DEBT MANAGEMENT OFFICE
NIGERIA

2023

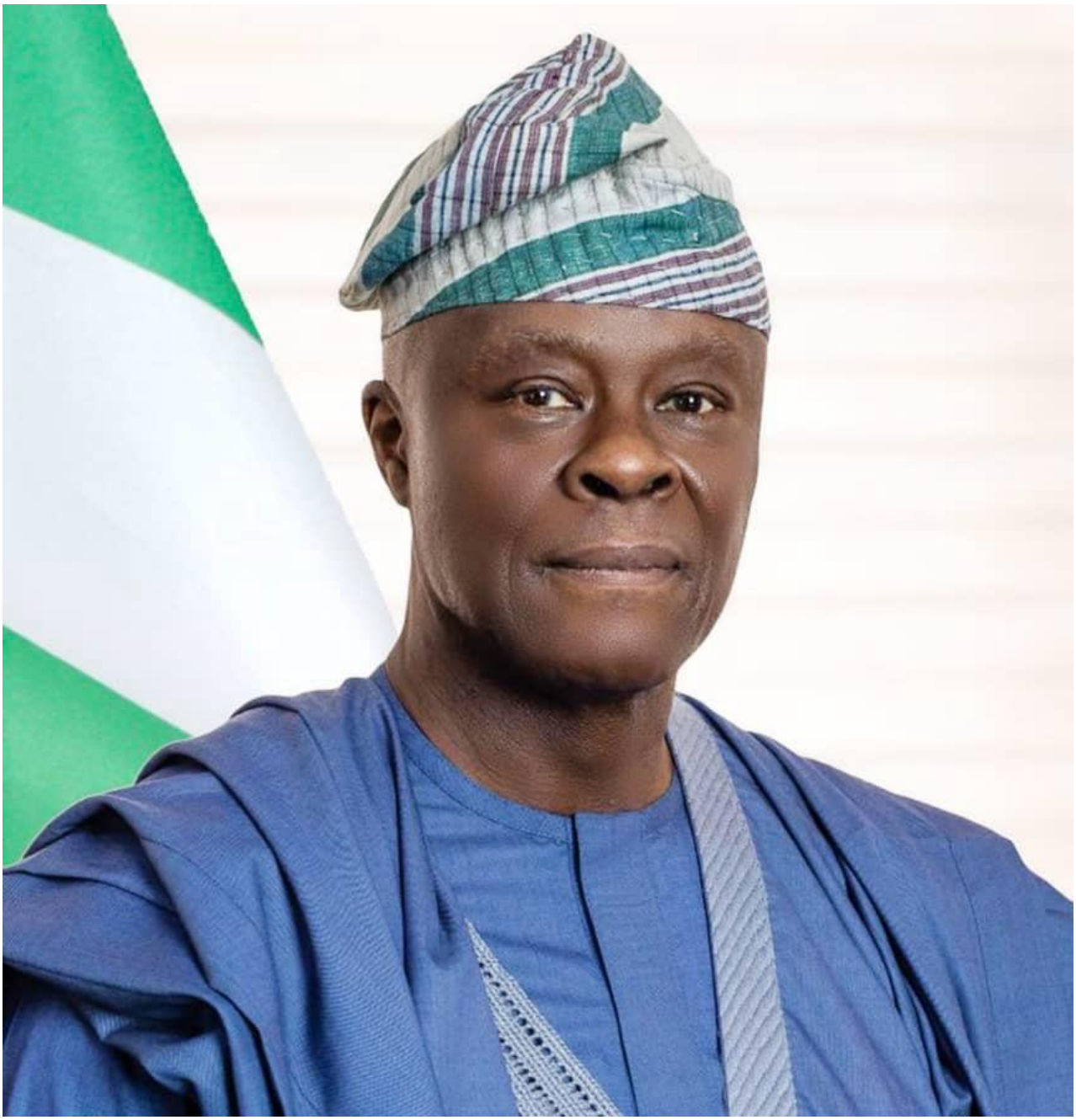
Annual Report and Statement of Accounts



His Excellency
BOLA AHMED TINUBU, GCFR
President, Commander-in-Chief of the Armed Forces
Federal Republic of Nigeria



His Excellency
SEN. KASHIM SHETTIMA, GCON
Vice President
Federal Republic of Nigeria

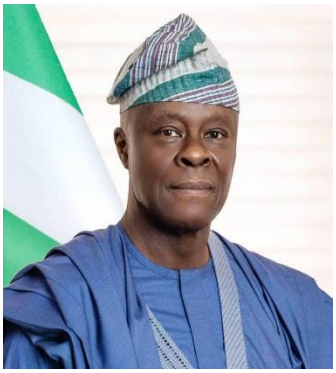


WALE EDUN
Honourable Minister of Finance &
Co-ordinating Minister for the Economy
Federal Republic of Nigeria

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Vice President, Federal Republic of Nigeria
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Coordinating Minister of the Economy
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Ms. Patience Oniha
Director-General



Mr. Joe Ugoala
Director, Oraganisational Resourcing Department



Mr. Oladele Afolabi
Director, Portfolio Management Department



Mr. Monday Usiade
Director, Market Development Department



Mr. Maraizu Nwankwo
Director, Debt Recording & Settlement Department



Ms. Elizabeth Ekpenyong
Director, Strategic Programmes Department



Mr. Sani K. Abubakar
Head, Policy, Strategy & Risk Management Department

MANAGEMENT STAFF OF THE DMO

S/N	Name	Rank	Unit/Department
1.	Oniha, Patience (Ms.)	Director-General	Director-General
2.	Ugoala, Joe C. (Mr.)	Director	Organisational Resourcing Department (ORD)
3.	Afolabi, Oladipo O. (Mr.)	Director	Portfolio Management Department (PMD)
4.	Usiade, Monday I. (Mr.)	Director	Market Development Department (MDD)
5.	Nwankwo, Maraizu (Mr.)	Director	Debt Recording & Settlement Department (DRSD)
6.	Ekpenyong, Elizabeth E. (Ms.)	Director	Strategic Programmes Department (SPD)
7.	Abubakar, Sani K. (Mr.)	Head of Department	Policy, Strategy and Risk Management Department (PSRMD)
8.	Anyanwu, Francis N. (MR.)	Deputy Director	Team Leader, Debt Management Training Unit (SPD)
9.	Ekiye, Alfred (Mr.)	Deputy Director	Team Leader, Admin. Unit (ORD)
10.	Aiyesimoju, Olaitan D. (Mr.)	Deputy Director	Team Leader, Internal Audit & Compliance Unit (DG's Office)
11.	Omar, Maryam S. (Mrs.)	Deputy Director	Team Leader, Policy & Strategy Unit (PSRMD)
12.	Said, Jummai U. (Mrs.)	Deputy Director	Team Leader, Domestic Debt Unit (DRSD)
13.	Akodu, Idowu S. (Mrs.)	Deputy Director	Team Leader, Debt Service Unit (DRSD)
14.	Aja, Bartholomew O. (Dr.)	Deputy Director	Team Leader, Contingent Liability & Risk Asset Management Unit (PMD)
15.	Edomobi, Chima (Mr.)	Deputy Director	Team Leader, Market Planning, Regulation & Supervision Unit (MDD)
16.	Oluwasile, Wuraola E. (Mrs.)	Asst. Director	Team Leader, Institutions & Skills Development Unit- Southern Zone (SPD)
17.	Masha, Naomi L. E (Mrs.)	Asst. Director	Team Leader, Task Compliance & Operational Risk Management Unit (PSRMD)
18.	Ahmed, Fawzia I. (Mrs.) *	Asst. Director	On Secondment
19.	Onukwuru, Kingsley A. (Mr.)	Asst. Director	Team Leader, Statistics, Analysis & Risk Management Unit (PSRMD)
20.	Shikmuut, Ruth D. (Mrs.)	Asst. Director	Team Leader, Institutions & Skills Development Unit- Northern Zone (SPD)
21.	Olasoji-Onadipe, Olufunmilayo B. (Mrs.)	Asst. Director	Policy & Strategy Unit (PSRMD)
22.	Ogwuegbu, Francis Obinna (Mr.) **	Asst. Director	On Leave of Absence
23.	Mohammed, Isiaku (Dr.)	Asst. Director	Team Leader, Project Unit
24.	Liman, Balarabe M. (Mr.)	Asst. Director	Admin. Unit (ORD)
25.	Yakwo, Lami C. (Ms.)	Asst. Director	Sub-National Debt Unit (DRSD)
26.	Mohammed, Bara A. (Mr.)	Asst. Director	Team Leader, Securities Issuance Unit (PMD)
27.	Olafisoye, Bose P. (Mrs.)	Asst. Director	Team Leader, Market Research Intelligence &Product Development Unit (MDD)
28.	Adeoye, Felix O. (Mr.)	Asst. Director	Team Leader, External Debt & Special Accounts Unit (DRSD)
29.	Oshiokhamele, Rachel O. (Mrs.)	Asst. Director	Debt Service Unit (DRSD)
30.	Mamuda, Bello A. (Mr.)	Asst. Director	Market Research Intelligence & Product Development Unit (MDD)
31.	Ibrahim, Maimuna L. (Mrs.)	Asst. Director	Team Leader, Loans & Other Financing Products (PMD)
32.	Hafizu, Murtala (Mr.)	Asst. Director	Team Leader, Information Technology & Information System Unit (ORD)
33.	Nwogbo, Chinwe G. (Mrs.)	Asst. Director	Statistics, Analysis & Risk Management Unit (PSRMD)
34.	Anowuru, Ndubuisi G. (Mr.)	Asst. Director	Institutions & Skills Development Unit (SPD)
35.	Adedokun, Rizqah A. (Mrs.)	Asst. Director	Team Leader, Human Resources Unit (ORD)

Note- * Officer on Secondment.
**Officer on Leave of Absence

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GLOSSARY

ACOO	Assistant Chief Operations Officer
AEs	Advanced Economies
AfDB	African Development Bank

AFD	French Development Agency
AfDF	African Development Fund
AGTF	Africa Growing Together Fund
AMCON	Asset Management Corporation of Nigeria
APIs	Application Programming Interface
ASI	ALL-Share Index
ATM	Average Time-to-Maturity
ATR	Average Time-to-Re-fixing
BADEA	Arab Bank for Economic Development in Africa
BAS	Bond Auctioning System
BDC	Bureau De Change
BOA	Bank of Agriculture
BoE	Bank of England
BOF	Budget Office of the Federation
BOI	Bank of Industry
BPP	Bureau of Public Procurement
BPs	Basis Points
CBN	Central Bank of Nigeria
CFR	Commander of the Federal Republic
CHF	Swiss Franc
CMC	Capital Market Committee
COO	Chief Operations Officer
COM-SEC	Commonwealth Secretariat
COVID-I9	Corona Virus Disease of 2019
CPI	Consumer Price Index
CPIA	Country Policy and Institutional Assessment
CRR	Cash Reserve Ratio
CSCS	Central Securities Clearing System
CS-DRMS	Commonwealth Secretariat-Debt Recording & Management System
DAO	Departmental Administrative Officer

DCSS	Direct-Cash Settlement System
DDU	Domestic Debt Unit
DeMPA	Debt Management Performance Assessment
D-G	Director – General
DFC	Development Finance Corporation
DLIs	Debt Linked Indicators
DMDs	Debt Management Departments
DMO	Debt Management Office
DRSD	Debt Recording and Settlement Department
DSA	Debt Sustainability Analysis
DSF-LICs	Debt Sustainability Framework for Low Income Countries
ECA	Excess Crude Account
ECB	European Central Bank
ECFA	External Creditors' Funding Account
EDF	European Development Fund
EM	Emerging Market
EMDEs	Emerging Market Developing Economies
EM-LCBI	Emerging Markets Local Currency Bond Index
ETD	Exchange Traded Derivation
ETF	Exchange Traded Funds
ES	External Support
EU	European Union
EUR	Euro
FBN	First Bank of Nigeria Limited
FCAS	Federal Government Contracts Administration System
FCT	Federal Capital Territory
FCTA	Federal Capital Territory Administration
FCDA	Federal Capital Development Authority
FDIs	Foreign Direct Investments
FEC	Federal Executive Council

FGN	Federal Government of Nigeria
FIRS	Federal Inland Revenue Service
FMA	Federal Ministry of Aviation
FMBN	Federal Mortgage Bank of Nigeria
FMFBNP	Federal Ministry of Finance, Budget and National Planning
FMDA	Financial Markets Dealers Association
FMDQ	Financial Market Dealers Quotation (OTC) Securities Exchange
FMF	Federal Ministry of Finance
FMoT	Federal Ministry of Transport
FSDA	Financial Sector Deeping Africa
FSP	Fiscal Strategy Paper
FX	Foreign Exchange
GBB	Galaxy Backbone
GBP	British Pound Sterling
GCFR	Grand Commander of the Federal Republic
GCON	Grand Commander of the Order of the Niger
GDP	Gross Domestic Product
GIFMIS	Government Integrated Financial Management Information System
GLs	Grade Levels
GNLG	Green Liquefied Natural Gas
HOD	Head of Department
IA&CU	Internal Audit and Control Unit
IBRD	International Bank for Reconstruction and Development
ICM	International Capital Market
ICT	Information and Communication Technology
ID	Islamic Dinar
IDA	International Development Association
IDB	Islamic Development Bank
I & E	Investors and Exporters
IFAD	International Fund for Agricultural Development

