prior approval of SEC, be at liberty from time to time without the consent of the Holders to issue further CPs under the Programme, PROVIDED THAT the Issuer shall not offer further CPs if it is currently in default of payment of interest or repayment of principal in respect of any existing debt issuances.

- 15.2 No fresh offer of CPs shall be made unless the allotment with respect to any previous offer has been concluded or the offer aborted.
- 15.3 An allotment of CPs shall not be made, unless the sums payable on application for the amount stated in the Prospectus have been paid.

CONDITION 16

GOVERNING LAW

- 16.1 The provisions of these Conditions, the Prospectus, Pricing Supplement and the CPs are governed by, and shall be construed in accordance with, the laws of the Federal Republic of Nigeria.

7. TAX CONSIDERATION

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

The Notes issued under the Programme will be Zero Coupon Notes and as such will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, however, in the case of late payment, interest will accrue on the redemption monies to be paid to the Note holders. The discount on the Notes, and/or any accrued interest on the redemption monies to be paid to Noteholders may be taxed in accordance with applicable Nigerian tax laws. Such discount or accrued interest on the redemption monies may be subject to Withholding Tax at the rate of 10% in accordance with the provisions of the CITA, and the PITA or form part of the taxable income of the recipients.

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

8. RISK FACTORS

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

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

1. RISKS RELATING TO NIGERIA

POLITICAL RISK

Nigeria is vulnerable to political tension at both the State and Federal level. Nigeria struggles with government instability, policy uncertainty, corruption, ethnic and religious tensions, and security threats like terrorism, banditry and civil unrest. Political risk is driven by multiple factors such as corruption, ethnic and religious bigotry, economic volatility, high cost of living, weak governance, lack of transparency, and unpredictable government reforms.

Despite ongoing efforts by the Nigerian government to stabilize the socio-political landscape, security and political tensions remain a key concern. Incidents of insurgency, banditry, and unrest in various parts of the country may disrupt the operations of the Issuer. Political instability at the state or federal level could negatively impact the economy, weaken investor confidence, and pose challenges that may affect the Company's operations and profitability.

ECONOMIC RISK

The Nigerian economy remains vulnerable to macroeconomic shocks, including inflation, foreign exchange volatility, and fluctuating global commodity prices.

Nigeria's overdependence on oil makes the Nigerian economy vulnerable to oil price fluctuations in the global market. When oil prices drop, the country's revenue decreases, affecting government spending, investment, and overall economic growth.

While Nigeria's inflation rate has been trending downwards since April 2025, it is still high compared to other African countries. Inflation erodes the purchasing power of consumers, increases the cost of doing business and can lead to social unrest.

Nigeria is susceptible to external shocks from global events, such as economic downturns, the impact of the Russia-Ukraine war, and the impact of the hike in tariffs by the Trump administration.

FOREIGN EXCHANGE RISKS

Following years of extreme volatility in the Nigerian Naira, the Naira has remained stable for a good part of 2025. In 2025, the Naira has traded at the Nigerian Foreign Exchange Market (NFEM) window at ₦1,478.22/\$1 at its lowest and ₦1,629.94/\$1 at its highest. The relative stability is the Naira is underpinned by the CBNs intervention in the FX Market, improved market and investor confidence, and FX liberalization.

Advans La Fayette faces foreign exchange risks due to its operations in Nigeria, where the Naira's volatility and fluctuations in exchange rates can significantly impact the cost of imports, debt servicing, and overall profitability. The depreciation of the Naira could increase the cost of capital, cost of importing equipment and machinery, squeezing profit margins. While the Company may employ hedging strategies to mitigate some of these risks, there is no guarantee of their effectiveness, and the costs associated with these strategies could outweigh the benefits. Changes in foreign exchange regulations and restrictions on currency access could further exacerbate these risks, affecting the Company's ability to manage its international transactions.

2. RISKS RELATING TO THE ISSUER AND ITS BUSINESS

a) INDUSTRY-SPECIFIC RISKS

POOR INFRASTRUCTURE

Inadequate infrastructure, including unreliable power supply, poor road networks and limited access to technology, significantly hampers the efficiency and competitiveness of businesses operating in the service sector.

HIGH OPERATING COST

High costs of doing business, such as expensive energy, transportation, and imported goods, erode profit margins, and make it difficult for service providers to offer competitive pricing.

REGULATORY AND BUREAUCRATIC BOTTLENECKS

Complex and often inefficient regulatory processes coupled with bureaucratic hurdles increase the time and cost of starting and operating service companies. Corruption further exacerbates these challenges.

b) COMPANY-SPECIFIC RISKS

MARKET RISK

Market risk is the risk of losses due to changes in market conditions. This can include economic downturns, shifts in demand for certain types of assets, or changes in the competitive landscape. For example, a decline in economic activity could lead to reduced demand for leased assets making it harder for the leasing company to find leases or sell the assets at the end of the lease term.

In order to manage market risk, Advans La Fayette monitors economic trends, diversifies their portfolios of assets and adjust their leasing strategies to adapt to the changing market conditions.

OPERATIONAL RISK

This encompasses a range of risks related to Advans La Fayette's internal processes, systems and people. This includes the risk of errors in lease documentation, fraud, vehicle breakdowns, accidents, inadequate asset management, and IT system failure. Poorly designed or executed operational processes can lead to financial losses, reputational damage, and legal issues.

In order to mitigate operational risk, the Bank has implemented robust internal controls, invested in employee training, and made use of technology to automate and streamline processes. The company also has a comprehensive risk management framework in place.

