



**DEBT MANAGEMENT OFFICE
NIGERIA**

**UPDATE ON THE DEBT MANAGEMENT OFFICE
ACTIVITIES 2021**

BY

THE DEBT MANAGEMENT OFFICE

AT

THE FIRST CAPITAL MARKET COMMITTEE WEBINAR MEETING

THURSDAY, NOVEMBER 11, 2021



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RECENT DEVELOPMENTS

- A. FGN Securities Issuances, Auction Results and Redemptions.
- B. Sovereign Sukuk.
- C. Promissory Notes.
- D. Eurobonds.



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A. FGN Securities Issuances, Auction Results and Redemption

Table 1: Issuances and Redemption – Q1, Q2 & Q3 2021 (₦ Billion)

Quarter	Types of Bond	Total Issuance	Redemption
1	FGN Bonds	465.01*	0.00
	FGN Savings Bond	2.76	0.47
2	FGN Bonds	658.99*	0.00
	FGN Savings Bond	2.11	0.96
3	FGN Bonds	675.21*	561.049
	FGN Savings Bond	2.50	1.23
Total		1,806.57	563.71

*Exclude allotments on a Non-Competitive basis of ₦170.00 billion in Q1, ₦116.50 in Q2 and Q3 ₦130.90

Table 2: FGN Bond Auction Results – Q1, Q2 & Q3 2021 (₦ Billion)

Quarter	Description	16.2884% FGN MAR 2027	12.50% FGN MAR 2035	9.80% FGN JUL 2045	Total	Subscription Rate(%)
1	Amount Offered	150.00	150.00	150.00	450.00	169.17
	Subscriptions	234.14	288.89	238.24	761.27	
	Allotments	127.03	173.12	164.86	465.01	
	Average Marginal Rates	9.5767%	10.4967%	10.9167%		
2	Amount Offered	150.00	150.00	150.00	450.00	214.47
	Subscriptions	138.14	240.93	586.06	965.13	
	Allotments	93.92	183.83	381.24	658.99	
	Average Marginal Rates	12.6967	13.6133	13.9167		
3		13.98% FGN FEB 2028	12.40% FGN MAR 2036	12.98% FGN MAR 2050		217.88
	Amount Offered	150.00	150.00	150.00	450.00	
	Subscriptions	286.11	360.02	334.34	980.45	
	Allotments	138.33	258.04	278.84	675.21	
	Average Marginal Rates	11.8500	12.8833	13.0167		

Source: DMO



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B. Sovereign Sukuk

The DMO has concluded the appointment of Transaction Parties (TPs) for the Issuance of another Sovereign Sukuk in the domestic capital market in 2021. The Issuance is expected to be concluded in Q4, 2021. The categories of TPs and the appointed firms are as follows:

Issuing Houses

- i. Stanbic IBTC Capital Limited.
- ii. Greenwich Merchant Bank Limited.
- iii. Vetiva Capital Management Limited.

Financial Adviser

Buraq Capital Limited.

Trustees

- i. FBNQuest Trustees Limited.
- ii. APEL Capital & Trust Limited.

Legal Advisers

- i. Abdulai, Taiwo & Co. Solicitors.
- ii. Tsedaqah Attorneys.



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C. Promissory Notes

The DMO on behalf of Federal Government of Nigeria (FGN) had issued Promissory Notes for a total sum of **₦1,364.81 billion** (Local Currency), **USD0.30 billion** and **€0.134 billion** (Foreign Currency) for the settlement of accrued Local Debts and Contractual Obligations of the Federal Government as at September 30, 2021. Promissory Notes in the sum of USD0.419 billion was also issued for the settlement of Paris Club related Judgment Debts of States and Local Governments (LGs). The sum of **₦569.54 billion** (all in Local Currency) has been redeemed, while the outstanding value of Promissory Notes was **₦795.27 billion, USD0.30 billion (FGN), USD0.419 billion (States & LGs)** and **€0.134 billion** as at date.

The beneficiaries of the Promissory Notes are as follows:

- ❖ Oil Marketing Companies;
- ❖ State Governments;
- ❖ Exporters under the FGN Export Expansion Grant (EEG) Scheme;
- ❖ Local Contractors; and,
- ❖ Judgement Creditors.



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D. Eurobond Issuance

Nigeria returned to the International Capital Market with another Eurobonds Issuance in September 2021. The purpose is to implement the New External Borrowing in the 2021 Appropriation Act. The Order Book peaked at USD12.20 billion which enabled the FGN to raise USD1.00 billion more than the USD3.00 billion initial offer. The level of subscription recorded and the quality of investors demonstrates confidence in Nigeria. The Issuance statistics are in Table 3.

Table 3: The Eurobond Issuance Statistics

US\$4.00 billion			
Amount	US\$1.25 billion	US\$1.50 billion	US\$1.25.00 million
Coupon (Fixed)	6.125% per annum	7.375% per annum	8.25% per annum
Issue Yield	6.125%	7.375%	8.25%
Issue Date	September 28, 2021		
Maturity Date	September 28, 2028	September 28, 2033	September 28, 2051
Security	Senior Unsecured Debt		
Rating	B (S&P), B+(Fitch), B2 (Moody's)		
Type	144/RegS		
Tenor	7-year	12-year (Long)	30-year (Long)
Interest Payment	Semi-Annually – March 28 and September 28		
Listing	The London Stock Exchange, (Secondary Listing – Nigerian Exchange Limited and the Financial Market Dealer Quotation Securities Exchange) Not yet done.		
Primary Subscription	US\$12.20 billion		
Use of Proceed	Funding of Budget Deficit in the 2021 Appropriation Act		

Source DMO



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Thank you