IFC	International Finance Corporation
IFEM	Inter-Bank Foreign Exchange Market
IGR	Internally Generated Revenue
IMF	International Monetary Fund
ISB	Investments & Securities Bill
IPO	Initial Public Offering
IPP	Independent Power Project
IPPIS	Integrated Personnel and Payroll Information System
IPAS	International Public Sector Accounting Standards
ISD-N	Institutional & Skills Development - North
ISD-S	Institutions & Skills Development - South
ISDU	Institutions & Skill Development Unit
IT	Information Technology
JICA	Japan International Cooperation Agency
JPY	Japanese Yen
JUN	June
KFW	German Development Bank
KRA	Key Result Area
LAN	Local Area Network
M_3	Broad Money Supply
MAC-DSA	Market Access Country-Debt Sustainability Analysis
MBNP	Ministry of Budget and National Planning
MC	Market Capitalization
MDAs	Ministries, Departments and Agencies
MDD	Market Development Department
MIC-TAF	Middle-Income Country Technical Assistance Fund
MOU	Memorandum of Understanding
MOFI	Ministry of Finance Incorporated
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate

MS	Microsoft
MTDS	Medium-Term Debt Management Strategy
MTEF	Medium-Term Expenditure Framework
MTN	Medium-Term Note
NASS	National Assembly
NBS	National Bureau of Statistics
NDCM	Nigeria Domestic Capital Market
NBET	Nigerian Bulk Electricity Trading PLC
NDA	Net Domestic Asset
NDIC	Nigeria Deposit Insurance Corporation
NDMF	National Debt Management Framework
NDP	National Development Plan
NEXIM	Nigerian Export-Import Bank
NFA	Net Foreign Assets
NFEM	Nigeria Foreign Exchange Market
NGN	Nigerian Naira
NGX	Nigerian Exchange Limited
NGX Group	Nigerian Exchange Group Plc
NIPF	National Investor Protection Fund
NNPC	Nigeria National Petroleum Corporation
NOV	November
NSE	Nigerian Stock Exchange
NSIA	Nigeria Sovereign Investment Authority
NTA	Nigerian Television Authority
NTBs	Nigerian Treasury Bills
OAGF	Office of the Accountant-General of the Federation
OGP	Open Governance Partnership
OO	Operations Officer
ORD	Organizational Resourcing Department
ORM	Operational Risk Management

OTC	Over-the-Counter
PCOA	Put-Call Option Agreement
PDMMs	Primary Dealer Market Makers
PENCOM	National Pension Commission
PforR	Program-for- Result Financing
PHCN	Power Holding Company of Nigeria
PMD	Portfolio Management Department
POO	Principal Operations Officer
PPA	Power Purchase Agreement
PLC	Public Limited Company
PRG	Partial Risk Guarantees
PSRMD	Policy, Strategy and Risk Management Department
PV	Present Value
RCMMP	Revised Capital Market Master Plan
rDAS	Retail Dutch Auction System
RHA	Renewed Hope Agenda
S4	Scripless Securities Settlement System
SAN	Senior Advocate of Nigeria
SDF	Standing Deposit Facility
SDN	Sovereign Debt Note
SDR	Special Drawing Rights
SEC	Securities and Exchange Commission
SFTAS	States Fiscal Transparency, Accountability and Sustainability
SIU	Securities Issuance Unit
SLF	Standing Lending Facility
SMEs	Small and Medium Enterprises
SOO	Senior Operations Officer
SNDU	Sub-National Debt Unit
S&P	Standard & Poor's 500 Index
SPD	Strategic Programmes Department

SPV	Special Purpose Vehicle
STF	Sub-Treasury of the Federation
SRGIs	Strategic Revenue Generating Initiatives
SSEI	Sustainable Stock Exchange Initiative
TA	Technical Assistance
TBs	Treasury Bonds
TDR	Trade Data Repository
TL	Team Leader
TSA	Treasury Single Account
USD	United States Dollar
USA	United States of America
UK	United Kingdom
WAIFEM	West African Institute for Financial and Economic Management
WAN	Wide Area Network
WAMZ	West African Monetary Zone
WB	World Bank
WEO	World Economic Outlook
WMAs	Ways and Means Advances

DMO'S VISION, MISSION, BROAD OBJECTIVE, CORE VALUES AND BRAND

VISION

To be a Public Debt Management Institution of global reference.

MISSION

To meet the Government's financing needs in a prudent manner that supports economic development, while proactively managing the risks associated with the public debt.

BROAD OBJECTIVE

To use Debt and Debt-related instruments to support Nigeria's development goals, while ensuring that public debt is sustainable.

CORE VALUES

Staff performance in their respective assignments, and engagements with each other, as well as stakeholders will reflect the following core values, as captured in the acronym **R.E.C.I.T.E.**

R - **R**espect: To hold staff and stakeholders in high esteem

E – **E**xcellence: To be outstanding in service delivery

C – **C**ommitment: To be totally devoted to delivering on the DMO's Mandate

I – **I**ntegrity: To be transparent in our operations

T –**T**eamwork: To ensure that all members of staff have collective responsibility for the DMO's mandate and work together towards its achievement.

E-**E**fficiency: To optimize our resources in the execution of our mandate

BRAND

The key attributes of the DMO's Brand – the overarching messages to be conveyed by its name, its work and its people, among both internal and external stakeholders are reflected in the acronym **P.R.I.C.E.**

P - Professional: Knowledge-driven and efficient service delivery.

R - Resourceful: Skillful and prompt in dealing with emerging challenges, difficulties and situations in the workplace.

I - Innovative: A haven for new ideas, originality and creativity

C - Congenial: Pleasant and friendly staff, delightful work environment

E - Ethical: Conform to accepted standards of social and professional conduct in the discharge of assigned responsibilities.

MANDATE OF THE DEBT MANAGEMENT OFFICE

The mandate of the Debt Management Office (DMO) as articulated in Part III, Section 6 of the Debt Management (Establishment) Act 2003, specifies that the DMO shall:

i. Maintain a reliable database of all loans taken or guaranteed by the Federal or State Governments or any of their agencies;
ii. Prepare and submit to the Federal Government a forecast of loan service obligations for each financial year;
iii. Prepare and implement a plan for the efficient management of Nigeria's external and domestic debt obligations at sustainable levels compatible with desired economic activities for growth and development and participate in negotiations aimed at realizing these objectives;
iv. Verify and service external debts guaranteed or directly taken by the Federal Government;
v. On an agency basis, service external debts taken by State Governments and any of their agencies, where such debts are guaranteed by the Federal Government;
vi. Set guidelines for managing Federal Government financial risks and currency exposure with respect to all loans;
vii. Advise the Federal Government on the re-structuring and re-financing of all debt obligations;
viii. Advise the Minister on the terms and conditions on which monies, whether in the currency of Nigeria or in any other currency, are to be borrowed;
ix. Submit to the Federal Government for consideration in the annual budget, a forecast of borrowing capacity in local and foreign currencies;
x. Prepare a schedule of any other Federal Government obligations such as trade debts and other contingent liabilities, both explicit and implicit and provide advice on policies and procedures for their management;
xi. Establish and maintain relationships with international and local financial institutions, creditors and institutional investors in Government debts;
xii. Collect, collate and disseminate information, data and forecasts on debt management with the approval of the Board;
xiii. Carry out such other functions which may be delegated to it by the Minister or by Act of the National Assembly; and

xiv. Perform such other functions which in the opinion of the Office are required for the effective implementation of its functions under the Act.

Part III, Section 7 of the DMO (Establishment) Act, 2003 also provides that the Office shall have powers to:

i. Issue and manage Federal Government loans publicly issued in Nigeria upon such terms and conditions as may be agreed between the Federal Government and the Office; and

ii. Do such other things, which in the opinion of the Board relate to the management of the external debts of the Federal Government.

DIRECTOR-GENERAL'S STATEMENT



It gives me great pleasure to present to you our esteem stakeholders, the Annual Report and Statement of Accounts of the Debt Management Office (DMO) for the year ended December 31, 2023. The Annual Report highlights the various activities of the DMO carried out towards meeting its Mandate of funding the Budget and ensuring that the public debt is sustainable. The Report takes into account the macroeconomic developments in the global and domestic environments, and their impact on the activities of the DMO. This is shown in the Total Public Debt Stock comprising the External and Domestic Debt Stock of the Federal Government of Nigeria (FGN), the thirty-six (36) States of the Federation and the Federal Capital Territory (FCT) as at end-December 2023, the 2023 Debt Sustainability Analysis (DSA) Report, the review of the Medium-Term Debt Management Strategy (MTDS) 2020 – 2023 and risks inherent in the Portfolio. The Institutional Issues and the Audited Financial Statement and Accounts for the year ended December 31, 2023, which are published in line with the requirements of the International Public Sector Accounting Standards (IPSAS) are also provided in the Report.

THE GLOBAL ECONOMY

Global growth declined from 3.5 percent in 2022 to 3.2 percent in 2023 due to the Ukraine-Russia war that remains unabated, high interest rate environment, extreme weather-related events and the Israeli-Hamas war that began in October 2023. Growth in major developed economies slowed with United Kingdom and Japan slipping into recession at the end of 2023. The International Monetary Fund (IMF) in its World Economic Outlook (WEO), April 2024 Report estimates that global growth will steady at 3.2 percent in 2024 and 2025, as the monetary tightening by Central Bank of major economies inches rates closer to target and global headline inflation receding from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025.

The growth projection is seen below the historical (2000–19) annual average of 3.8 percent, reflecting restrictive monetary policies, withdrawal of fiscal support, as well as low underlying productivity growth. Growth in advanced economies is projected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025, with the increase mainly reflecting a recovery in the euro area from low growth in

2023, whereas emerging market and developing economies are expected to experience stable growth at 4.2 percent through 2024 and 2025, with regional differences.

Outlook also shows expectation of lower interest rates in advanced economies which will engineer appetite for assets in emerging market and developing economies with access to the International Capital Market (ICM), a possibility for major emerging market and low-income countries in 2024.

THE DOMESTIC ECONOMY

The year 2023 birthed a new Administration for Nigeria in May 2023 followed by significant economic reforms, from the removal of fuel subsidies in May 2023 to unification of the multiple exchange rate. The National Bureau of Statistics reported a Gross Domestic Product growth of 2.74 percent, which is a decline from the 3.10 percent in 2022. The growth in 2023 was from the non-oil sector at 3.04 percent albeit lower than the 4.84 percent in 2022. Non-oil sector growth also stood at -2.22 percent in 2023, compared to -19.22 percent in 2022.

Nigeria's annual inflation rate rose to 28.92 percent in December 2023, an increase of 7.58 percent when compared to 21.34 percent recorded in December 2022. The increase is notably in food inflation which rose to 33.93 percent year-on-year in December 2023, compared to 23.75 percent in December 2022. There is also the exchange rate pass-through effect on inflation, climate change challenges and insecurity leading to exodus of rural dwellers to urban cities in search of greener pastures and a more secure environment.

External Reserves stood at US$33.72 billion as at December 29, 2023 and represented a decline of 8.91 percent from the US$37.02 billion recorded as at December 30, 2022. It is envisaged that government commitment towards payment of the outstanding matured Foreign Exchange (FX) forwards owed to various creditors and efforts towards stabilising the reserve by the Central Bank of Nigeria (CBN) would boost the forex supply in the system.

Following the unification of the multiple Exchange Rate windows in June 2023, the Exchange Rate ended at US$/₦899.39 as at December 29, 2023 at the Investor & Exporter's FX Window representing about a 100 percent depreciation from US$/₦448.55 recorded as at December 30, 2022.

FUNDING OF THE 2023 APPROPRIATION ACT

The 2023 Appropriation Act including a Supplementary Budget of ₦2.176 trillion signed in November 2023 had an aggregate Expenditure of ₦24.82 trillion and budgeted total Revenue of ₦11.045 trillion, giving rise to a Deficit of ₦13.78 trillion. This was to be funded from various sources including New Borrowing of ₦11.80 trillion, comprising of New Domestic Borrowing of ₦10.04 trillion and New External Borrowing of ₦1.76 trillion. The New Domestic Borrowing of ₦7.04 trillion excluding the Supplementary Budget amount was fully raised during the year through the issuances of FGN Bonds, Nigerian Treasury Bills (NTBs), FGN Savings Bond and Sovereign Sukuk which contributed to the funding of key project in the 2023 Appropriation Act. However, there was no access to the ICM to achieve the New External Borrowing in the 2023 Appropriation Act.

TOTAL PUBLIC DEBT AND DEBT SUSTAINABILITY

Nigeria's Total Public Debt Stock which comprises of the External and Domestic Debt Stock of the FGN, the thirty-six (36) State Governments including the FCT, stood at ₦97.34 trillion (USD108.23 billion), as at December 31, 2023. When compared to the Public Debt of ₦46.25 trillion (USD103.11 billion) as at December 31, 2022, the debt grew by ₦51.09 trillion or 110.46 percent in Naira Terms while in USD Terms, the debt grew by USD5.12 billion or 4.97 percent.