RISKS RELATING TO LEGAL AND COMPLIANCE OBLIGATIONS

Advans La Fayette is subject to various regulatory, environmental, and tax compliance requirements. Failure to comply with applicable laws, or delays in obtaining necessary permits, could result in penalties, operational disruptions, or reputational harm. The regulatory landscape continues to evolve, and any tightening of requirements could lead to higher compliance costs.

Furthermore, the Bank may be exposed to legal disputes with customers, suppliers, or regulators. Potential liabilities arising from unresolved litigation or compliance infractions could affect the Bank's financial performance or reputation. Any material judgment or regulatory sanction may impair the Company's operations or hinder its ability to meet its debt obligations.

LIQUIDITY RISK

Liquidity risk arises from the Bank's potential inability to meet short-term financial obligations, particularly under stressed market conditions. A mismatch between cash inflows and cash outflows may

create liquidity gaps. This could affect the Bank's ability to meet its obligations under the Commercial Paper Notes.

CREDIT RISK

This is the risk of corporate borrowers to perform their payments, guarantees and other obligations. It also includes the risk of suffering financial losses, should any of company's customers, borrowers or counterparties fail to honor their contractual obligation to perform on payments, guarantees and obligations. These losses could in turn impact the issuer's financial condition.

RESIDUAL VALUE RISK

When a lease ends, the leasing company still owns the asset. The residual value is the estimated market value of the asset at the end of the lease term. The leasing company bases its lease payments on this estimated residual value. However, the actual market value of the assets at the end of the lease term may be lower than the estimated residual value. This can occur due to factors like technological obsolescence, changes in market demand, or wear and tear of the asset. If the actual residual value is lower than the estimated value, the leasing company will incur a loss.

In order to manage this risk, Advans carefully researches and forecasts asset values, considers the asset's depreciation rate, and may include provisions in the lease agreement to protect against significant residual value declines.

3. RISKS RELATING TO THE COMMERCIAL PAPER NOTES

INVESTMENT RISK

Investment in the Notes entails risk, including the possibility of partial or total loss of principal. Market perception of the Issuer's creditworthiness and the overall economic environment may influence the market value of the Notes, regardless of the Company's actual performance.

LIQUIDITY RISK

There is a risk that the Commercial Papers may not have an established trading market when issued. There is no guarantee that a secondary market for Commercial Papers or liquidity will exist upon issuance. Consequently, investors may not be able to readily sell their Commercial Papers at prices that will enable them to realize a yield comparable to that of similar instruments, if any, with a developed secondary market. The short-term nature of the CP notes means that investors will typically hold the securities till maturity.

CREDIT RATINGS MAY NOT REFLECT THE FULL IMPACT OF THE COMMERCIAL PAPERS' RISKS

The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the commercial papers. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

CHANGE OF LAW

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

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

CLEARING SYSTEM

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

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

AUTHORISED PARTICIPANTS

In accordance with the FMDQ Rules, the CSD is expected to maintain a central securities account for Dealing Members (the “Authorised Participants”) and each beneficial owner of the Notes is required to have a sub-account under the Authorised Participants. Noteholders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorised Participants.

For the purposes of the Notes issued under this Programme, the Authorised Participants are Anchoria Advisory Services Limited, Wema Bank Plc, and any other bank duly appointed by the Issuer to act as RBPA in accordance with Paying Agent Agreement.

REGISTRATION

- i. The under-listed authorized participants shall register with the CSD, where CP custody and depository services are required.
 - a) Receiving Bank and Paying Agent (“**Wema Bank Plc**”)/IPA) and Dealing Members (“Authorised Participant”) shall complete forms from CSD. These Authorized Participants shall be required to submit proof of the appropriate FMDQ membership along with the completed form.
 - b) Investors are required to route their account opening applications and transactions through any of the above-mentioned Authorized Participants (of their choice), who will officially notify the CSD to create sub-accounts for these clients and also attach clients’ mandates to this effect.
 - i. The CSD will assign a unique identification number (the “Trade Member Code”) to the authorized participant and also provide the account number (and sub-accounts numbers for clients) after creation as requested by the Authorized Participant to enable them to trade the CPs.
 - ii. FMDQ Securities Exchange Limited (the Exchange) shall request for the CP to be registered with the CSD, who in turn shall furnish the Exchange and RBPA / IPA with the CP Symbol and ISIN Codes for the registered CP, subject to receipt of CP registration fees from the RBPA/IPA.
 - iii. FMDQ Exchange shall request for the CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorised Participant with the CP Symbol and ISIN Codes for the registered CP, subject to receipt of CP registration fees from the Authorised Participant.
 - iv. The CSD will re-open the existing ISIN code for all Tranches with same maturity dates, however

new ISIN codes will be issued for Tranches with different maturity dates.

