



**DEBT MANAGEMENT OFFICE
NIGERIA**

**Government's Groundwork (Bondwise) in the Domestic & International
Capital Markets**

A Presentation by

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1. Sovereign Domestic Bond Market: Progression of Tenor Elongation

TENOR	Testing Phase	Smoothing Phase*	Regular Monthly Issuance Phase					
	2003	2004	2005	2006	2007	2008	2009	2010
2-YEAR		-	√					
3-YEAR	√	-	√	√	√	√	√	√
5-YEAR	√	-		√	√	√	√	√
7-YEAR	√	-		√	√			
10-YEAR	√	-			√	√	√	√
20-YEAR		-				√	√	√

* During 2004, in addition to smoothing to eliminate large fluctuations in weekly issuance of the NTBs, the DMO in conjunction with the CBN restructured part of the existing stock of 91-day NTBs to 182-day & 364-day NTBs.

II: Sovereign Domestic Bond Market
SUMMARY OF FGN BONDS ISSUED FROM 2005 TO 2010 (N Million)*

	Issue Amount	Subscription	Allotment	Percentage Allotted	Oversubscription Rate
2nd FGN Bonds Issued in 2005	140,000.00	326,361.87	178,273.72	127.34%	133.12%
3rd FGN Bonds Issued in 2006	411,753.16	779,732.13	448,836.00	109.01%	89.37%
4th FGN Bonds Issued in 2007	603,696.54	1,179,293.88	603,696.54	100.00%	95.35%
FGN Bonds Issued in 2008	515,000.00	845,951.53	491,961.16	95.53%	64.26%
FGN Bonds Issued in 2009	694,000.00	1,340,981.46	726,500.00	104.68%	93.22%
FGN Bonds Issued in 2010	1,073,120.00	2,261,467.13	1,244,439.79	115.96%	110.73%
Total	3,437,569.7	6,733,787.9	3,693,707.2		

* Before the regular monthly offers commenced in July 2005, there was a test offer in 2003 of 3, 5, 7, & 10-year Tenors amounting to N150 billion. The subscription amounted to N72.57 as a result of which only N72.57 billion was allotted.

III: Transformation of the Domestic Debt Stock by Instruments

Instrument	2002		2010	
	Amount (N billion)	%	Amount (N billion)	%
NTBs	733.76	62.93	1,277.10	28.06
FGN Bonds	nil	nil	2,901.60	63.75
Treasury Bonds	430.61	36.93	372.90	8.19
Development Stocks	1.63	0.14	0.22	0.005
Total	1,166.00	100.00	4,551.82	100.00

IV: Transformation of the Domestic Debt Outstanding by Category of Holder

Holder	2002		2010	
	Amount Outstanding (N billion)	%	Amount Outstanding (N billion)	%
Central Bank	532.5	45.67	343.14	7.54
Banks & Disc. Houses	460.2	39.47	2,605.01	57.23
Non-Bank Public	173.3	14.86	1,459.30	32.06
Sinking Funds	-	-	144.37	3.17
Total	1,166.0	100.00	4,551.82	100.00

V: Secondary Market Performance

YEAR	No. OF DEALS	VOLUME (Units)	FACE VALUE (N)	% Change
2006	5,482	585,410,867	585,410,867,000	-
2007	30,241	3,947,284,982	3,947,284,982,000	574.28
2008	80,135	10,090,235,806	10,090,235,806,000	155.62
2009	132,374	16,789,262,632	16,789,262,632,000	66.39
2010	135,874	13,755,501,766	13,755,501,766,000	(18.07)

- Primary Dealer-Market Maker System was introduced by 2nd half of 2006: 20 Primary Dealer Market Makers were licensed.
- Currently, there are 21 primary Dealer Market Makers made up of 16 deposit money banks and 5 discount houses.

VI. ICM Debut: USD500 Million, 10-Year Sovereign Bond

✓ Summary of The Offer

Issuer:	Federal Republic of Nigeria
Amount Offered:	USD500million
Tenor:	10 years
Type:	144A/Reg S
Security:	Senior Unsecured Debt
Rating:	B+ (Standard & Poors) and BB- (Fitch)
Total Subscription:	USD1,294.215m
Issue Date:	January 28, 2011
Maturity Date:	January 28, 2021
Coupon (Fixed):	6.75% p.a.
Interest Payment:	Semi-Annually
Interest Payment Dates:	July 28 and January 28
Listing:	London Stock Exchange

The Bonds were listed on the London Stock Exchange on January 31, 2011.

✓ Benefits

- Communicating Nigeria's Economic Status and Potentials to the International Community.
- Providing a Benchmark for Future Borrowings, notably by the private sector.
- Facilitating inflow of Foreign Direct Investments.

Thank you