The Domestic Debt Stock was ₦53.26 trillion as at December 31, 2023, an increase of ₦31.57 trillion (or 114.61 percent) when compared to ₦27.55 trillion as at December 31, 2022. The increase came from the inclusion of the FGN's ₦22.719 trillion Ways and Means Advances (WMAs) at the CBN, approved for securitisation by the National Assembly (NASS) in May 2023 as part of the Domestic Debt Stock. There was also new Domestic Borrowing of ₦7.04 trillion which was raised in full as provided in the 2023 Appropriation Act. The States and FCT Domestic Debt component increased by 9.73 percent to ₦5.86 trillion in December 31, 2023, from the ₦5.34 trillion in corresponding period in 2022.

The External Debt Stock increased slightly by USD0.81 billion (or 1.94 percent) in 2023 from USD41.69 billion in 2022 due to new disbursements from existing multilateral and bilateral loans.

The Total Public Debt to GDP was 42.34 percent as at December 31, 2023, compared to 23.20 percent in the corresponding period of 2022. This is slightly higher than the 40 percent limit set in the MTDS, 2020 – 2023 but within the 55 percent limit recommended by the World Bank/IMF, for countries in

Nigeria's peer group and also within the Economic Community of West African convergence threshold of 70 percent.

IMPLEMENTATION OF THE MEDIUM-TERM DEBT MANAGEMENT STRATEGY, 2020 - 2023

The implementation of the MTDS, 2020 – 2023 ended on December 31, 2023. The MTDS, 2020 – 2023 was formulated with the objective of meeting governments funding needs at least cost with prudent degree of risk, in addition to other objectives. The Strategy took into account the global and local economic impact of the COVID-19 pandemic and the Targets in the Strategy were built around the assumptions that, *"Borrowing will be from domestic and external sources but a larger proportion of new borrowing will be from domestic sources using long-term instruments while for External Borrowing, concessional funding from multilateral and bilateral sources will be prioritised*". The outcome as at December 31, 2023 are as follows:

i. The Debt to GDP of 42.34 percent as at December 31, 2023 marginally exceeded the country-specific target of 40% due to the inclusion of the ₦22.7 trillion WMAs approved in May 2023 in the Public Debt Stock.
ii. The Debt Portfolio Composition of 61:39 compared to the target of 70:30 for Domestic and External Debt respectively, was impacted by higher levels of external borrowing in 2020 to 2022 and naira devaluation.
iii. The Average Time to Maturity (ATM) at 12.77 years exceeded the minimum target of 10 years due to the inclusion of high volume of long-term non-marketable securities in the domestic debt portfolio.
iv. The Debt Maturing in 1 year as a percentage of Total Debt at 10.44 percent within target of less than 20 percent, due to the issuance of more medium to long-term securities in the domestic market and International Capital Market (ICM).
v. The Long Term to Short Term Domestic Debt of 88:12 exceeded the target of Min 75: Max 25.

Overall, the implementation of the MTDS 2020 – 2023, witnessed challenges such as a recession in 2020, higher deficits due to revenue shortfalls, devaluation of the naira, loss of market access in the ICM, decline in external reserve etc, but was supported by the DMO's prudent debt management

operations towards ensuring that public debt remains sustainable in the short-to-medium term and in the long run.

Activities in the International Capital Market

Nigeria did not access the ICM in 2023 due to the high interest rate environment. Nigeria tapped the international debt market was in March 2022, when it raised $1.25 billion through a seven-year Eurobond.

The yields of Nigeria's Eurobonds improved in 2023 relative to the levels in 2022. Yields ranged between 7.784 percent and 10.269 percent as at December 29, 2023, compared to 6.887 percent and 12.369 percent as at December 29, 2022, due to the reversal in the global inflationary trend as a result of the monetary tightening by Central Banks in advanced economies in 2023.

Activities in the Domestic Market

In 2023, the DMO successfully issued ₦5,878.78 billion FGN Bonds in the Domestic Market, with tenors ranging from 10 years to 30 years in the domestic market which was utilized to finance part of the budget deficit of the FGN.

The total Subscription in the FGN Savings Bond from January to December, 2023 was ₦16.76 billion compared to ₦16.59 billion in January – December 2022. This represent a slight increase of 1.02 percent, which was supported by the ongoing awareness programme for FGN Savings Bond introduced in 2021 and aimed at encouraging savings culture amongst retail investors, diversifying the investor base and source of borrowing.

The DMO offered a sixth Sovereign Sukuk of ₦150 billion at a rental rate of 15.75 percent per annum in October 2023 as part of funding for the 2023 Appropriation Act. This attracted a subscription level of 435 percent (₦652 billion) with the sum of ₦350 billion allotted, bringing the total Sukuk raised since its inception in September 2017 to ₦1,092.557 billion.

The Total Face Value of FGN Securities (FGN Bonds, FGN Savings Bond and Sovereign Sukuk) traded on the Nigerian Exchange Limited (NGX) increased by 4.16 percent to ₦3.799 billion in 2023 from ₦3.647 billion in 2022. The Consideration increased by 1.16 percent to ₦3.838 billion in 2023 from ₦3.794 billion in 2022, while the number of Transactions increased by 27.90 percent to 1,192 in 2023 from 932 in 2022.

Other Activities of the DMO in 2021

Staff Matters - 2023 Promotion and Training

As part of the DMO's commitment towards motivating and equipping staff, the 2023 Promotion Exercise for all eligible Candidates held and a total of Ten (10) successful officers from Grade Levels (GLs) 12 to 16 were promoted to higher GLs. Also, all staff received annual training and need based trainings in areas covering; Data Analytics; Developing Work Ethics and Performance Skills; Introduction to Fixed Income Securities Analysis; Advance Fixed Income Securities Analysis; Workforce Planning and Budgeting: a Tool for Productivity Management in the Public Service; Fundamentals and Operationalisation of Federal Government Contracts Administration System (FCAS); National Learning and Development Programme on IPSAS Applicability and Financial Reporting of Public Sector Entities: An Ex-Post Evaluation etc.

Some Staff also benefitted from Workshops and Seminars organized by the IMF, African Training Institute, the West African Institute for Financial and Economic Management and those under the SFTAS Programme.

Exit and Repositioning of Staff

In 2023, three (3) members of staff exited the DMO in compliance with statutory provision and the Revised Public Service Rules. Two (2) members upon attaining mandatory retirement age of 60 years, while the other retired having completed 8 years tenure as a Director. The DMO also suffered a tragic loss of an officer through the cold hands of death. The gap created was filled in through repositioning of staff.

Training for External Stakeholders

As part of the DMO's External Stakeholders training programme, a Workshop titled, "*Special Executive Forum on the new Strategic Focus*", was held for Members of the Senate Committee on Foreign and Local Debt, the House Committee on Loans, Aids and Debt Management, and the Staff in the Secretariats of both Committees in October and November, 2023.

Capacity Building for Sub-National Governments

The DMO continued its training and empowerment programmes geared towards improving debt management practices for the thirty-six (36) States of the Federation including the FCT through the

World Bank sponsored States Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results. The SFTAS program aims to achieve debt-related Disbursement Linked Indicators (DLIs) and was initially a 4-year programme (2018 -2021) but was extended twice to end in Q1, 2024. The DMO-SFTAS program provided guidelines, templates and tools, organised technical workshops and just-in-time support to participating States and the FCT on the debt-related DLIs using a mixture of virtual and face-to-face delivery methods. In May-June 2023, the State Governors signed a Charter to ensure that the gains from the SFTAS Program are sustained by successive governments.

ICT Infrastructure

The DMO as part of its ongoing IT Digital Transformation Program aimed at improving service delivery and ensuring Business Continuity for all DMO operations carried out some Website upgrade, with the migration of the debt management software from Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) 2.3 to Meridien at an advance stage with full migration expected in 2024. The FGN Savings Bond Portal that will digitalise the process of subscription by retail investors for FGN Securities is also at a testing stage.

Outlook

The global economy is projected to remain at a steady growth in 2024 and 2025 from the growth recorded in 2023. Headline and core inflation will decline steadily as policy rates of central banks in major advanced economies is expected to decline in the second half of 2024.

The IMF projects that Nigeria's economy will grow by 3.5 percent in 2024 owing to the monetary and fiscal reforms and pickup in the services and trade sectors.

The Total Public Debt Stock is expected to grow from the approved New Borrowings in the 2024 Appropriation Act and the securitization of the ₦7.3 trillion WMAs of the Federal Government at the CBN, approved by the National Assembly in December 2023. The domestic interest rates are expected to remain high due to the CBN policy on inflation which will increase debt service cost. The reforms of the Administration and several initiatives on increasing government revenue including the Presidential Committee on Fiscal Policy and Tax Reforms would improve debt sustainability.

Conclusion

I wish to sincerely thank the Chairman of the Supervisory Board of the DMO, and Vice President of the Federal Republic of Nigeria, His Excellency, Senator Kashim Shettima, GCON; the Vice-Chairman of the Board and Honourable Minister of Finance and Coordinating Minister for the Economy, Mr. Wale Edun and the other distinguished members of the Board for their continued guidance and support. I thank and appreciate the Distinguished and Honourable members of the National Assembly for their close collaboration with the DMO, Development Partners and other stakeholders, including Ministries, Departments and Agencies during the year.

Finally, I am particularly thankful to the Management and Staff of the DMO whose consistent focus and dedication to the goals and aspirations of the Office have ensured that we continue to succeed in the discharge of our mandate.

Patience Oniha
Director-General
June 30, 2024

CHAPTER ONE

THE OPERATING ECONOMIC ENVIRONMENT

Global economic activity was characterized by uneven outcome across many countries and regions. This was manifested in the growth rate of 3.0 percent recorded in 2023, compared to 3.4 percent rate in 2022. Inflation moderated in many countries as energy and food prices continued to subside. The Global financial market was bullish driven by positive market outlook.

1.1 The Global Economy

1.1.1 Output Growth

The Global economic activities were uneven across countries and regions in 2023 as the global recovery from COVID-19 pandemic and Russia's invasion of Ukraine remain slow and uneven with growing divergences. The IMF in it's January 2023 update projected that global growth will fall to 2.9 percent in 2023 from 3.5 percent in 2022 and rise to 3.1 percent in 2024. This was further revised upward in the IMF/WEO October, 2023 to 3.0 percent and further down to 2.9 percent in 2024, a 0.1 percent point downgrade for 2024. The downward review reflected several forces holding back the recovery. Some reflect the long-term consequences of the pandemic, the war in Ukraine, tightening of global financial condition alongside the major headwinds to global economic growth and increasing geo-economic fragmentation.

In 2023, Output growth in advanced economies was revised downward to 1.5 per cent from 2.6 per cent in 2022 and 1.4 per cent in 2024. The United States (US) Gross Domestic Product (GDP) growth was 2.5 per cent in the period under review compared to 2.1 percent in 2022 while Canada's GDP was revised downward to 1.3 per cent, from 3.4 per cent in 2022. The United Kingdom's (UK) GDP growth was revised downward significantly to 0.5 per cent in 2023 from 4.1 per cent in the previous year. Germany and France were adjusted to -0.5 and 1.0 per cent in 2023 from 1.8 and 2.5 per cent in 2022. Growth projections for Italy was also revised downward to 0.7 per cent, from 3.7 percent in the preceding year. Projections for Spain was adjusted to 2.5 per cent in 2023, from 5.8 per cent while Japan's GDP growth was revised upward to 2.0 per cent in the period under review from 1.0 per cent in the corresponding period of 2022.

Emerging Markets and Developing Economies (EMDEs), with a growth rate of 4.1 percent in 2022 was revised downward to 4.0 in 2023. However, India with a GDP of 7.2 per cent in 2022 was downgraded to 6.3 per cent in 202, while. Russia with a negative economic growth rate of -2.1 percent in 2022 was revised upward to 2.2 percent in 2023. China also experienced an upward review to 5.0 per cent in 2023 from 3.0 per cent in 2022.

The Latin America and Caribbean economies were not left out of the uneven divergences as the growth rate which was estimated at 4.1 percent in 2022 was revised downward to 2.3 per cent in 2023. Similarly, Mexico which experienced a growth rate of 3.9 per cent in 2022 was revised downward to 3.2 percent in 2023 while Brazil at 2.9 per cent was up to 3.1 per cent in 2023. However, Middle East and Central Asia had a growth rate of 2.0 percent in the period under review compared to 5.6 percent recorded in 2022.

Growth in Sub-Saharan Africa in 2023 contracted to 3.4 percent as against 4.0 percent in 2022. Nigeria and South Africa growth rate were estimated at 2.9 and 0.6 percent as against 3.3 and 1.9 percent recorded in 2022 respectively.

Global Economic Outlook, the IMF/WEO April 2024 indicated that global output growth was estimated at 3.2 percent in 2023 and is expected to continue at the same pace in 2024. This reflects 0.1 percent point upward from what was predicted in January, 2024.