LODGEMENT

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

REDEMPTION

- i. No transactions or trades may be effected for any CPs fifteen (15) Business days prior to its Maturity Date. The Authorised Participant shall obtain the statement of investors' accounts/holdings from the CSD one (1) Business Day before the maturity date of the CP.
- ii. The Authorised Participant will submit a letter to the CSD confirming the intention of the Issuer to repay the Noteholders on the Maturity Date by 12.00 noon on the date which is 2 (two) Business Days before the Maturity Date.
- iii. The Authorised Participant must notify the CSD to expunge (knock-off) matured CPs latest by 5.00pm on the Maturity Date of the CP.
- iv. The Maturity Date shall be on a Business Day, however if the relevant Business Day falls on a public holiday, the following Business Day shall be the Maturity Date of the CP.
- v. The Authorised Participant shall effect repayment to the designated accounts of all registered holders of the CP.
- vi. The Issuer shall ensure that there are sufficient funds in its funding account with the RBPA to pay all investors (i.e., including investors that have indicated interest to participate in another CP issuance, which is not a Rollover within the Programme) by 12:00 Noon on the Maturity Date of the CP., failing which the Issuer shall be in violation of FMDQ Exchange Rules.
- vii. The RBPA shall ensure that funds have been transferred to all relevant Holders by 3:00 PM on the Maturity Date of the CP.
- viii. According to the SEC Rules, a part-payment of the CP value to investors shall be considered a default and shall attract a penalty of not less than ₦5,000,000 (Five Million Naira) in the first instance and a further sum of ₦50,000 (Fifty Thousand Naira) for every day the default continues.
- ix. The Commission and the Exchange shall be notified immediately it is identified that a default is imminent or there is a strong possibility of a default. The Sponsor shall provide reasons for the default or imminent default.
- x. In case of (IV) above, the CP must remain with the CSD until the Receiving Bank and Paying Agent pays off the Noteholders and notifies the CSD, SEC and the FMDQ Exchange with evidence.

ROLL-OVER

- i. All CPs, including roll-overs shall not exceed 364 days (tenor) from the date of issue.
- ii. All CPs are deemed to be a rollover where, the funds of the investors from the matured CP issuance are withheld for investment in a new or rollover CP issuance. Provided that the prior consent of the existing investors shall be sought and obtained before the rollover.
- iii. A CP shall not be rolled over more than two (2) times and the combined tenors of the initial CP issue and any subsequent rollover(s) shall not exceed 364 days.
- iv. Where an investor objects to the rollover, the Issuer shall effect payment of the value of the CP held by the investor on the maturity date based on the initial terms of the issue.
- v. Where the Issuer is desirous to rollover, the Issuer shall notify the IPA of its decision to rollover the CP. The Issuer shall prior to the maturity of the CP comply with the following:
 - a. For a 30-day to 90-day CP, inform the IPA and the RBPA of its intention to rollover no later than ten (10) business days before the maturity date of the CP;
 - b. For a CP with a tenor above 90 days, inform the IPA and the RBPA of its intention to rollover no later than fifteen (15) business days before the maturity date of the CP;
- vi. The IPA shall notify the investors of the Issuer's intention to rollover and obtain their written consent. The IPA, for the purpose of the rollover shall comply with the following:
 - a. For a 30-day to 90-day CP, inform the investors of the Issuer's intention to rollover no later than ten (10) business days before the maturity date of the CP; For a CP with a tenor above 90 days, inform the investors of the Issuer's intention to rollover no later than fifteen (15) business days before the maturity date of the CP;
- vii. The IPA shall notify the Commission of the rollover at least ten (10) business days before maturity and file the applicable pricing supplement alongside other supporting documents for the Commission's approval.
- viii. For a CP with a tenor above 90 days, inform the investors of the Issuer's intention to rollover no later than fifteen (15) business days before the maturity date of the CP;
- ix. The IPA shall notify the Commission of the rollover at least ten (10) business days before maturity and file the applicable pricing supplement alongside other supporting documents for the Commission's approval.
- x. The IPA shall notify the Commission of the completion of the rollover within 5 days from the maturity date of the CP.

DEFAULT

- i. The IPAs shall notify SEC and FMDQ Exchange in writing that the CP has been liquidated and that funds have been transferred to all Holders by 5:00 p.m. on the Maturity Date of the CP, failing which, the Issuer shall be deemed to be in default.
- ii. In the case of a rollover, if any investor objects to a rollover, the Issuer shall effect the payment of the value of the investor's CP holding on the maturity date, based on the initial terms of the Issue. Failure by the Issuer to effect such payment shall result in a default.

- iii. The SEC and FMDQ Exchange shall be notified immediately it is identified that a default is imminent or there is a strong possibility of default. The IPAs shall provide reasons for the default or imminent default e.g., the investors may not be paid due to RBPA experiencing technical issues such as a market disruption or insufficient funds in the funding account to meet payment obligations on maturity date or as the case may be.

EVENT OF DEFAULT

An event of default in relation to the Notes (“Event of Default”) shall arise if any one or more of the following events shall have occurred and be continuing:

- i. **Failure to Notify:** failure to notify SEC and FMDQ Exchange by 5:00pm in writing that the CP has been liquidated and that funds have been transferred to all Noteholders on the maturity date of the CP and failure to provide evidence of settlement of all investors to SEC and the Exchange on the maturity date.
- ii. **Non-Payment or Part Payment:** part-payment or non-payment of the CP value to investors shall also constitute a Credit Default. In the case of a Rollover, if any investor objects to a proposed Rollover, the Issuer/Promoter shall effect the payment of the value of the investors’ CP holding on the maturity date, based on the initial terms of the Issue. Failure by the Issuers to effect such payment shall result in a default.
- iii. **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or where capable of remedy, is not remedied within thirty (30) Business Days, after written notice of such default shall have been given to the Issuer at its specified office.
- iv. **Breach of Representation:** any representation, warranty or undertaking made in connection with any documentation supplied by the Issuer pursuant to the Programme is in the reasonable opinion of the Issuing and Placing Agents, materially incorrect.
- v. **Winding Up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer applies or petitions for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, re-organisation, merger or consolidation on terms approved by the Noteholders provided that the proposed merger involving the Issuer as approved by its Board of Directors as at the date of this Agreement shall not require the approval of the Noteholders.
- vi. **Insolvency:** the Issuer is, or is deemed by law or a court to be insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer.
- vii. **Enforcement Proceedings:** a distress, attachment, execution, or other legal process is levied, enforced, or sued out, on or against a material or substantial part of the property, assets or revenues of the Issuer, and such distress, attachment, execution, or other legal process is not discharged or stayed within ninety (90) days.
- viii. **Failure to take Action:** any action, condition or thing (including the obtaining of any consent or approval) now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme for the issuance of the Notes is not taken, fulfilled or done, or any such consent, or approval shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes or the Programme for the issuance of the Notes.

