



**DEBT MANAGEMENT OFFICE
NIGERIA**

**UPDATE ON THE DEBT MANAGEMENT OFFICE
ACTIVITIES 2022**

BY

THE DEBT MANAGEMENT OFFICE

AT

THE FIRST CAPITAL MARKET COMMITTEE WEBINAR MEETING

THURSDAY, AUGUST 18TH, 2022



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RECENT DEVELOPMENTS

- A. New Domestic Borrowing in 2022 Budget.
- B. FGN Securities Issuances, Auction Results and Redemptions.
- C. Sovereign Sukuk.
- D. Promissory Notes.



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A. New Domestic Borrowing in 2022 Budget

- A Revised Budget for a total sum of **₦17,319.70 billion** has been approved by the National Assembly and signed into law by the President.
- The Budget includes the sum of **₦3,534.00 billion** as New Domestic Borrowing by the Federal Government of Nigeria in 2022, of which the DMO has raised the a total sum of **₦2,700.00 billion** as at date.



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B. FGN Securities Issuances, Auction Results and Redemption

Table 1: Issuances and Redemption – Q1 & Q2 2022 (₦ Billion)

Quarter	Types of Bond	Total Issuance	Redemption
Q1	FGN Bonds	764.40*	605.03
	FGN Savings Bond	3.33	1.64
Q2	FGN Bonds	791.26*	0.00
	FGN Savings Bond	4.12	1.37
Total		1,563.11	608.04

*Excludes allotments of ₦118.67 in Q1 and ₦161.85 in Q2, 2022 on Non-Competitive basis.

Table 2: FGN Bond Auction Results – Q1 & Q2 2022 (₦ Billion)

Quarter	Description	13.53% FGN MAR 2025	12.50% FGN JAN 2026	12.50% FGN APR 2032	13.00% FGN JAN 2042	Total	Subscription Rate (%)
Q1	Amount Offered	-	225.00	-	225.00	450.00	329.20
	Subscriptions	-	667.61	-	813.77	1,481.38	
	Allotments	-	312.19	-	452.21	764.40*	
	Range of Bids	-	9.0000 – 13.2500	-	11.0000 – 14.5000		
	Average Marginal Rates	-	11.2250	-	13.0000		
Q2	Amount Offered	225.00	-	225.00	225.00	675.00	227.76
	Subscriptions	366.95	-	277.54	892.91	1,537.40	
	Allotments	242.79	-	191.17	357.30	791.26*	
	Range of Bids	8.2000 – 12.5900%	-	10.0000 – 13.4800%	12.0000 – 14.0000%		
	Average Marginal Rates	10.0333%	-	12.4833%	13.0167%		

*Excludes allotments of ₦118.67 in Q1 and ₦161.85 in Q2, 2022 on Non-Competitive basis.

Source: DMO



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B. Sovereign Sukuk

A. Utilization of ₦250.00 Billion 2021 Sovereign Sukuk Issue Proceeds

The Proceeds of the ₦250.00 billion 10-year 13.00% Al-Ijarah Sovereign Sukuk due 2031 issued on December 29, 2021, are being utilized for:

- i. The Construction/Rehabilitation of Seventy-One (71) Road Projects across the six (6) geopolitical zones of the country under the Federal Ministry of Works and Housing,
- ii. The Dualization of sections of East-West Road under the Ministry of Niger Delta Affairs
- iii. The construction/rehabilitation of sections of Road Projects within the Federal Capital Territory Administration.

B. Total Sukuk Issued from September 2017 to December 2021

Year	Issuance Date	Tenor (Years)	Rental Rate (%)	Amount (₦)
2017	September 26, 2017	7	16.470	100.00
2018	December 28, 2018	7	15.743	100.00
2020	June 16, 2020	7	11.200	162.557
2021	December 29, 2021	10	13.000	250.00
	Total			612.557

C. Proposed Issuance of 2022 Sukuk

The DMO has commenced arrangements towards the Issuance of another Sovereign Sukuk in the domestic capital market in 2022. Target Issuance period is end of Q3, 2022.



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C. Promissory Notes

As at June 30, 2022 the Debt Management Office on behalf of Federal Government of Nigeria (FGN) had issued Promissory Notes for total sums of **₦1,366.86 billion, USD0.788 billion** and **€0.134 billion** for the settlement of accrued Local Debts and Contractual Obligations of the Federal Government, States and Local Governments. Out of the total amount issued, the sum of **₦888.42 billion has been Redeemed. The total outstanding value of Promissory Notes as at June 30, 2022 amounts to 888.94 billion (FGN), €0.134 billion (FGN), USD0.79 billion (FGN) all for the FGN and USD0.418.95 billion (States & LGs).**

The categories of 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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Thank you