1.1.2 Inflation

Global inflation in 2023 according to IMF/WEO, (April 2023) has been declining since mid-2022 although at a slower pace than headline inflation in most major economies. Global inflation was projected to decrease to 6.9 percent in 2023 from 8.7 percent in 2022. However, differences across economies reflects varying exposure to underlying shocks as inflation in Advanced Economies (AEs) including Emerging Market and Developing Economies (EMDEs) is projected to decline to 4.7 and 8.6 percent in 2023 from 7.3 and 9.8 percent in 2022.

Inflationary pressure eased in most Advanced Economies as energy costs and supply-side constraints subsided. Headline inflation in most advanced economies continue to decelerate from 9.2 percent in 2022, on a year-on-year basis to 5.9 percent in 2023. Core inflation, excluding food and energy prices is also projected to decline more gradually than headline inflation to 4.5 percent in 2024. In the UK,

inflation declined from 10.5 per cent in 2022 to 4.0 percent in 2023 as the moderation in prices of furniture and household goods offset the rise in the prices of miscellaneous goods and services. Similarly, in the US and Canada, lower energy costs moderated headline inflation to 3.4 percent in both countries in 2023 from 6.5 and 6.3 percent in 2022, respectively. Inflation in France and Japan also slowed to 3.7 and 2.6 percent in 2023 from 5.9 and 4.0 percent in 2022 following the drop in food, energy, and manufactured products prices. Inflation in Spain and Italy, also moderated to 3.1 and 0.6 per cent in 2023 from 5.7 and 11.6 percent in 2022 respectively.

Inflation outcome was largely uneven among Emerging Markets and Developing Economies (EMDEs). In China, consumer prices deflated further to negative 0.3 per cent in 2023 from negative 0.5 per cent in 2022, weighed by lower food prices and transportation cost. Inflation, however, edged up in Turkey to 64.8 in 2023 from 64.3 in 2022 due to sharp increase in the minimum wage and government tax adjustments in Turkey.

In Nigeria, inflation rose to 28.92 percent in December 2023 compared to 21.34 percent in December 2022. On a year-on- year basis, the headline inflation rate was 7.58 percent point higher than the rate recorded in December 2022.This was due to the increase in prices of food and non-food items. Similarly, while Ghana inflation rate increased from 31.7 percent in December, 2022 to 37.5 percent in 2023, the South African inflation rate decreased from 6.9 percent in 2022 to 5.9 percent in the year under review.

1.2 The Nigerian Economy and Policy Environment in 2023

1.2.1 Developments in Output

The Nigeria's annual growth of real GDP in 2023 according to the National Bureau of Statistics (NBS) was estimated at 2.74 percent (Year-on-Year) in real terms. This was a decrease of 0.26 percent relative to 3.1 percent reported in 2022. The reduction in growth is attributed to the adverse effect of the cash crunch experienced during the period. The Nigerian economy has been broadly classified into the oil and non-oil sectors and the annual growth rate of oil stood at -2.22 percent compared to the -19.22 percent recorded in 2022. While the annual contribution of non-oil sector to the GDP in 2023 was 94.57 percent lower than the 94.81 percent recorded in 2022, the oil sector under the reference year, contributed 5.43 percent to real GDP compared to 5.67 percent recorded in 2022. The growth in the non-oil sector was driven by Service and Agricultural (crop production) sector. Within the Services sector,

Financial & Insurance, Information & Communications, Trade, Construction, Manufacturing and Real Estate subsectors drove overall growth.

The quarter-on-quarter real GDP grew by 2.31, 2.51, 2.54 and 3.46 percent in the first, second, third and fourth quarters, respectively, in the year under review. Table 1.1 shows the trend of selected economic indicators between 2019 and 2023.

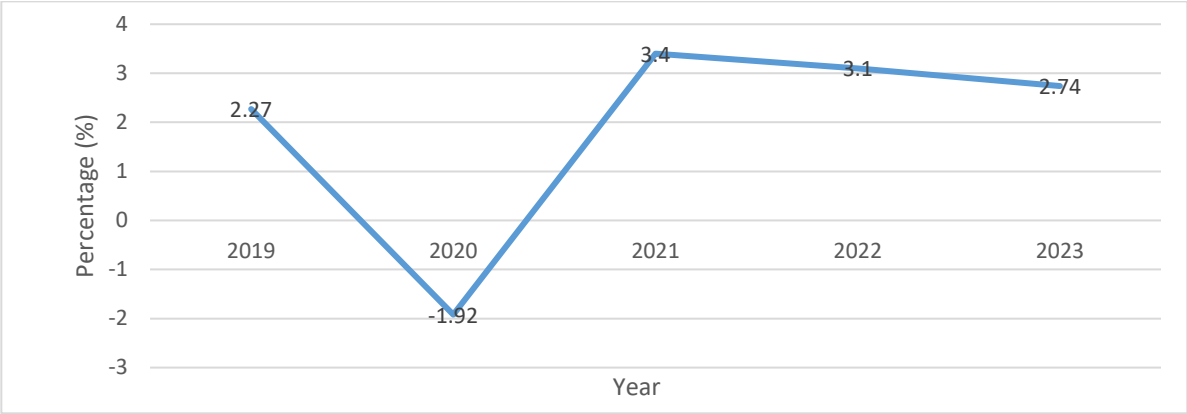
Table 1.1: Selected Macroeconomic Indicators, 2019 - 2023

Description	2019	2020	2021	2022	2023
Real GDP Growth Rate (%)	2.27	-1.92	3.4	3.1	2.74
CPI Inflation (end-period) (%)	11.98	15.75	15.63	21.34	28.92
Budget Deficit (% of GDP)	1.37	2.76	3.3	6.7	4.96
External Reserves (US$' billion)	38.07	36.48	40.23	36.61	32.26
End-Period Exchange Rate (₦)	326.00	381.00	412.99	448.55	896.25
Total Public Debt-to-GDP Ratio (%)	19.00	21.61	22.80	23.20	42.34
Benchmark Crude oil price (US$)	60	28	40.0	73.00	75.00
Equities Market Capitalization (₦' trillion)	12.97	21.06	22.30	27.92	40.92
Bond Market Capitalization (₦' trillion)	12.92	13.90	19.8	23.47	34.26

Sources: MBNP, NBS, CBN, DMO
Note: Total Public Debt-to-GDP ratio includes FGN, States & FCT's Debt Stock

The Services sector played a key role in driving the performance of the Non-Oil Sector with a contribution of 56.65 percent in 2023, higher than 55.4 percent recorded in 2022. The increase in output was, largely, driven by the non-oil sector, with strong performances in the Agriculture, Trade, Telecommunication and Information services. Figure 1.1 depicts the annual real growth rate for the period 2019 to 2023.

Figure 1.1: Annual Real GDP Growth Rate (%), 2019 -2023



Source: National Bureau of Statistics (NBS)

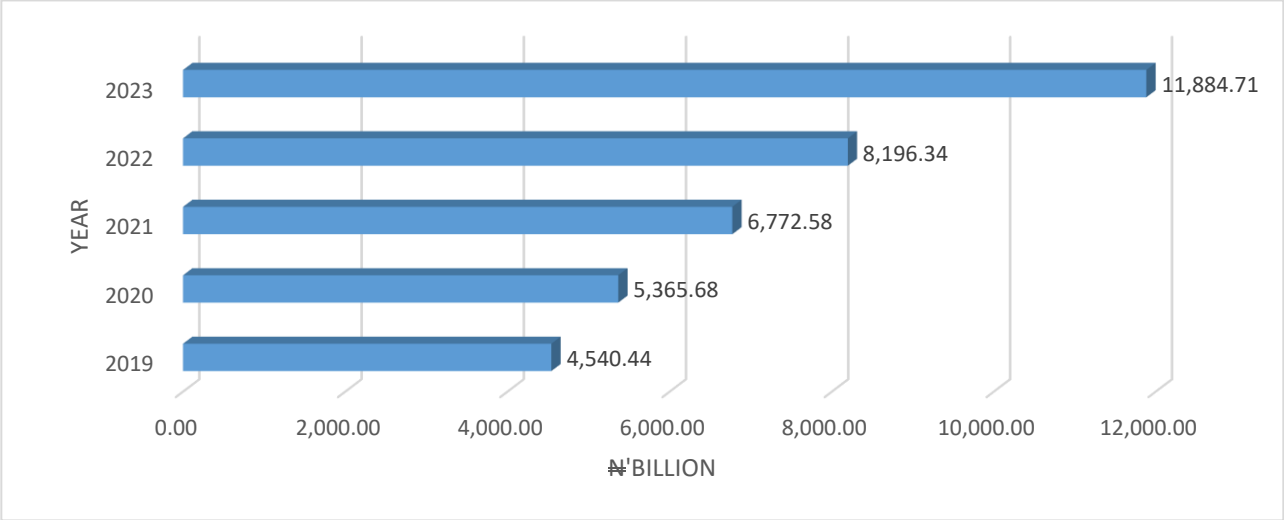
1.2.2 Fiscal Developments

In achieving macroeconomic stability, improve revenue generation and create the fiscal space for infrastructural development, among other objectives, the fiscal operations of the government aligned with the extant fiscal framework which influenced the level and composition of government expenditure in the year 2023. The Total Expenditure in the 2023 Appropriation Act was ₦24.82 trillion, with a fiscal deficit of ₦13.78 trillion, compared to the FGN Total Expenditure of ₦17.32 trillion, with a deficit of ₦7.35 trillion in the 2022 Appropriation Act.

The approved Revenue of ₦11.05 trillion in 2023 was 10.83 percent higher than the ₦9.97 trillion in 2022. Thus, the actual revenue performance represented 107.6 percent of the Revenue target of ₦11.05 trillion in the 2023 Appropriation Act.

The New Borrowing in the 2023 Appropriation Act was ₦8,804.49 billion, out of which ₦7,043.59 billion was allocated to Domestic Borrowing and ₦1,760.96 billion to External Borrowing. The New Domestic Borrowing of ₦7,043.59 billion was fully raised during the year, while the New External borrowing of ₦1,760.90 billion in the 2023 Appropriation Act was not achieved due to limited access in the international market. However, the drawdown on Multilateral and Bilateral loans of ₦1,771.40 to part finance the 2023 Appropriation Act was fully achieved in 2023.

Figure 1.2: Actual Revenue (₦'Bn) Performance of Federal Government, 2019-2023



Source: National Bureau of Statistics (NBS), Office of the Accountant General of the Federation (OAGF) and Budget Office of the Federation (BOF)

The 2023 budget deficit was ₦13.8 trillion or 6.12 percent of the GDP, compared to the fiscal deficit of ₦7.35 trillion or 4.81 percent of GDP in 2022. Out of the ₦13.8 trillion approved as New Borrowings to finance the deficit in the 2023 Appropriation Act, ₦7.04 trillion was for Domestic borrowing and ₦1.76 trillion for External borrowing. However, while the domestic borrowing was fully achieved, external borrowing could not be sourced to fund the 2023 Appropriation Act due to limited access to the international capital market in the year under review.

1.2.3 Developments in Money Supply and Prices

Broad Money Supply (M3) according to the Central Bank of Nigeria (CBN) stood at ₦79,252.46 billion as at end-December, 2023 relative to ₦52,140.95 billion recorded as at end-December, 2022. This represents a growth rate of 52.00 percent driven by increase in both Net Foreign Assets (NFA) and Net Domestic Assets (NDA) thereby reflecting the rise in money multiplier.

Overall, Net Domestic Asset (NDA) grew by 44.62 percent to the growth in M_3 in 2003. The major driver of the growth in NDA was the 45.31 percent growth by the Domestic claims from the asset side. The growth in domestic claims was due largely to the 47.38 percent increase in claims on other sectors and 41.61 percent rise in net claims on the Central government. Net claims on the Central government was enlarged by the increased holdings of government securities and loans granted by depository corporations.

Net Foreign Assets (NFA) grew by 143.0 percent, driven wholly by the 113.87 percent claims on non-residents and 108.1 percent rise in liabilities claims by non-residents through increase in loans and sale of CBN bills to non-residents. On the liability side, the increase in M_3 was mainly on account of the 56.9 per cent rise in other deposits to total monetary expansion. Transferable deposits, also recorded a growth of 46.83 per cent to broad money growth. Securities other than shares grew by 7.04 per cent and Currency outside depository corporations, increased by 33.67 per cent in the review period.

The Monetary Policy Committee (MPC) within the year under review raised the Monetary Policy Rate from 16.5 to 18.75 percent and adjusted the asymmetric corridor for the Standing Lending Facility (SLF) and Standing Deposit Facility (SDF) at +100/-700 around the MPR to +100/-300 around the MPR. Other policy parameters were maintained, with the Liquidity ratio at 30.0 percent and the cash reserve ratio at 32.5 percent throughout 2023.

