



**DEBT MANAGEMENT OFFICE  
NIGERIA**

**PRESS RELEASE**

**₦100 BILLION SOVEREIGN SUKUK...**

*Honourable Minister of Finance Presents Symbolic N100 Billion Sukuk Cheque to the Federal Ministry of Power, Works And Housing*

The Federal Government of Nigeria on December 28, 2018, issued a 7-year ₦100 billion Sovereign Sukuk (15.743% ₦100BN Al Ijarah Sukuk due 2025) as part of the New Domestic Borrowing in the 2018 Budget to finance road projects. The Offer attracted significant interest from a wide range of retail and institutional investors with a Total Subscription of ₦132.20 billion, which represents a Subscription Rate of 132.2%.

Retail Investors accounted for 17.33% of the Total Allotment compared to 4% recorded in the debut Issuance, indicating that the stated objectives of financial inclusion and deepening of the investor base for FGN securities, in addition to infrastructure funding are being achieved.

The high level of subscription and participation by a diverse range of investors demonstrate the high level of investor confidence in the financing product, particularly, because the Road Projects funded with the Proceeds of the first Sukuk that was issued in 2017 were evident for all to see. The Twenty-Five (25) Road Projects, which benefited from the debut Sukuk have resulted in improved transportation across the six (6) geo-political zones.

The Sukuk Offer opened following Investor Meetings in Lagos and Abuja by a delegation led by the Director-General of the Debt Management Office, Patience Oniha, and included representatives of the Federal Ministry of Power, Works and Housing and the Transaction Parties for the Sukuk Issuance. The Transaction Parties were: FBNQuest Merchant Bank Limited, Lotus Financial Services Limited, Banwo & Ighodalo and Sefton Fross, FBNQuest Trustees Limited and STL Trustees Limited.

The proceeds of this second Sovereign ₦100 billion Sukuk will also be deployed to financing infrastructure, in keeping with the Government's commitment to bridging the infrastructural gap. The proceeds will be for the Construction and Rehabilitation of Twenty-Eight (28) key economic Road Projects in the 2018 Budget. The Road Projects are located in the six (6) Geo-political Zones of the country with each Zone having a total allocation of ₦16.67 billion.

Commenting on the successful Issuance of the second ₦100 billion Sovereign Sukuk, the Director-General, Debt Management Office said that:

*"Sukuk has become a veritable tool for financing infrastructure which has several multiplier effects including job creation and boosting economic activities. In addition to being a viable tool for financing infrastructure, the Sovereign Sukuk promotes financial inclusion and the development of the domestic financial markets"*

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