



FEDERAL GOVERNMENT OF NIGERIA

# SOVEREIGN SUKUK

N100 BILLION INVESTMENT TRUST CERTIFICATES

### WHAT IS SUKUK?

Sukuk is an investment certificate that represents the ownership interest of the holder in an asset or pool of assets. The certificate entitles the holder to receive income from the use of the assets

### WHY IS THE FEDERAL GOVERNMENT ISSUING SUKUK?

- To fund the construction/rehabilitation of key economic infrastructure projects across Nigeria, such as roads.
- To diversify the sources of government funding.
- To offer ethical investors an opportunity to invest in government-issued securities.
- To achieve a higher level of financial inclusion.
- To serve as a reference for pricing Sukuk issued by other bodies, especially private sector issuers.

### HOW MUCH IS THE FEDERAL GOVERNMENT RAISING UNDER THIS SUKUK?

N100billion (One Hundred Billion Naira Only)

### WHAT WILL THE FEDERAL GOVERNMENT DO WITH THE FUNDS RAISED?

The funds will be used for the construction and rehabilitation of sections of key economic roads across the six geopolitical zones of Nigeria.

Some of the roads include the

- Ibadan-Ilorin Road (Oyo-Ogbomoso),
- Kolo-Otuoke-Bayelsa-Palm Rd (Yenegwe Road Junction),
- Enugu-Port Harcourt Expressway (Enugu-Lokpanta),
- Kaduna Eastern By-Pass,
- Kano-Maiduguri Road (Potiskum-Damaturu) and
- Bridge works for the Loko-Oweto Bridge over River Benue.



### HOW IS SUKUK DIFFERENT FROM CONVENTIONAL BONDS?

SUKUK	BOND
Represent ownership interest in assets	Bonds represent a pure debt obligation due from the issuer.
The funds raised from Sukuk issuance must be used only for ethical purposes.	Bonds can be issued to finance any legal purpose.
The sale of Sukuk represents the sale of the holder's interest in an asset.	The sale of a Bond is the sale of a debt.

### WHAT ARE THE KEY TERMS OF THIS SUKUK?

<b>Issuer:</b>	FGN Roads Sukuk Company 1 Plc. on behalf of the Federal Government of Nigeria
<b>Description:</b>	FGN Sovereign Sukuk due 2024 at a return of 16.47%
<b>Tenor</b>	7 Years
<b>Issue Size:</b>	N100,000,000,000
<b>Unit of Issue:</b>	N1,000 per unit
<b>Minimum Subscription:</b>	Minimum of N10,000 (i.e. 10 units @N1,000/unit) and in multiples of N1,000 (1unit) thereafter
<b>Rental payment:</b>	Semi-annually
<b>Redemption:</b>	Bullet payment of invested funds at maturity
<b>Paying Agent/Registrar:</b>	The Central Bank of Nigeria
<b>Security:</b>	Backed by the full faith and credit of the Federal Government of Nigeria

### WHO CAN INVEST IN THE SUKUK?

All categories of investors, including:

- Retail investors
- High net worth individuals
- Institutional investors such as commercial banks, insurance/takaful companies, pension funds, asset managers, private banks and others
- Ethically inclined investors
- Cooperative Societies, Religious bodies, state investment companies

### WHY SHOULD I INVEST IN THE SUKUK?

- Regular cash flow, as Rental Income will be paid half-yearly to Sukuk Holders.
- Rental Income is Tax-free.
- Safe and risk free investment as they are a direct obligation of the FGN and backed by the full faith of the FGN.



- Good security for diversification of asset portfolio.
- Acceptable as collateral for borrowing from banks and other financial institutions.
- Classified as Liquid Asset by the Central Bank of Nigeria.
- To be listed and traded on The Nigerian Stock Exchange and the Financial Market Dealers Quotation OTC Securities Exchange, thereby providing opportunities for Sukuk holders to buy or sell on any business day.
- Good investment opportunity for ethical investors.

HOW CAN I INVEST?