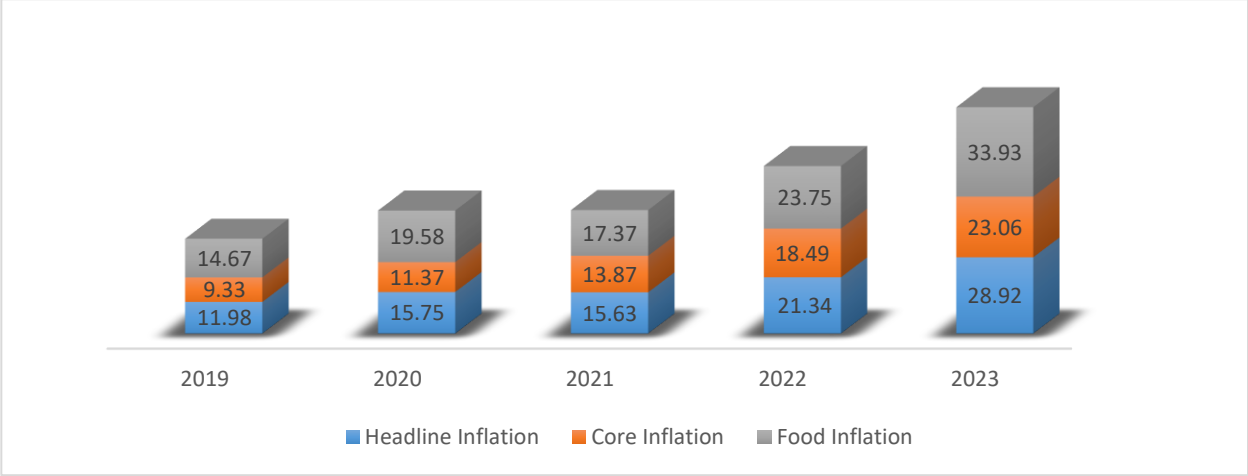
The direction of interest rates in the review period was tilted in the upward trajectory, driven by the sustained policy rate hike. The key short-term interest rates increased in 2023 relative to 2022. Similarly, adjustments to the operations of the Nigerian foreign exchange market modifications entails consolidating multiple exchange rates windows into the Investors and Exporters (I&E) window, providing unrestricted access to foreign exchange for all eligible transactions without segmentation in the period under review.

The headline inflation (year-on-year) increased to 28.92 percent in December 2023, from 21.34 percent in December 2022. This was 7.58 percent higher when compared with the rate recorded in 2022. This increase was driven by the hike in food prices owing to increase in production costs, persisting high transport and logistics cost and demand pressure because of the festive season and other structural issues which continue to impact on output and prices during the period under review. The rise in core inflation (year-on-year) to 23.06 percent from 18.49 percent in the preceding year was attributed to an increase in prices of passenger's transport by road, medical services, actual and imputed rentals for housing, passengers transport by air, pharmaceutical products, accommodation, services, etc.

In the same vein, food inflation (year-on-year) also inched up to 33.93 percent, compared to 23.75 percent in 2022. The upward trend in food inflation was due mainly to increases in prices of Bread, Cereals, Oil and Fat, Potatoes, Yam and other Tubers, Fish, Meat, Milk, Cheese and Eggs. In addition,

high cost of inputs, including energy prices, and the demand pressure from the end of year festivities drove prices upward. Figure 1.3 shows the trend in Headline Inflation from 2019 to 2023.

Figure 1.3: End-Period Inflation Rates (%) 2019 - 2023

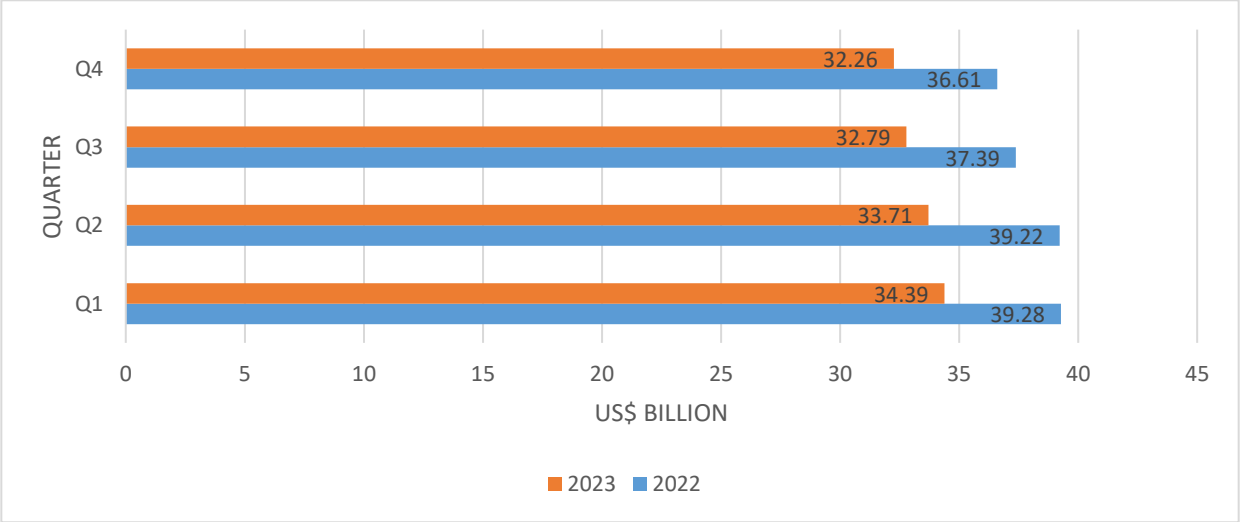


Source: National Bureau of Statistics (NBS)

1.2.4 External Sector Developments

Gross External Reserves as at December 31, 2023 stood at US$32.26 billion compared to US$ 36.61 billion in the corresponding period of 2022. The level of external reserve position could cover 4.4 months of imports for goods and services or 5.6 months of import for goods only. This is above international standard benchmark of 3 months import cover.

Figure 1.4: Quarterly External Reserves (US$' Billion) 2022 and 2023



Source: Central Bank of Nigeria (CBN)

The average exchange rate of the naira per US dollar at the Nigerian Foreign Exchange Market (NFEM) window depreciated by 98.85 percent to ₦896.25/US$ at end December, 2023 compared to ₦450.71/US$, in the preceding year. The development was attributed to the unification of the exchange rate policy of the government and increased demand pressure in the foreign exchange market, as a result of the dwindling resources from crude oil receipts and capital inflow.

1.2.5 Domestic Capital Market

1.2.5.1 Developments in the Domestic Equities Market

Activities in the Nigerian Stock Exchange (NSE) remained bullish in the year 2023 as the All-Share Index (ASI) of the Nigerian Exchange Limited (NGX) recorded positive trend in 2023 closing at 74,773.77 points. This represents year-on-year growth of 45.90 percent in ASI compared to the value of 51,251.06 points at the end of 2022. Notably, the market capitalization closed at ₦40.918 trillion at the year-end of 2023, a substantial increase of 45.61 percent from its value of ₦28.102 trillion at the end of 2022, indicating sustained investors' interest in the Nigerian Capital Market.

1.2.5.2 Developments in the Domestic Bond Market

Trading volumes in FGN Bonds in the Secondary Market increased in 2023 compared to 2022, as per data from the FMDQ Securities Exchange Limited (FMDQ). The Total Face Value of FGN Bonds traded rose by 81.88 percent from ₦11.13 trillion to ₦20.25 trillion, while consideration increased by 73.2 percent from ₦11.93 trillion to ₦20.67 trillion. The number of transactions also rose by 37.91 percent from 17,173 to 23,683 during the same period under review. The substantial increase in the value and number of FGN Bonds traded can be attributed to heightened demand for fixed-income securities as investors aimed to take advantage of rising yields of these instruments in 2023.

1.2.5.3 Corporate Bonds Issuances in 2023

The Corporate Bonds segment of the domestic securities market witnessed reduced activity in 2023, with ten (10) corporates raising a total sum of ₦291.99 billion. This is in contrast to the sixteen (16) corporates that issued a total of ₦751.11 billion in 2022, representing a decline of 61.11 percent in issue size. This decrease could be attributed to rising cost of funds in the economy.

Table 1.2: Corporate Bonds Issuances in 2022 and 2023

	2022		2023	
S/N	Bond Issuers	Amt. (₦' Billion)	Bond Issuers	Amt. (₦' Billion)
1.	ABC Transport	0.90	Development Bank of Nigeria Plc	23.00
2.	Accelerex SPV Plc	2.28	FCMB Group Plc	46.68
3.	Dangote Cement Plc	116.01	Flour Mills of Nigeria Plc	46.00
4.	Dangote Cement Plc	300.01	GNLG Funding SPV Plc	5.54
5.	e-Transzact International Plc	5.77	Sundry Foods Funding SPV Plc	5.50
6.	Eat & Go Finance SPV	3.50	Dangote Industries Funding Plc	112.41
7.	Family Homes Sukuk Issuance Programme Plc	20.00	WEMA Bank Plc	21.00
8.	Geregu Power Plc	40.09	Niger Delta Exploration & Production Plc	10.31
9.	LFZC Funding SPV Plc	25.00	Eat & Go Finance SPV	3.50
10.	MTN Nigeria Communications Plc	115.00	LFZC Funding SPV Plc	18.05
11.	Niger Delta Exploration & Production Plc	10.32		
12.	Parthian Partners SPV Plc	10.00		
13.	Presco Plc	34.50		
14.	TAJ Sukuk Issuance Programme SPV Plc	10.00		
15.	The Company for Habitat and Housing in Africa	46.00		
16.	United Capital Plc	11.73		
	Total	**751.08**		**291.99**

Source: Securities and Exchange Commission (SEC)

CHAPTER TWO
APPRAISAL OF DEBT MANAGEMENT STRATEGY

The debt management strategy for 2023 is part of the medium-term strategy 2020-2023, which was developed with the main aim of meeting government financing needs at a minimal costs and prudent level of risk while ensuring the public debt portfolio is sustainable as well as broaden the domestic investor-base, by providing alternative asset class to further deepen the FGN Securities market and domestic capital market as a whole. The strategy was targeted at achieving the preferred public debt portfolio mix of maximum of 70% and minimum of 30% for Domestic and External financing respectively by the end of 2023. The Domestic Debt mix ratio stabilized at 80:20 for long to short-term debts as at December 31, 2022 and 88:12 as at December 31, 2023. This exceeded the target, while the actual performance mix for Domestic and External finance was retained at 60:40 as at December 31, 2022 it shifted to 61.39 as at December 31, 2023. The target was impacted by new external borrowings and Naira depreciation.

2.1 Introduction

The Debt Management Strategy adopted for 2022, is part of the medium-term strategy 2020-2023, which was developed with the main aim of meeting government financing needs at minimal costs and prudent level of risk while ensuring that Public Debt Portfolio is sustainable, as well as broaden the domestic investor-base, by providing alternative asset class and further deepen the FGN securities market and the domestic capital market as a whole. The Strategy was targeted at achieving the preferred Public Debt portfolio mix in the medium-term, as well as sustain the initiatives directed at achieving effective public debt management at the sub-national level.

2.2 Key Objectives

The subsisting Strategy was prepared mainly to guide the borrowing decisions of the FGN for the period 2020-2023. The Debt Management Strategy was reviewed and approved by the Federal Executive Council (FEC) on February 10, 2021, following the expiration of the Debt Management Strategy, 2016-2019. The key objectives of the Debt Management Strategy, 2020-2023 are as follows:

i. Borrowing from External and Domestic sources will be in line with the Funding Structure for New Borrowings in the revised 2023 Appropriation Act, and the new
ii. MTEF, 2021-2023; thereby maintaining a mix of not more than 70% and not less than 30% between Domestic sources and External sources respectively.

iii. Reducing the cost of Debt Service, as measured by the ratio of Interest Payments-to-Revenue ratio. The Strategy recognizes that the achievement of this objective, depends on significant increase in the Government's revenue;

iv. Moderating the level of Debt-related Risks namely Refinancing and Foreign Exchange Risks.

v. Maximizing funds available to Nigeria from Multilateral and Bilateral sources in order to access cheaper and long-tenured funds, whilst taking cognizance of the limited funding envelopes available to Nigeria, due to Nigeria's classification as a Lower-Middle-Income country;

vi. Ensure Debt Sustainability, as measured by the Debt to GDP ratio, (which should be within the WB/IMF's recommended threshold of 55 percent), Interest Payment to Revenue Ratios; and,

vii. Sustaining the issuances of longer-tenured debt instruments in both the domestic debt market and International Financial Markets, and,

viii. To further broaden the Investor base, by providing alternative asset class and further deepen the FGN securities market and the domestic capital market as a whole through the introduction of a new domestic debt instrument (Inflation-linked Bond, though subject to the trends in inflation).

The targets for managing interest and refinancing risks as outlined in the Debt Management Strategy are as follows:

i. Keeping the proportion of debt maturing within one (1) year at not more than 20 percent of the Total Public Debt Portfolio;

ii. Keeping the Average Time-to-Maturity (ATM) for the Total Public Debt Portfolio at a minimum of 10 years; and,

iii. Keeping the Variable Rate Debt as percentage (%) of Total Debt at less than 5 percent.