ACTION UPON EVENT OF DEFAULT

- i. Upon the occurrence of an Event of Default and such Event of Default is continuing, any Noteholder may by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer, declare the Notes held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of a Force Majeure event or if the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction.
- ii. Upon the occurrence of an Event of Default which results in the inability of the Issuer to make a payment on the Maturity Date, the Issuer shall pay the Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.
- iii. In addition, each Noteholder shall have the right to exercise all other remedies available to it/him/her under the laws of the Federal Republic of Nigeria.

SECONDARY MARKET TRADING (OTC) GUIDELINES

- i. Standard settlement cycle is T + 2.
- ii. The Exchange shall submit Authorized Participants' confirmed CP trade details on trade day in the specified format via the CSD authorized platform, based on the following settlement timelines:
 - Same Day Settlement - 12.30pm
 - T+1 or T+2 Settlements - 3.00pm
- iii. The CSD shall deliver securities and send confirmation of transfers via the CSD authorized platform by 2pm on settlement day to the Exchange and Nigeria Inter-Bank Settlement System (NIBSS) simultaneously. Authorized Participants shall state the particular account number where the CP(s) will be settled.
- iv. The CSD shall deliver securities and send confirmation of transfers via the CSD authorized platform by 2pm on settlement day to the Exchange and Nigeria Inter-Bank Settlement System (NIBSS) simultaneously. Authorized Participants shall state the particular account number where the CP(s) will be settled.
- v. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the Exchange and the CSD simultaneously.
- vi. Transactions for standard settlement (T + 2) shall stop five (5) working days before maturity date (MD – 5), therefore the last applicable settlement shall be before close of business on MD - 3.

REPORTING

- i. The CSD shall effect the transfer of CPs on the settlement date as advised by the exchange and also keep records for each transaction.
- ii. The CSD will advise the Authorised Participants of the FMDQ Securities Exchange Limited of successful and failed transactions on each settlement day for onward communication to Dealing Members.
- iii. Dealing Members can also visit the CSD website to ascertain their CP balances after each day's trade. This is available to only the institutions that subscribe to the CSD online service.

TRANSFER OF NOTES

Title to beneficial interest in the Notes will pass on transfer thereof by electronic book entry in the securities

accounts maintained by the CSD and may be transferred only in accordance with rules and operating procedures of the CSD.

CASH SETTLEMENT

The Transaction Parties will be responsible for effecting the payment transfers either via Real Time Gross Settlement (“RTGS”), NIBSS Electronic Funds Transfer (“NEFT”) or any other transfer mode agreed by the Transaction Parties and recognized by the CBN.

9. PRO FORMA APPLICABLE PRICING SUPPLEMENT



ADVANS LA FAYETTE MICROFINANCE BANK LTD

RC 1037857

₦20,000,000,000

COMMERCIAL PAPER ISSUANCE PROGRAMME

This Pricing Supplement must be read in conjunction with the Shelf Prospectus dated 16th June 2026, issued by Advans La Fayette Microfinance Bank Ltd in connection with its ₦20,000,000,000.00 (Twenty Billion Naira) Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the "Shelf Prospectus"). Any capitalized terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Shelf Prospectus.

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

This document has been prepared in accordance with the Central Bank of Nigeria(CBN)'s Guidelines on the Issuance and Treatment of Bankers' Acceptance and Commercial Papers issued on 11 September 2019, the CBN letter to all deposit money banks and discount houses dated 12 July 2016 on Mandatory Registration and Listing of Commercial Papers (together the "CBN Guidelines") the Investments and Securities Act, 2025 ("ISA"), and the New Rules and Sundry Amendments to the Rules and Regulations of the Securities and Exchange Commission (the "SEC" or the "Commission"), 2024 (the "SEC Rules") in force as at the date thereof or as may be amended from time to time.

The document has been approved and registered by the Commission. This document is important and should be read carefully. If any recipient is in any doubt about its contents or the actions to be taken, such recipient should consult his/her Banker, Stockbroker, Accountant, Solicitor or any other professional adviser for guidance immediately.

ARRANGER / DEALERS



ANCHORIA
ADVISORY SERVICES

RC 1517636

RECEIVING BANK AND PAYING AGENT



RC 575

THIS PRICING SUPPLEMENT IS DATED [.]

