

## Offer-Circular



Pursuant to the Debt Management Office (Establishment) Act 2003 and the Local Loans (Registered Stock and Securities) Act (Cap 214) LFN 1990

### THE CENTRAL BANK OF NIGERIA

on the authority of the

### DEBT MANAGEMENT OFFICE

on behalf of the

### FEDERAL GOVERNMENT OF NIGERIA

Offers for Subscription by Auction

and is authorized to receive applications for

**₦46,000,000,000 4<sup>th</sup> FGN Bond 2012 Series 9 (5-Year Tenor)**

**₦20,000,000,000 4<sup>th</sup> FGN Bond 2017 Series 10 (10-Year Tenor)\***

**Auction Date: August 29, 2007**

1. Interested investors and Primary Dealer Market Makers (PDMMs) are invited to collect application forms from any office of the Central Bank of Nigeria (CBN) nationwide.

2. Interested members of the public are to submit their bids through any PDMM nationwide to reach the CBN, Lagos not later than the auction date specified. Application forms are also available on [www.cenbank.org](http://www.cenbank.org) and [www.dmo.gov.ng](http://www.dmo.gov.ng) for download and completion.

3. PDMMs are allowed to submit multiple bids and quote multiple rates. A bid may be for own account or made on behalf of interested members of the public.

4. Completed application forms should be submitted by the PDMMs to **the Issues Office, 5<sup>th</sup> Floor, Old Building, Central Bank of Nigeria, Tinubu Square, Lagos.**

5. This is the 9<sup>th</sup> and 10<sup>th</sup> in the series of programmed issues for **2007 (3<sup>rd</sup> quarter)** as set out below\*\*:

Month	Tranches	Auction Date
July, 2007	₦36,000,000,000 4 <sup>th</sup> FGN Bond 2010 Series 7 (3-year tenor) ₦20,000,000,000 4 <sup>th</sup> FGN Bond 2017 Series 8 (10-year tenor)	July 25, 2007
August, 2007	₦46,000,000,000 4 <sup>th</sup> FGN Bond 2012 Series 9 (5-year tenor) ₦20,000,000,000 4 <sup>th</sup> FGN Bond 2017 Series 10 (10-year tenor)	August 29, 2007
Sept., 2007	₦30,000,000,000 4 <sup>th</sup> FGN Bond 2014 Series 11 (7-year tenor) ₦20,000,000,000 4 <sup>th</sup> FGN Bond 2017 Series 12 (10-year tenor)	September 26, 2007

6. **Payment in full for the amount of the accepted bids must be made to the Central Bank of Nigeria not later than 1.30 p.m. on the value date** (i.e. 2 days after the auction). This will normally be effected by direct debit to the accounts of the PDMMs, who should ensure that their accounts with the CBN are adequately funded for this purpose.

#### SUMMARY OF THE OFFER

**ISSUER:** Federal Government of Nigeria ("FGN")

**THE ISSUE:** ₦46,000,000,000 4<sup>th</sup> FGN Bond 2012 Series 9 (5-year tenor)  
₦20,000,000,000 4<sup>th</sup> FGN Bond 2017 Series 10 (10-year tenor)

**UNITS OF SALE:** ₦1,000 per unit subject to a minimum subscription of ₦10, 000 and in multiples of ₦1,000 thereafter.

**PURPOSE:** To restructure part of the outstanding 91-day NTBs into longer-tenored bonds, provide benchmark instruments for the pricing of other securities in the capital market, facilitate the development of the bond market in general as well as fund the budget deficit.

**TENORS:** 5 years & 10 years

**INTEREST RATE:** To be determined at the auction. The Marginal Rate that clears the volume on auction or the highest accepted rate becomes the coupon for the issue.

**INTEREST PAYMENT:** Payable semi-annually.

**MATURITIES:** The series will mature as shown below:

₦36 billion 4<sup>th</sup> FGN Bond 2010 **Series 7** 27<sup>th</sup> July, 2010  
₦20 billion 4<sup>th</sup> FGN Bond 2017 **Series 8** 27<sup>th</sup> July, 2017  
₦46 billion 4<sup>th</sup> FGN Bond 2012 **Series 9** 31<sup>st</sup> August, 2012  
₦20 billion 4<sup>th</sup> FGN Bond 2017 **Series 10** 31<sup>st</sup> August, 2017  
₦30 billion 4<sup>th</sup> FGN Bond 2014 **Series 11** 28<sup>th</sup> Sept, 2014  
₦20 billion 4<sup>th</sup> FGN Bond 2017 **Series 12** 28<sup>th</sup> Sept, 2017

**REDEMPTION:** Bullet repayment on the maturity date.

#### STATUS:

- Qualifies as securities in which trustees can invest under the Trustee Investment Act
- Qualifies as Government securities within the meaning of Company Income Tax Act ("CITA") and Personal Income Tax Act ("PITA") for Tax Exemption for Pension Funds amongst other investors
- To be quoted on The Nigerian Stock Exchange
- Not subject to a single obligor limits for banks
- Zero weighting for capital adequacy purposes for banks
- Qualifies as liquid asset for liquidity ratio calculation for banks

**SECURITY:** Issue of Bonds is based on the full faith and credit of the Federal Government of Nigeria and is charged upon the general assets of Nigeria.

**PAYMENT TERMS:** Payable in full on application.

**UNDERWRITING:** This offer will not be underwritten at the instance of the FGN.

#### PARTIES TO THE OFFER

**ISSUER:** Federal Government of Nigeria

**ISSUER'S AGENT:** Debt Management Office

**AGENT BANK:** Central Bank of Nigeria

**STOCKBROKER:** Capital Express Securities Ltd.

**REGISTRAR:** Central Bank of Nigeria

\* The DMO reserves the right to vary the amount allotted in response to market dictates.

\*\* The Issuance calendar may be revised in response to market realities.

Note: The issuance programme for the fourth quarter of the year will be published in due course.