2.3 Implementation Status

The result of the execution of the Debt Management Strategy in 2023, remained fairly stable as the ratio of Domestic to External Debt in the Total Public Debt portfolio was about 61:39 as at December 31, 2023, as against 60:40 actual result of year 2022 due to the target ratios was impacted by large new external borrowings and Naira depreciation.

The Domestic Debt mix ratio also changed to 88:12 for long to short-term debts as at December 31, 2023 compared to 80:20 as at December 2022. ₦22.719 trillion WMAs was securitized by issuing a 40-

year FGN Bonds to the CBN in order to Improved transparency of public debt data, and to reduce debt service cost (MPR + 3% versus 9%).

The Debt maturing within one year was 10.42% percent of the Total Public Debt as at December 31, 2023, which is within the target of not more than 20 percent of the FGN's. The variable Rate Debt as % of Total Debt Total Public Debt was 2.66 percent, and within the target of 5%. The Average Time-to-Maturity (ATM) adjusted to 12.32 years by end of December, 2023, which is above the threshold of the minimum 10 years, and the Total Public Debt as a percentage of GDP was 42.34 percent, which is above the maximum target of 40 percent stipulated in the strategy.

Table 2.1: The Performance and Key Targets of the Debt Management Strategy

Portfolio Composition		2022 Actual	2023 Actual	2020-2023 Target
	Domestic: External	60:40	61:39	Max.70:Min.30[1]
	Domestic Debt Mix: Long: Short	75:20	88:12	Min. 75:Max. 25[1]
Risks				
Refinancing	Debt maturing in 1 year as % of total debt	14.60%	10.42%*	Max. 20%
	Average Time to Maturity (Years)	970 years	12.32years	Min. 10 years
Interest rate	Variable Rate Debt as % of Total Debt	3.16%	2.66%	Less than 5%
Fiscal Sustainability ratios				
	Total Public Debt as % of GDP	23.20%	42.34%	40%[2]
	Sovereign Guarantees as % of GDP	2.38%	2.19%	Max. 5%

Note- [1]Thee inclusion of Ways and Means Advances in the FGN's Debt Stockl resulted in an increase in the Domestic Debt Stock and also resulted in more long-tenured Debt in the Debt Stock. Note

2.4 External Debt Management Strategy

The DMO in 2023 continued to execute its mandate to source for funds in accordance with the approved MTEF 2021 -2023, and in line with the debt management strategy for the same period , which stipulates that the Nigerian government would continue to finance part of its deficit through external sources from multilateral, bilateral and commercial sources, to finance development programmes, by addressing

critical infrastructure needs, and rebalance the total debt portfolio, so as to achieve the optimal debt portfolio composition of 70:30 for domestic and external debt, respectively, in the medium-term. The External Debt Stock (Multilateral, Bilateral and Commercial, Promissory Notes and Syndicated Loan Sources) showed an increase in the stock of Total External Debt of US$37,238.54 million in 2022 compared to US$42,495.16million as at December 31, 2023, representing about 39 percent of the Total Public Debt Portfolio (US$108,229.34). The Multilateral windows constituted the largest proportion of the external borrowings as at December 31 2023. The share of Multilateral sources in the total external debt stock was 49.77 Percent while Bilateral, Commercial (Eurobond), and Syndicated sources represented 14.02 percent, 35.58 percent, and 0.64 percent respectively in the year under review. The Nigerian Foreign Exchange Policies in 2023 made it un-attractive to foreign portfolio investors, and limited the country access to the ICM due to unfavorable market conditions, which made it impossible to issue Eurobonds to raise external capital to part finance the Budget Deficit. However, other financing options and sources such as Export Credit and Syndicated Loan Financings were explored to fund specific projects in the Budget.

2.5 Domestic Debt Management Strategy

The Domestic Debt Management Strategy for 2023 continued to focus on issuance of medium to longer-term domestic financing to reduce debt service cost and moderate the Refinancing risk. The target was aimed at achieving a Domestic Debt portfolio mix of 75:25 for long-term and short-term debts. The proportion of long-term debt in the domestic debt portfolio relative to short-term debt was 88:12 as at December 31, 2023. The Total Domestic Debt was USD65,839.85 million (₦53,258,011.87 million) or about 61 percent of the Total Public Debt Stock. This comprised Federal Government US$65,839.85 million (₦53,258,011.87) and the 36 States including the FCT US$11,128.73 million (₦10,009,102.61). The threshold of the Domestic to External Debt in the Medium-Term Debt Strategy 2020 -2023 1s 70:30. ₦22.7 trillion WMAs was securitized by issuing a 40-year FGN Bonds to the CBN in order to improve transparency of public debt data, and to reduce debt service cost (MPR + 3% versus 9%).

2.6 Sub-National Debt Management Strategy

The States Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results (PforR) aimed at strengthening fiscal transparency, building trust in government, enhancing the monitoring of fiscal risks and facilitating accountability in public resource management. Specifically, the program sought to strengthen fiscal transparency, accountability and sustainability at the subnational level in Nigeria.

The DMO is one of the government's implementing agencies providing Technical Assistance (TA) to help the thirty-six (36) States of the Federation including the FCT to achieve the debt-related Disbursement Linked Indicators (DLIs) under the Key Result Area (KRA) four (4) of which are sub-divided into three (3) Disbursement Linked Indicators (DLIs).

The programme also provided the Subnationals Performance-Based Grants in addition to the Technical Assistance (TA) to enable them implement the Twenty-two (22) Action points in the Fiscal Sustainability Plan and Open Governance Partnership (OGP) initially for a 4-year period (2018 -2021). It was extended twice and eventually closed on April 30, 2024.

The DMO-SFTAS program provided guidelines, templates and tools, organised technical workshops and just-in-time support to participating States and the FCT on the debt-related DLIs using a mixture of virtual and face-to-face delivery methods.

CHAPTER THREE
NIGERIA'S TOTAL PUBLIC DEBT

The outstanding Total Public Debt of Nigeria as at December 31, 2023 was ₦97,340,708.25 million (US$108,229.34 million) compared to ₦46,250,367.94 million (US$103,110.84 million) in 2022, representing an increase of ₦51,090,340.31 million or 110.5 percent. The increase was attributed largely to the securitization of the FGN WMAs of the CBN, new domestic borrowings during the year by the Federal and Sub-national Governments, as well as additional disbursements on existing Multilateral and Bilateral loans. The proportion of Total External Debt stock as a percentage of the Total Public Debt was 39 percent as at December 31, 2023, while that of the Total Domestic Debt

3.1 Total Public Debt Outstanding

Nigeria's Total Public Debt (comprising the External and Domestic debt of the Federal, States Government and the Federal Capital Territory) was ₦97,340,708.25 million (US$108,229.34 million) as at December 31, 2023 compared to ₦46,250,367.94 million (US$103,110.84 million) as at December 31, 2022, representing an increase of ₦51,090,340.31 million (US$ 5,118.5 million) or 110.5 percent in Naira and 4.96 percent in dollar terms. The increase in the Total Public Debt stock was reflected in both Domestic and External Debt components. The Total External Debt stock stood at ₦38,219,849.44 million (US$42,495.16 million) or 39 percent of the Total Public Debt stock, while the Total Domestic Debt stock was ₦59,120,858.81 million (US$65,734.18 million) or 61 percent of the Total Public Debt stock. The increase in the Total External Debt stock in the year was largely as a result of disbursements from existing Multilateral and Bilateral creditors and new Loans that became effective in the year. The major source of growth in the Total Domestic Debt stock, was the inclusion of the FGN's ₦22.719 trillion WMAs at CBN which was approved for securitization by the National Assembly (NASS) in May 2023. There was also new issuances of domestic securities (FGN Bonds, NTBs, FGN Savings Bond and Sukuk) by the FGN to fund the 2023 Appropriation Act and other Project commitments of the Government during the year under review, as well as borrowing by the thirty-six (36) States and the FCT.

The FGN's Domestic Debt stock as at December 31, 2023 amounted to ₦53,258,011.88 million, compared to ₦22,210,364.60 million as at December 31, 2022. This represented an increase of ₦31,047,647.28 million or 139.79 percent. This was as a result of the ₦22.719 trillon WMA's f the CBN, new issuances of FGN Securities to fund the New Domestic Borrowing in the 2023

Appropriation Act and refinancing of matured debt obligations, as well as settlement of outstanding FGN arrears with Promisory Notes, in favour of Oil Marketing Companies, Exporters, State Governments and Local Contractors. Table 3.1 shows Nigeria's Total Public Debt Outstanding for the period, 2019-2023.

Table 3.1: Nigeria's Total Public Debt Outstanding, 2019-2023

	2019	2020	2021	2022	2023
External Debt Stock					
Federal Government of Nigeria					
US$' Million	23,111.27	28,574.45	33,620.09	37,238.54	37,885.10
NG₦' Million	7,534,274.02	10,886,865.45	13,884,760.97	16,703,347.12	34,073,593.74
States and FCT					
US$' Million	4,564.87	4,773.63	4,771.23	4,456.37	4,610.06
NG₦' Million	1,488,147.62	1,818,753.03	1,970,470.28	1,998,904.76	4,146,255.69
Total External Debt Stock					
US$' Million	27, 676.14	33,348.08	38,391.32	41,694.91	42,495.16
NG₦' Million	9,022,421.64	12,705,618.48	15,855,231.25	18,702,251.88	38,219,849.44
as % of GDP	*6.26*	*8.34*	*9.14*	*9.38*	*16.62*
% of Total	*32.93*	38.6	40.08	40.44	39.26
Domestic Debt Stock					
Federal Government of Nigeria					
US$' Million	43,781.12	42,057.55	46,593.28	49,515.92	59,215.51
NG₦' Million	14,272,644.79	16,023,885.38	19,242,557.11	22,210,364.60	53,258,011.88
States and FCT					
US$' Million	12,596.06	10,986.91	10,795.04	11,900.01	6,518.67
NG₦' Million	4,106,314.86	4,186,010.99	4,458,244.14	5,337,751.46	5,862,846.93
Total Domestic Debt Stock					
US$' Million	56,377.18	53,044.46	57,388.32	61,415.93	65,734.18
NG₦' Million	18,378,959.65	20,209,896.37	23,700,801.25	27,548,116.06	59,120,858.81
as % of GDP	*12.74*	*13.27*	*13.66*	*13.82*	*25.71*
% of Total	*67.07*	61.4	59.92	59.56	60.74
Nigeria's Total Public Debt Stock					
US$' Million	**84,053.32**	**86,392.54**	**95,779.64**	**103,110.84**	**108,229.34**
NG₦' Million	**27,401,381.29**	**32,915,514.85**	**39,556,032.50**	**46,250,367.94**	**97,340,708.25**
as % of GDP	*19.00*	*21.61*	*22.80*	*23.20*	*42.34*

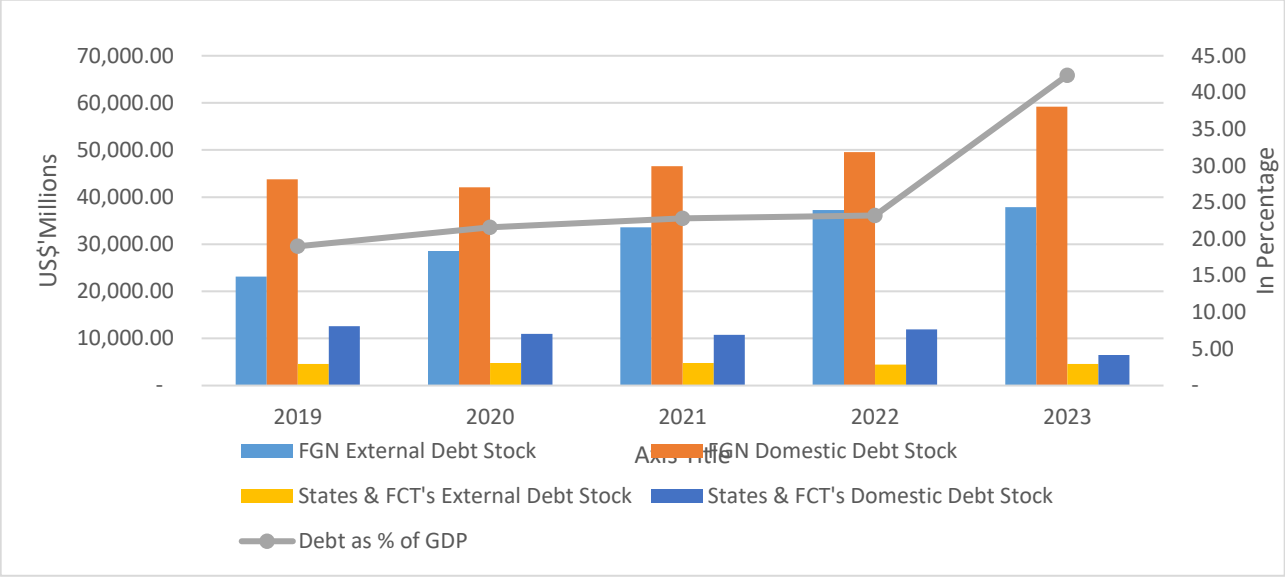
Source: DMO

Note: CBN Official Exchange Rate of US$1/NGN899.393 as at December 31, 2023 was used in converting 2023 figures.