Terms	Description
Issuer	Advans La Fayette Microfinance Bank Ltd
Issuing and Placing Agent/IPA	Anchoria Advisory Services Limited
Receiving Bank and Paying Agent	Wema Bank Plc
Solicitor	Detail Commercial Solicitors
Central Securities Depository	[●]
Series Number	[●]
Programme Size	₦20,000,000,000.00
Aggregate Nominal Amount	₦ [●]
Face Value	₦ [●]
Discounted Value	₦ [●]
Nominal Amount Per Note	₦1,000.00
Issue Price	[●]
Tenor	[●]
Maturity Date	[●]
Final Redemption Amount	[●]
Minimum Subscription	₦5,000,000.00 (Five Million Naira) and integral multiples of ₦1,000.00 (One Thousand Naira)
Specified Currency	Nigerian Naira (N)
Status of Notes	Each Note constitutes a senior unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank pari passu among themselves, and it ranks pari passu with other present and future senior unsecured obligations of the Issuer outstanding from time to time
Form of Notes	Uncertificated
Quotation	Notes may be quoted on the FMDQ Exchange platform or any other recognized exchange
Issuer Rating	Agusto Bbb- and DataPro BBB+
Method of Offer	Fixed Price Offer
Taxation	Please refer to the “Tax Considerations” section in the Shelf Prospectus
Book Closed Period	The Register will be closed from [●] to [●] until the Maturity Date
Implied Yield	[●]%

Discount Rate	[●]%
Day Count Fraction	Actual/Actual (actual number of days in a month and actual number of days in a year)
Notification of Allotment	All applicants will be notified through an email and/or telephone of their allotment by no later than [●]
Any Other Formula or basis for Determining Amount(S) Payable	$PV = FV * (1 - (DR * t / \text{Actual number of days in a year}))$
Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria
Redemption/Payment Basis	[Redemption at par] [other (specify)]
Issuer's Early Redemption	[Applicable/Not Applicable]
Issuer's Optional Redemption	[Applicable/Not Applicable]
Other Terms Applicable on Redemption	[●]
Payment Date	[●]
Offer Opens	[●]
Offer Closes	[●]
Allotment Date	[●]
Issue Date	[●]
Details of Bank Account(s) To Which Payments Are to Be Made in Respect of The Notes	Bank Name: Wema Bank Plc Account Name: [.] Account Number: [.] Sort Code: [.]
Settlement Procedures and Settlement Instructions	[●]
Delivery Date	[●]

MATERIAL ADVERSE CHANGE STATEMENT

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

RESPONSIBILITY

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

Signed at: _____ on this _____ day of _____

FOR AND ON BEHALF OF:
ADVANS LA FAYETTE MICROFINANCE BANK LTD

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

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

10. HISTORICAL FINANCIAL INFORMATION

The financial information set out on pages 45 to 47 of this Shelf Prospectus has been extracted from the audited annual financial statements of the Issuer and is available at the specified office of the Issuer. This section should be read and construed in conjunction with the audited financial statements for the years ended 31 December 2021, 2022, 2023, and 2024 and with any audited interim financial statements published subsequently, for the financial periods prior to each issue of Notes under this Programme.

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2021, 2022, 2023, AND 2024

	2021	2022	2023	2024
	₦'000	₦'000	₦'000	₦'000
Interest Income	4,394,387	7,036,988	9,996,591	14,859,547
Interest Expenses	(692,253)	(1,524,704)	(2,844,430)	(6,044,097)
Net Interest Income	3,702,134	5,512,284	7,152,161	8,815,450
Fee Income	931	430	301	356
Grant Income	-	13,905	12,761	-
Other operating income	661,075	733,289	3,660,723	3,743,790
	4,364,140	6,259,908	10,825,946	12,559,596
Credit loss expense	(172,296)	(670,011)	(1,154,805)	(994,340)
Staff Cost	(1,243,121)	(1,699,384)	(1,916,481)	(2,333,123)
Depreciation of property, plant and equipment	(167,386)	(254,371)	(350,568)	(386,514)
Depreciation of Right of Use Asset	(100,953)	(122,975)	(143,557)	(145,012)
Amortisation of intangible assets	(22,017)	(33,757)	(32,269)	(31,597)
Other operating expenses	(1,772,371)	(2,309,688)	(6,349,963)	(8,071,631)
Profit before income tax expense	885,996	1,169,722	878,303	597,380
Income tax expense	(222,852)	(483,222)	(325,126)	(252,199)
Profit for the year	663,144	686,500	553,177	345,181
Other Comprehensive Income for the year				
Fair value gain/(loss) on investments in debt instrument	-	-	-	-
Reclassification adjustments for income included in previous periods	-	-	-	-
Total Comprehensive Income	663,144	686,500	553,177	345,181

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021, 2022, 2023 AND 2024

	2021	2022	2023	2024
	₦'000	₦'000	₦'000	₦'000
Assets				
Cash and balances with other banks	252,903	728,127	707,840	2,688,738
Loans and advances	11,360,512	17,468,590	22,474,060	32,576,370
Financial Assets	5,122,220	4,847,069	11,848,488	15,145,836
Other assets	182,476	467,406	1,187,944	1,006,072
Deferred Tax Asset	13,598	-	-	-
Right of Use Asset	287,199	282,949	261,991	235,718
Property, plant and equipment	715,703	1,053,580	1,010,928	1,569,021
Intangible assets	54,312	66,652	74,499	52,978
Total Assets	17,988,922	24,914,373	37,565,750	53,274,733
Liabilities				
Deposit liabilities	3,778,110	4,193,744	6,624,410	10,536,158
Other liabilities	547,872	720,466	1,306,203	1,107,732
Deferred Tax Liability		90,979	68,166	102,989
Deposit for shares	1,876,000	-	-	-
Current income tax payable	236,960	394,333	363,626	233,742
Overdraft	2,549,025	1,082,027	1,023,815	386,849
Borrowings	6,551,785	12,637,479	21,935,528	34,298,080
Lease Liabilities	16,324	-	-	-
Total Liabilities	15,556,077	19,119,028	31,321,748	46,665,550
Equity				
Share capital	2,550,000	5,226,000	5,226,000	5,226,000
Statutory Reserve		343,251	619,839	792,429
Regulatory Risk Reserve	51,668	110,964	407,384	569,466
Accumulated profit/ (losses)	(168,823)	115,130	(9,221)	1,288
Total Equity	2,432,845	5,795,345	6,244,002	6,589,183
Total Liabilities & Equity	17,988,922	24,914,373	37,565,750	53,254,733

