



**DEBT MANAGEMENT OFFICE
NIGERIA**

Press Release

**Debt Management Office Redeems ₦198.032 billion of
Nigerian Treasury Bills Maturing in December**

The Debt Management Office wishes to inform the General Public that the ₦198.032 billion Nigerian Treasury Bills (NTBs) which will mature in December 2017 will be repaid in full at maturity. The ₦198.032 billion comprises of ₦131.415 billion and ₦66.617 billion of NTBs which will mature on December 14, 2017 and December 21, 2017 respectively. Before now, the practice has been to rollover NTBs at maturity.

It will be recalled that the Government had announced plans to refinance some maturing domestic debt with external borrowing as part of its overall debt management strategy of reducing Debt Service Costs. Other objectives of this strategy are to free up space in the domestic market for other borrowers and achieve a more sustainable debt portfolio mix of 60% Domestic and 40% External. In addition, the redemption over time will help reduce the refinancing risk associated with short-term borrowings through NTBs with tenors of 91, 182 and 364 days. As at September 30, 2017, NTBs accounted for 30.23% of the FGN's Domestic Debt of ₦12.5 trillion compared to the DMO's target of a maximum of 25%.

The NTBs will be redeemed primarily using proceeds of the USD500 million raised through a Eurobond Issuance by Nigeria in November 2017. Nigeria had issued a dual-tranche USD3 billion Eurobond in November 2017 out of which USD2.5 billion is to part-finance the deficit in 2017 Appropriation Act and the balance of USD500 million is for the refinancing of domestic debt.

By redeeming the ₦198.032 billion NTBs, the Government is not only implementing its debt management strategy but also providing liquidity to the financial system to enable the private sector access credit from banks and issue securities in the domestic market to raise funds. The DMO expects operators in the market to use this opportunity to develop the other segments of the debt capital market such as Corporate Bonds.

The strategy of enabling the private sector to access funds and possibly at a lower cost than was hitherto possible, is consistent with the Government's policy of a private-sector led growth.

DEBT MANAGEMENT OFFICE
The Presidency
NDIC Building (First Floor),
Plot 447/448 Constitution Avenue,
Central Business District,
P.M.B. 532, Garki, Abuja
Tel: +234 - 8110000881-3
Website: <http://www.dmo.gov.ng>,
Email: enquiries@dmo.gov.ng

December 11, 2017