Nigeria's Total Public Debt as a percentage of GDP ratio was 42.34 percent as at December 31, 2023 compared to 23.80 percent in the corresponding period of 2022. This ratio is slightly above Nigeria's self-made Limit of 40 percent set under the approved MTDS, 2020-2023 and below the

maximum benchmark of 55 percent recommended by the IMF and World Bank for Countries in Nigeria's peer-group, as well as the West African Monetary Zone (WAMZ) convergence threshold of 70 percent. Figure 3.1 shows the trend in total public debt outstanding for the period, 2019-2023.

Figure 3.1: Trend in Nigeria's Total Public Debt Outstanding, 2019-2023



Source: DMO

3.1.1 Total FGN's Debt Outstanding by Original Maturity

Total FGN's Debt stock (debts of the States and FCT were excluded) by Original Maturity as at December 31, 2023 comprised long-term debt of US$94,459.32 million or 92.87 percent, and short-term debt of US$7,251.60 million or 7.13 percent. The FGN's External Debt outstanding by Original Maturity amounted to US$42,495.16 million or 41.78 percent as a percentage of Total FGN's Debt was made up of long-term and short-term instruments only. However, the FGN's Domestic Debt outstanding by Original Maturity comprised both short-term and medium-long term debts. The short-term debt by Original Maturity which was US$7,251.60 million or 7.13 percent of the Total FGN's Debt, consisted of the Nigerian Treasury Bills only. The medium-long term Domestic Debt amounted to US$51,964.16 million or 51.09 percent of the Total FGN's Debt, which comprised FGN Bonds (US$49,211.40 million), FGN Savings Bond (US$43.56 million), FGN Sukuk (US$1,214.78 million), FGN Green Bond (US$16.68 million) and Promissory Notes (US$1,477.74 million), respectively. Table 3.2 and Figure 3.2 show the Total FGN's Debt outstanding by Original Maturity.

Table 3.2: Total FGN's Debt Outstanding by Original Maturity, 2019-2023 (US$' Million)

	2019	2020	2021	2022	2023
External Debt					
Short – term[2]	0.00	0.00	0.00	1.56	0.00
% of total	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Medium-Long term	23,111.27	28,574.45	38,391.32	41,693.35	42,495.16
% of total	*36.89*	*40.46*	*45.17*	*45.71*	*41.78*
Sub-Total	23,111.27	28,574.45	38,391.32	41,694.91	42,495.16
Domestic Debt					
Short – term[3]	8,133.47	7,716.13	9,876.39	9,860.03	7,251.60
% of total	*12.16*	*10.92*	*11.63*	*10.81*	*10.42*
Medium-Long term[4]	35,647.64	34341.32	36,716.89	39,655.90	51,964.16
% of total	*53.29*	*48.62*	*43.20*	*43.48*	*51.09*
Sub-Total	43,781.10	42,057.44	46,593.28	49,515.93	59,215.76
Total	**66,892.37**	**70,631.89**	**84,984.60**	**91,210.84**	**101,710.92**

Source: DMO

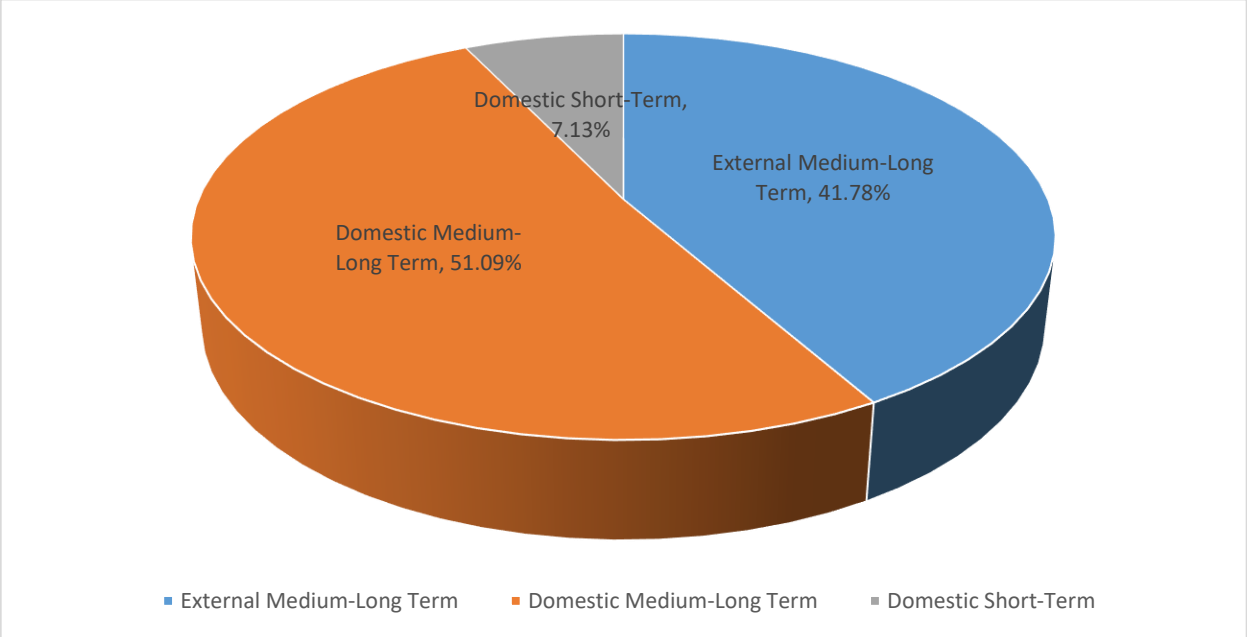
1 Official CBN Exchange Rate of ₦899.39/US$1 as at 31/12/2023 was used for 2023 figures

2 Short-term external debt are debt with less than 1-year original maturity

3 Short-term domestic debt consists of 91-, 182- and 364-days Nigerian Treasury Bills.

4 Medium-Long term domestic debt consists of FGN Saving Bonds, FGN Sukuk, Promissory Notes and FGN Bonds for 2 or more years.

Figure 3.2: Total FGN's Debt Outstanding by Original Maturity as at December 31, 2023



Source: DMO

3.2 FGN's Total Public Debt - Interest Payments and Rental Payments in 2023

In 2023, the Interest and Rental Payment on FGN's Total Public Debt amounted to US$8,066.66 million, relative to US$7,406.20 million in 2022, reflecting an increase of US$660.46 million or 8.92 percent. Interest and Rental payments were made during the year on both External Debt and Domestic Debt. External Debt, Interest Payments were made on Multilateral and Bilateral debts, as well as the Commercial debts. For Domestic Debt, Interest and Rental payments were made in respect of FGN Bonds, NTBs, FGN Savings Bond, FGN Green Bond and FGN Sukuk (Table 3.3).

Table 3.3: Total FGN's Public Debt - Interest and Rental Payments, 2019-2023 (US$' Million)

	2019	2020	2021	2022	2023
External Debt	1,065.07	1,138.05	1,119.06	2,405.50	3,503.51
% of Total	*(17.29)*	*(19.16)*	*18.36*	*32.48*	*43.43*
Domestic Debt	5,095.18	4,802.34	4,974.56	5,000.70	4,563.15
% of Total	*(82.71)*	*(80.84)*	*81.64*	*67.52*	*56.57*
	6,160.25	**5,940.39**	**6,093.62**	**7,406.20**	**8,066.66**

Source: DMO
Official CBN Exchange Rate of ₦899.39/US$1 as at 31/12/2023, was used for 2023 figures.
Note: States and FCT's Interest payment on External debt was included

3.3 FGN's Total Public Debt - Principal Repayments in 2023

FGN's Total Public Debt principal repayment was US$2,147.20 million in year 2023 from US$1,614.55 million in 2022, representing an increase of US$532.65 million or 32.99 percent, the principal repayments made were on both External Debt and Domestic Debt including their respective deferred principal payments. For External Debt, principal repayments made on Multilateral and Bilateral debts, amounted to US$1,839.04 million or 85.65 percent as a percentage of Total Principal Repayment, whilst those on Domestic Debt were redemptions on Treasury Bonds and Promissory Notes amounting to US$308.16 million or 14.35 percent (Table 3.4).

Table 3.4: Total FGN's Public Debt - Principal Repayments, 2019-2023 (US$' Million)

	2019	2020	2021	2022	2023
External Debt	268.51	418.16	989.97	906.24	1,839.04
% of Total	*(29.76*	*(86.44)*	*62.58*	*56.13*	*85.65*
Domestic Debt	633.71	65.62	591.80	708.31	308.16
% of Total	*(70.24)*	*(13.56)*	*37.42*	*43.87*	*14.35*
	902.22	**483.78**	**1,581.77**	**1,614.55**	**2,147.20**

Source: DMO
Note: States and FCT's Interest payment on External debt were included.

CHAPTER FOUR

NIGERIA'S EXTERNAL DEBT

Nigeria's External Debt as at December 31, 2023 was US$42,495.16 million compared to US$41,694.92 million as at December 31, 2022. The External Debt stock comprised Multilateral and Bilateral Loans, as well as Eurobonds and a Syndicated Loan. While the Multilateral and Bilateral Loans are mostly Concessional, the Eurobonds and Syndicated Loan are Non-Concessional. The increase in External Debt stock in the year under review was due to syndicated loan, additional disbursements from existing Multilateral and Bilateral loans. The structure of the External Debt by remaining maturity has continued to be dominated by longer-tenored debts, reflecting the low exposure of the External Debt portfolio to refinancing risk.

4.1 External Debt Stock by Source

Nigeria's Total External Debt moved by US$800.24 million or 1.92 percent to US$42,495.16 million as at December 31, 2023, from US$41,694.92 million as at December 31, 2022. As part of the funding for the 2023 Appropriation Act, disbursement from syndicated loan and additional disbursements from existing multilateral and bilateral loans, were recorded during the period. Total External Debt in Naira terms recorded an increased movement from ₦461.26/US$1 in May, 2023 to ₦899.39/US$ by December 31, 2023. The increase is attributed to the depreciation of the Naira to the US Dollars during the period under review. As a result, the ratio of External Debt-to-GDP increased to 16.62 percent as at December 31, 2023, from 9.38 percent in the corresponding period of 2022. Table 4.1 shows the trend of External Debt outstanding by Source for the period, 2019 – 2023.

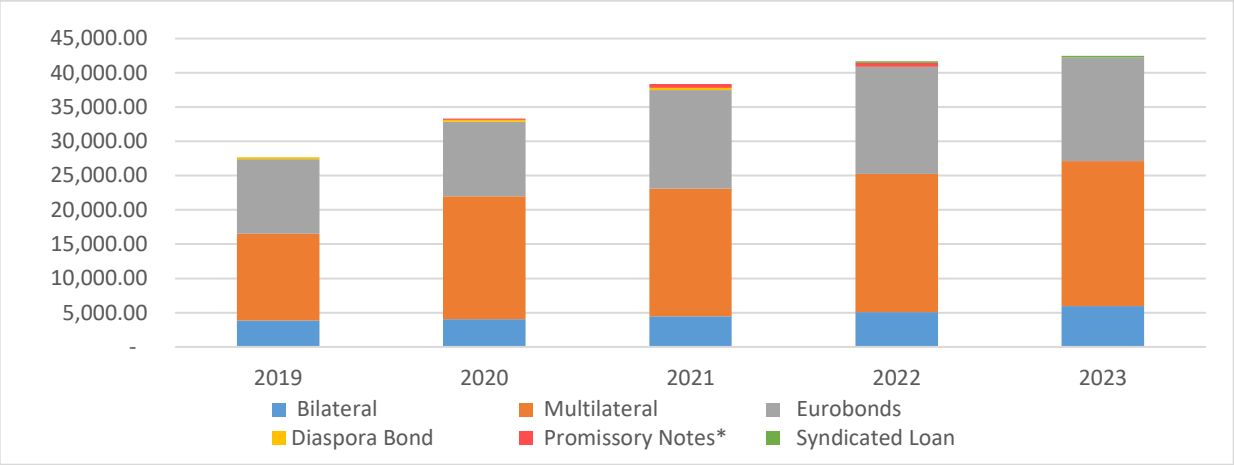
Table 4.1: External Debt Outstanding by Source, 2019-2023 (US$' Million) and in Percentage

Source	2019	%	2020	%	2021	%	2022	%	2023	%
1. Bilateral	3,847.41	13.90	4,059.39	12.17	4,466.05	11.63	5,067.19	12.15	5,957.44	14.02
2. Multilateral	12,660.38	45.75	17,933.65	53.78	18,656.28	48.60	20,201.47	48.45	21,149.37	49.77
Sub-Total	16,507.79	**59.65**	21,993.04	**65.95**	23,122.33	**60.23**	25,268.66	**60.60**	27,106.81	**63.79**
1. Eurobonds	10,868.35	39.27	10,868.35	32.59	14,368.35	37.43	15,618.35	37.47	15,118.35	35.58
2. Diaspora Bond	300.00	1.084	300.00	0.90	300.00	0.78	0	0.00	0	0.00
3. Promissory Notes*	0	0.00	186.70	0.56	600.64	1.56	547.91	1.31	0	0.00
4. Syndicated Loan	0	0.00	0	0.00	0	0.00	260.00	0.62	270.00	0.64
Sub-Total	11,168.35	**40.35**	11,355.05	**34.05**	15,268.99	**39.77**	16,426.26	**39.40**	15,388.35	**36.21**
Grand Total	**27,676.14**	**100.00**	**33,348.08**	**100.00**	**38,391.32**	**100.00**	**41,694.92**	**100.00**	**42,495.16**	**100.00**

Source: DMO

Note*These are non-interest-bearing Notes. The balance outstanding as at September 2023, were re-classified as Domestic Debt in 2023, as they are held by Residents.