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021, 2022, 2023 AND 2024

	2021	2022	2023	2024
	₦'000	₦'000	₦'000	₦'000
Operating Activities				
Profit before income tax expense	885,993	1,169,722	878,303	597,380
Adjustments for non.cash items:				
Depreciation of property, plant & equipment	167,386	254,371	350,568	386,514
Depreciation of ROU	-	122,975	143,557	145,012
Amortisation of intangible assets	22,017	33,757	32,269	31,597
foreign exchange gain	226,978	(122,986)	(2,920,944)	(2,352,091)
foreign exchange loss	(226,888)	31,259	2,919,153	2,721,787
Interest accrued on borrowings	120,392	763,508	2,057,478	4,548,976
Impairment loss on financial assets	-	-	(341,728)	(876,461)
Credit loss expense	172,296	287,475	222,178	52,532
Loss on disposal of property, plant and equipment	(2,654)	49	2,199	3
Gain on disposal of property, plant and equipment	1,859	(2,430)	(1,812)	(20,290)
cash flows from operating activities before changes in operating assets and liabilities	1,367,382	2,537,699	3,341,221	5,234,959
Changes in operating assets and liabilities				
Increase in loans and advances	(5,651,762)	(6,395,260)	(5,223,278)	(10,149,860)
Increase in deposit liabilities	(80,682)	415,634	2,430,666	3,911,748
Decrease/(Increase) in Right of Use assets	(59,076)	4,250	(122,600)	(118,741)
Change in financial assets	-	47,193	-	-
Increase in other assets	(88,814)	(284,930)	(720,538)	181,872
(Decrease)/Increase in lease liabilities	16,324	(16,324)	-	-
Increase in other liabilities	288,834	172,593	585,737	(198,471)
Cash flows from/(used in) operating activities	(4,207,794)	(3,519,144)	291,208	(1,138,493)
Income tax paid	(8,092)	(221,274)	(378,645)	(347,260)
Net cash from/(used in) operating activities	(4,215,886)	(3,740,418)	(87,437)	(1,485,753)
Investing activities				
Interest received	-	-	319,257	612,236
Purchase of property, plant and equipment	(356,288)	(643,880)	(320,671)	(953,608)
Proceeds on disposal of property, plant and equipment	5,799	54,014	9,592	29,290
Purchase of intangible assets	(32,871)	(46,097)	(37,338)	(10,076)
Increase/(Decrease) in deposit for shares	1,249,216	(1,876,000)	-	-
Proceeds from matured financial assets	2,299,059	911,026	15,317,427	23,731,755
Purchase of financial assets	(6,470,165)	(713,000)	(17,020,596)	(26,468,186)
Net cash flows (used in)/ from in investing activities	(3,305,249)	(2,313,937)	(1,732,329)	(3,058,589)
Financing activities				
Proceeds from borrowings	6,431,392	7,306,570	11,617,411	34,452,080
Interest Paid	-	-	(2,013,009)	-
Proceeds from share capital increase	-	2,676,000	-	-
Dividend Payable to Shareholders	-	-	(104,520)	-
Repayments on borrowings	(1,353,774)	(1,985,992)	(7,643,982)	(26,617,819)
Net cash flow from financing activities	5,077,619	7,996,578	1,855,900	7,834,261
Net (decrease)/increase in cash and cash equivalents	(2,443,518)	1,942,222	36,134	3,290,200
Cash and cash equivalents at beginning of the year	147,397	(2,296,122)	(353,900)	(315,975)
Effect of Exchange Differences on Cash	-	-	1,791	(692,054)
Cash and cash equivalents at end of the year	(2,296,122)	(353,900)	(315,975)	2,281,889

11. FROM ISSUER'S RATING REPORT

The following information is an extract from the rating report prepared by **Agusto and Data Pro**



2025 Non-Bank Financial Institution Rating: Advans La Fayette Microfinance Bank

Advans La Fayette Microfinance Bank Limited

Long Term Rating:

Bbb-

Short Term Rating:

A3

Outlook: Stable

Issue Date: 14 October 2025

Expiry Date: 30 June 2026

Previous Rating: Bbb-*

*Expired June 2024

Industry:

Microfinance

Analysts:

Oluwatosin Akinwande

tosinakinwande@agusto.com

Adebisi Olukoya

biyiolukoya@agusto.com

Agusto & Co. Limited

UBA House (5th Floor)

57, Marina

Lagos

Nigeria

www.agusto.com

RATING RATIONALE

Agusto & Co. hereby affirms the "Bbb-" long term and "A3" short term ratings of Advans La Fayette Microfinance Bank Limited ("Advans MFB", "ALFMFB" or "the MFB"). The ratings reflect Advans MFB's diverse ultimate ownership structure, good liquidity profile and strong support from international financial institutions with extensive experience in promoting financial inclusion in emerging markets. However, the ratings are constrained by the increased non-performing loans ratio attributable to aggressive loan book growth and weakened profitability metrics due to the low net interest spread given the heavy reliance on expensive term deposits and borrowings. We have also considered the macroeconomic headwinds and attendant challenges posed to Advans MFB's operations.