You can invest in 4 simple steps during the Public Offer Period:

1. Visit the offices of our Financial Advisers to obtain the Prospectus and Application Form

<b>Lotus Financial Services Ltd</b> 1 b, Udi Street Osborne Foreshore Estate Osborne Road, Ikoyi, Lagos Tel 1: +234-1-291 4626	<b>FBN Merchant Bank Ltd</b> 10, Keffi Street Off Awolowo Road S.W. Ikoyi, Lagos Tel 1: +234-1-270 2290-4
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OR

Download the Prospectus and Application Form at:

- [www.dmo.gov.ng](http://www.dmo.gov.ng)
- [www.lotuscapitallimited.com](http://www.lotuscapitallimited.com)
- [www.fbnmerchantbank.com](http://www.fbnmerchantbank.com)

OR

You can also contact any of the Placement Agents to obtain the Application Forms.

2 If you do not have a Custodian Account or an account with the Central Securities Clearing System (CSCS), you may approach a licensed stockbroker to open one.

3. Pay for the number of units you wish to purchase into any of these bank accounts:

Bank Name	Account Name	Account Number
First Bank of Nigeria Limited	FGN Roads Sukuk Issue Proceeds	2032267642
Stanbic IBTC Bank Plc		0022373451
Zenith Bank Plc		1015183412
Guaranty Trust Bank Plc		0111869636
Jaiz Bank Plc		0003028731
Sterling Bank Plc		0065181158
Unity Bank Plc		0029035531

4. Submit completed Application Form and proof of payment to any of the Financial Advisers – Lotus Financial Services Ltd or FBN Merchant Bank Ltd either via email ([invest@lotuscapitallimited.com](mailto:invest@lotuscapitallimited.com) or [info@fbnmerchantbank.com](mailto:info@fbnmerchantbank.com)) or physically at any of their offices. You can also submit completed forms to any of the Placement Agents.

CAN I SELL THE SUKUK CERTIFICATE IN THE SECONDARY MARKET?

Yes. Trading will be done on the secondary market by licensed dealers on the floor of The Nigerian Stock Exchange and on the FMDQ OTC Securities Exchange, in accordance with the Prospectus.

WHAT WILL I GET AS PROOF OF MY INVESTMENT?

Your Custodian/CSCS account will be credited with the Sukuk units allotted to you and you will be duly notified of the credit through SMS/Email.

IS MY INVESTMENT IN THE SUKUK SAFE?

Yes, the Sukuk is backed by the full faith and credit of the Federal Government of Nigeria.

HOW WILL I GET RETURNS FROM MY INVESTMENT?

- Returns due to you will be credited twice a year to the bank account you provided on the Application Form.
- At maturity, your principal investment will also be credited to your bank account



WHAT CAN I DO IF I DON'T WANT TO HOLD MY SUKUK TO MATURITY?

You can request your stockbroker or securities dealer to sell your Sukuk on The Nigerian Stock Exchange or the FMDQ OTC Securities Exchange upon listing.

WHO CAN I CONTACT IF I REQUIRE MORE INFORMATION OR CLARIFICATION?

o Lotus Financial Services Limited

- ✉ [invest@lotuscapitallimited.com](mailto:invest@lotuscapitallimited.com)
- ☎ 234 1 291 4626 & 234 1 291 4624
- 📞 234 908 7058 407 & 234 908 705 8408

o FBN Merchant Bank Limited

- ✉ [info@fbnmerchantbank.com](mailto:info@fbnmerchantbank.com)
- ☎ 234-1-270 2290-4

o The Debt Management Office

- ✉ [enquiries@dmogovng.gov.ng](mailto:enquiries@dmogovng.gov.ng)
- ☎ 234 811 000 0881

You may also contact any of the Placement Agents during the Offer Period.

- ➔ Access Bank Plc
- ➔ CitiBank, Nigeria Limited
- ➔ Cornation Merchant Bank Limited
- ➔ Ecobank Nigeria Limited
- ➔ FBN Merchant Bank Limited
- ➔ First Bank Nigeria Limited
- ➔ First City Monument Bank Limited
- ➔ FSDH Merchant Bank Limited
- ➔ Guaranty Trust Bank Plc
- ➔ Stanbic IBTC Bank Plc
- ➔ Standard Chartered Bank Nigeria Ltd
- ➔ United Bank for Africa Plc
- ➔ Zenith Bank Plc

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