Advans MFB is licensed by the Central Bank of Nigeria (CBN) to operate as national microfinance bank. The MFB provides microfinance services in the form of loans and savings products to individuals, micro, small, and medium-sized enterprises (MSMEs) and agricultural producers. ALFMFB is part of an international microfinance group ("Advans Group") focused on Africa, with headquarters in Luxembourg and operations in six countries: Cameroon, Ghana, the Democratic Republic of Congo, Côte d'Ivoire, Nigeria and Tunisia. The MFB's ultimate shareholder base is well diversified, largely controlled by six major international DFIs: FMO-Dutch Entrepreneurial Development Bank (20%), European Investment Bank (16.6%), International Finance Corporation (16%), French Development Agency (15%), British International Investment (13.1%) and KfW Development Bank (12.8%). Advans MFB's near term strategic focus is to leverage digitalisation to promote financial inclusion, expand coverage and improve operational efficiency.

As at 31 December 2024, ALFMFB's total assets stood at ₦53.3 billion, with gross loans and advances constituting the largest share at 62.3%. SME loans represented the bulk (71%) of the portfolio while individual loans also accounted for a significant (28.1%) share, and staff loans made up a fraction (0.9%). However, we note that this breaches the regulatory guideline for microfinance banks which sets an 80:20 split in favour of micro loans to drive financial inclusion. Nonetheless, we believe the microloans bring heightened credit risk given that small traders are more vulnerable

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ADVANS LA FAYETTE MICROFINANCE BANK LTD

Long-Term Rating:

BBB⁺

Short Term Rating: A1

Rating Outlook: Stable

Trend: UP

Currency: Naira

Date Issued: 19 Sept., 2025

Valid Till: 18 Sept., 2026

Reference:

Abiodun Adeseyoju, FCA.

Abimbola Adeseyoju.

Oladele Adeoye.

This report is provided by DataPro subject to the Terms & Conditions stipulated in our Terms of Engagement

EXECUTIVE SUMMARY

	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000
Gross Earnings	18,603,693	13,670,376	7,784,612	5,056,393	2,474,563
Profit/(Loss) Before Tax	597,379	878,303	1,169,722	885,995	(372,612)
Shareholders' Funds	6,589,183	6,244,002	5,795,346	2,432,845	1,769,703
Deposit Liability	10,536,158	6,624,410	4,193,744	3,778,110	3,858,793
Loans & Advances	32,576,370	22,474,060	17,468,590	11,360,512	5,708,749
Total Assets	53,254,733	37,565,750	24,914,373	17,988,922	7,533,403

Rating Explanation

The Short-Term Rating of **A1** indicates *Good Credit Quality* and satisfactory capacity for timely payment of financial commitments.

The Long-Term Rating of **BBB⁺** indicates *Slight Risk*. It shows Fair Financial Strength, Operating Performance and Business Profile when compared to the standard established by *DataPro*. This Bank, in our opinion, has the ability to meet its ongoing obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

RATING SYNOPSIS

The Rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used were based on industry and market intelligence including public information. The quantitative information were obtained from the Bank's Audited and Management Accounts.

The risk factors were assessed using the Bank's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Compliance and Sustainability of its current healthy profile in the medium to long term period.

Overall, the following were observed:

Positive Rating Factors:

- Good Asset Quality
- Good Liquidity
- Group Support

Negative Rating Factors:

- Declining Profitability
- Macroeconomic Constraints

This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind.

12. SOLICITORS OPINION ON CLAIMS AND LITIGATIONS

Detail Commercial Solicitors

DCS Place, 8 DCS Street
Off Remi Olowude Way
Lekki Phase 1, Lagos, Nigeria
T: +234 (0) 1 277 1400-5

www.detailsolicitors.com

29th December 2025

The Managing Director
Anchoria Advisory Services Limited
21 Raymond Njoku Street, Off Awolowo Street
Ikoyi, Lagos State

Attention: Sam Chidoka

**NGN20,000,000,000 (TWENTY BILLION NAIRA) COMMERCIAL PAPER ISSUANCE BY ADVANS
LA FAYETTE MICROFINANCE BANK LIMITED - CLAIMS & LITIGATION PROFILE OF THE ISSUER**

We act as solicitors to the proposed ₦20,000,000,000 (Twenty Billion Naira) commercial paper issuance (the "Transaction") by Advans La Fayette Microfinance Bank Limited (the "Issuer") and furnish this letter with respect to the claims and litigation profile of the Issuer.

Based on the Schedule of Claims and Litigations ("Schedule") as of 26th September 2025 provided by the Issuer, the Issuer is presently involved in seventy-nine (79) cases, comprising seventy-two (72) civil cases and seven (7) criminal cases. In the civil cases, the Issuer is (a) a claimant in fourteen (14) cases, (b) a defendant in fifty-five (55) cases, and (c) a respondent in three (3) appeal cases. The Issuer is the complainant in seven (7) criminal cases.

The total value of the monetary claims against the Issuer is approximately ₦17,300,000 (Seventeen Million, Three Hundred Thousand Naira). The amount referred to herein does not include interest, costs and damages that have been specifically claimed by the Claimants in cases yet to be decided, but which may be awarded and/or determined by the courts upon the final resolution of the cases.

From the information provided by the Issuer, the Solicitor to the Transaction is of the opinion that any contingent liability arising from the cases involving the Issuer is not likely to have a material adverse effect on the Issuer or the Transaction.

Save for the cases provided in the Schedule, the Solicitor to the Transaction is not aware of any claim or litigation pending or threatened against the Issuer which:

- (a) materially or adversely affect the Issuer; and/or
- (b) affects the validity of the proposed Transaction or restricts the proceedings or actions of the Issuer with respect to the Transaction.

DETAIL COMMERCIAL SOLICITORS



**TEMIDAYO AJAYI
MANAGING PARTNER**

13. GENERAL INFORMATION

AUTHORISATION

This ₦20,000,000,000 (Twenty Billion Naira) CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of Advans La Fayette Microfinance Bank Ltd dated 28th March 2025.

GOING CONCERN

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead. If any event occurs as a result of which the above statement is no longer true and accurate, the Issuer will give notice thereof to the Noteholders.

AUDITORS

Deloitte & Touche acted as auditors of the annual financial statements of the Issuer for the financial years ended 31 December 2022, 2023 and 2024. The auditors have in respect of those years for which they were responsible for the audit, issued unqualified reports.

LITIGATION

The litigations of the bank is contained in list of claims and litigation filed with this document.

MATERIAL CONTRACTS

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

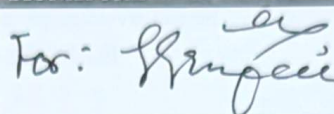
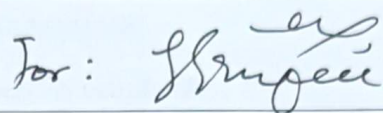
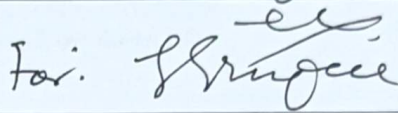
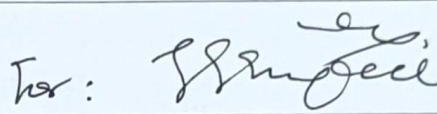
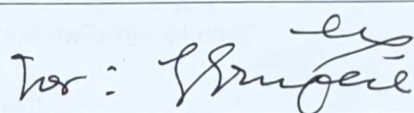
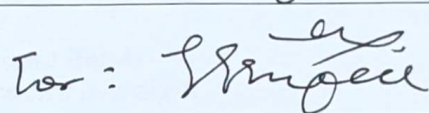
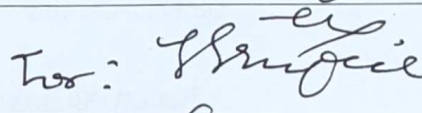
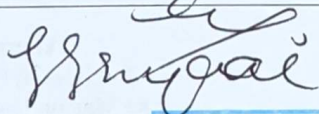
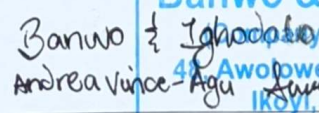
- i. the Deed of Covenant dated 16th June 2026, executed by the Issuer as a deed poll in favour of the Noteholders.
- ii. the Issuing and Placing Agency Agreement 16th June 2026, executed by the Issuing and Placing Agents/IPAs and the Issuer; and
- iii. the Paying Agent Agreement dated 16th June 2026, executed by the Issuer and the Receiving Bank and Paying Agents.

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

ULTIMATE BORROWER

The Issuer is the borrower in respect of the Notes.

DIRECTORS, COMPANY SECRETARY AND PARTIES TO THE TRANSACTION

DIRECTORS	SIGNATURE
Brieuc Cardon De Lichtbuer 2, Adekunle Fajuyi Road, Dugbe, Ibadan, Oyo state	For: 
Emmanuel Aris 2, Adekunle Fajuyi Road, Dugbe, Ibadan, Oyo state	For: 
Grégoire Danel-Fedou 2, Adekunle Fajuyi Road, Dugbe, Ibadan, Oyo state	For: 
Céline Pradayrol 2, Adekunle Fajuyi Road, Dugbe, Ibadan, Oyo state	For: 
Guillaume Valence 2, Adekunle Fajuyi Road, Dugbe, Ibadan, Oyo state	For: 
Babajide Adeniyi Olatunde-Agbeja 2, Adekunle Fajuyi Road, Dugbe, Ibadan, Oyo state	For: 
Ijeoma Anusionwu 2, Adekunle Fajuyi Road, Dugbe, Ibadan, Oyo state	For: 
Rukaiya El-Rufai Mohammed 2, Adekunle Fajuyi Road, Dugbe, Ibadan, Oyo state	
COMPANY SECRETARY	
Banwo & Ighodalo Awolowo Road, South-West, Ikoyi, 514, Lagos State	 Banwo & Ighodalo (Company Secretary) 41 Awolowo Road, S. W. Ikoyi, Lagos

ISSUER

Advans La Fayette Microfinance Bank Ltd

Registered Office: 2, Adekunle Fajuyi Road,
Dugbe, Ibadan, Oyo state.

Shingie
RUHARUA RA-RUTAI
MOHAMMED

ISSUING AND PLACING AGENT

Anchoria Advisory Services Limited

Registered Office: 21 Raymond Njoku Street,
Off Awolowo Road, Ikoyi, Lagos, Nigeria.

Akey E.P.
Perpetua Akey E.P.

AUDITOR

Deloitte & Touche

Registered Office: Civic Towers, Plot GA 1,
Ozumba Mbadiwe Avenue, Victoria Island, Lagos

Salami Bolaji
Salami Bolaji

SOLICITOR

Detail Commercial Solicitors

Registered Office: DCS Place, 8 DCS Street,
Off Remi Olowude Way, Lekki Phase 1, Lagos

Temidayo Ajayi
TEMIDAYO AJAYI

RECEIVING BANK AND PAYING AGENT

Wema Bank Plc

Registered Office: Wema Tower,
54 Marina Lagos Island, Lagos state

Seun Opeke
SEUN OPEKE