Figure 4.1: Trends in External Debt Stock, 2019–2023 (US' Million)



Source: DMO

Note*These are non-interest-bearing Notes. The balance outstanding as at September 2023, were re-classified as Domestic Debt in 2023, as they are held by Residents

The strategy for External Borrowing has been to maximize the concessional sources, while the balance was from Commercial sources. Consequently, the Multilateral and Bilateral creditors have continued to be the main sources of External Debt Borrowing in line with Nigeria's Medium-Term Debt Management Strategy, 2020 - 2023. Table 4.1 and Figure 4.1 show the trend of External Debt Stock since 2019-2023, indicating that borrowings were mainly from Multilateral and Bilateral sources compared to other sources. As shown in Table 4.1, the Major Creditors Multilateral and Bilateral Loans constituted US$21,149.37 million or 50 percent and US$ 5,957.44 million or 14 percent of the Total External Debt Stock by source, as at December 31, 2023, respectively. Whereas, the Commercial debt accounted for US$16,426.26 million (36.21 percent) of the Total External Debt Stock as at December 31, 2023.

4.2 External Debt Stock by Source (Creditor Category)

As shown in Table 4.2, the Major Creditors (Multilateral and Bilateral) accounted for US$27,106.81 million 63.79 percent of the Total External Debt Stock by source, as at December 31, 2023. The International Development Association (IDA) and IMF constituted the highest in the Multilateral Group with US$ 14,960.20 million (35.20 percent) and US$ 2,469.90 million (5.18 percent) of the Total External Debt stock, respectively as at December 31, 2023. China and France led the Bilateral Creditors, with US$ 5,167.14 million (12.16 percent), and US$ 580.13 million (1.37 percent) of the Total External Debt stock, respectively. Whereas, the Commercial Debt accounted for US$ 15,388.35 million (36.21 percent) of the

Total External Debt Stock, comprising Eurobonds of US$15,118.35 million (35.58 percent) and Syndicated Loan of US$270.00 million (0.64 percent) of the Total External Debt stock as at December 31, 2023.

Table 4.2: External Debt Stock by Source as at December 31, 2023 (US$' Million)

Category	Principal Balance	Principal Arrears	Interest Arrears	Total	Percentage
Multilateral – WB Group					
IMF	401,733,696.27	0.00	0.00	401,733,696.27	22%
IDA	373,277,029.61	0.00	0.00	373,277,029.61	20.30%
IBRD	5,244,265.79	0.00	0.00	5,244,265.79	0.29%
AfDB Group:					
AfDB	97,293,243.90	0.00	0.00	97,293,243.90	9.21%
AGTF	0.00	0.00	0.00	0.00	0.00%
ADF	22,728,199.29	0.00	0.00	22,728,199.29	
Other Multilaterals:					
BADEA	184,000.00	0.00	0.00	184,000.00	0.01%
EDF	4,995,017.07	0.00	0.00	4,995,017.07	0.08%
IDB	5,374,628.16	0.00	0.00	5,374,628.16	0.56%
IFAD	8,542,979.76				0.65%
Sub-Total	**919,373,059.85**	**0.00**	**0.00**	**919,373,059.85**	**50%**
Bilateral					
China (Exim Bank of	153,807,692.32	0.00	0.00	153,807,692.32	8.36%
France (AFD)	44,313,089.57	0.00	0.00	44,313,089.57	2.41%
Japan (JICA)	0.00	0.00	0.00	0.00	0.00%
India (Exim Bank of	7,410,239.40	0.00	0.00	7,410,239.40	0.40%
Germany (KFW)	9,523,809.52	0.00	0.00	9,523,809.52	0.52%
Sub-Total	**215,054,830.81**	**0.00**	**0.00**	**215,054,830.81**	**11.69%**
Commercial					
Eurobonds	500,000,000.00	0.00	0.00	500,000,000.00	27.19%
Syndicated Loan	30,000,000.00	0.00	0.00	30,000,000.00	1.63%
Sub-Total	**530,000,000.00**	**0.00**	**0.00**	**530,000,000.00**	**28.82%**
Promissory Notes*	174,614,542.84	0.00	0.00	174,614,542.84	9.49%
Sub-Total	**174,614,542.84**	**0.00**	**0.00**	**174,614,542.84**	**9.49**
GRAND TOTAL	**1,839,042,433.50**	**0.00**	**0.00**	**1,839,042,433.50**	**100.00**

Source: DMO

Note* These are non-interest-bearing Notes. The balance outstanding as at September 2023, were re-classified as Domestic Debt in 2023, as they are held by Residents.

4.3 External Debt Stock by Instrument Type

The External Debt Stock by Instrument Type is broken down into Non-Market Based and Marked Based instruments. The Non-Market Based Debt (Loans) constituted 58.75 percent of the Total External Debt Stock, while the Market Based Debt (Eurobond, Syndicated loans and non-concessional Loans) accounted for 41.25 percent as at December 31, 2023 (Table 4.3).

Table 4.3: External Debt Stock by Instrument Type, 2019-2023 (₦' Million)

Instrument Type	2019	2020	2021	2022	2023
Non-Market-Based (Loans)	16,507.79	21,993.04	23,122.33	25,528.65	24,964.55
% of Total	*59.65*	*65.95*	*60.23*	*61.23*	*58.75*
Market Based (Bonds)	11,168.35	11,355.05	15,268.99	16,166.26	17,526.61*
% of Total	*40.35*	*34.05*	*39.77*	*38.77*	*41.25*
Total	**27,676.14**	**33,348.09**	**38,391.32**	**41,694.91**	**42,491.16**

Source: DMO
Notes
i. Non market-based Debt are Loans obtained from the Concessional Multilateral and Bilateral sources.
ii. Market based Debt comprise Eurobonds issued in the International Capital Market (ICM), Syndicated Loans, Promissory Notes and Non-Concessional Multilateral sources
*Promissory Notes are excluded as the balance outstanding as at September 2023, were re-classified as Domestic Debt in 2023, as they are held by Residents

4.4 Currency Composition of External Debt

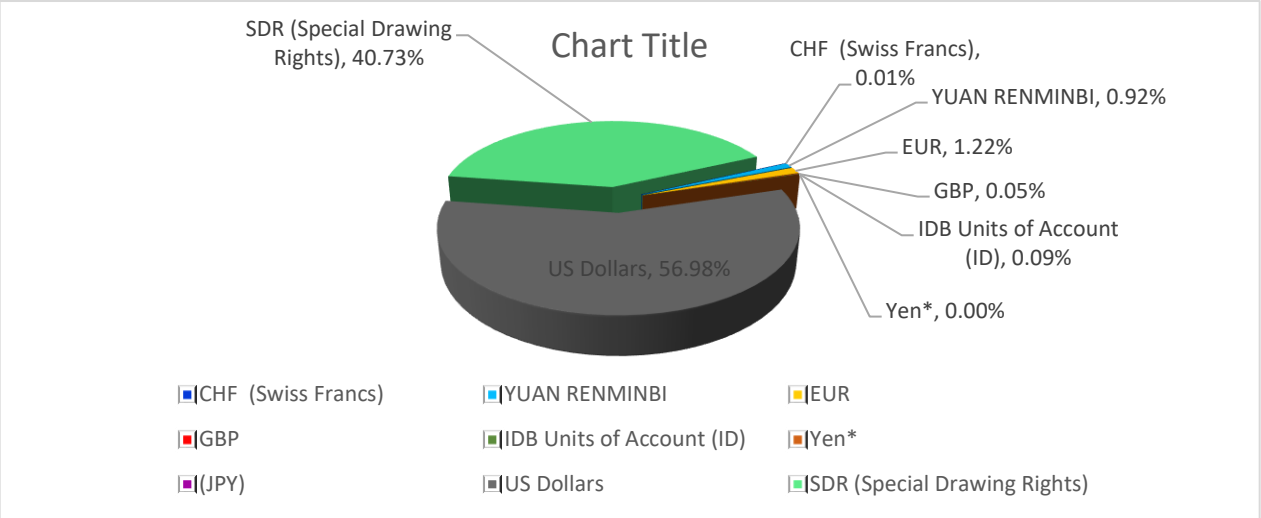
Table 4.4 shows that as at December 31, 2023, the Currency Composition of the External Debt Stock comprises of: Swiss Francs (CHF), Yuan Renminbi, Euro (EUR), Great Britain Pounds (GBP), ID Units of Account (Islamic Dinar), Japanese Yen (JPY), United States Dollar (USD) and Special Drawing Rights (SDRs). The major currencies are the US$ and SDR, accounting for 56.98 and 40.78 percent of the Total External Debt Stock, respectively. The other currencies (CHF, EUR, GBP, ID and JPY) cumulatively accounted for 2.28 percent of the Total External Debt stock.

Table 4.4: External Debt Stock by Currency Composition as at December 31, 2023

Currency	Debt Stock in Original Currency	Naira Exchange Rate	Debt Stock in Naira	US$ Exchange Rate to the Naira	Debt Stock in US$	% of Total
CHF (Swiss Francs)	4,329,868.00	1070.71	4,636,015,646.81	899.39	5,154,604.99	0.01%
YUAN RENMINBI	2,763,786,757.0	126.62	349,955,101,230.15	899.39	389,101,428.66	0.92%
EUR	467,737,334.58	994.55	465,187,604,821.74	899.39	517,223,955.29	1.22%
GBP	17,162,853.53	1124.83	19,305,354,322.42	899.39	21,464,870.55	0.05%
IDB Units of Account (ID)	27,193,936.93	1206.72	32,815,347,918.85	899.39	36,486,105.54	0.09%
Yen* (JPY)	18,751,666.79	6.35	119,028,080.12	899.39	132,342.68	0.00%
US Dollars	24,215,452,508.	899.39	21,779,208,478,373.10	899.39	24,215,452,508.94	56.98%
SDR (Special Drawing Rights)	12,901,652,471.	1206.72	15,568,625,302,534.20	899.39	17,310,147,291.04	40.73%
Total			**38,219,852,232,927.40**		**42,495,163,107.7**	**100.00**

Source: DMO
Note: i. SDR is a virtual World Bank's currency used in granting loan facilities and it comprises GBP, EUR, USD, JPY and CHF
ii. IDB's Units of Account is disbursed in USD.
iii. * JPY Stock is in multiple of thousand.

Figure 4.2: External Debt Stock by Currency Composition as at December 31, 2023



Source: DMO

4.5 External Debt by Remaining/Residual Maturities

The Total External Debt Stock outstanding by Remaining/Residual Maturities are broken down into short-term (equal to and less than 1 year), medium-term (above 1 year and less than 3 years) and long-term maturities (over 3 years). The share of short-term in the Total External Debt stock accounted for US$2,677.72 million or 6.30 percent, medium-term (US$6,810.64 million or 16.03 percent) and long-term (US$33,006.79 million or 77.67 percent). The larger share of longer-term External Debt helps to mitigate the External Debt stock from refinancing risks associated with short-term debts.

Table 4.5: External Debt by Remaining or Residual Maturity as at December 31, 2023 (US$' Millions)

Creditor Category	Short-Term (0 – 1yr)	Medium-Term (>1 – 3yrs)	Long-Term (Over 3yrs)
Multilateral			
IMF	1,646,601,341.24	823,300,670.62	0.00
IDA	299,989,989.04	1,092,171,851.76	13,568,034,825.01
IBRD	8,634,197.44	59,069,996.94	417,832,421.06
AfDB	106,616,069.52	359,761,231.46	1,186,344,075.64
AGTF	444,631.47	3,037,817.63	19,864,151.29
ADF	25,306,495.89	78,487,351.75	898,843,978.11
BADEA	262,910.59	803,613.51	4,085,389.68
EDF	4,635,932.34	14,214,304.41	15,452,958.22
IDB	6,024,638.92	27,778,390.49	204,365,374.09
IFAD	6,511,083.57	30,027,535.53	240,860,356.70
Sub-Total	**2,105,027,290.02**	**2,488,652,764.10**	**16,555,683,529.80**
Bilateral			
Exim Bank of China	229,524,847.10	1,469,710,741.35	3,467,908,096.04
Exim Bank of India	5,764,929.83	17,294,789.49	2,882,464.91
French Development Agency	47,415,961.68	156,669,894.44	376,045,444.69
Japan International Cooperation Agency	590,380.13	1,771,140.40	55,972,219.14
Germany Kreditanstalt Fur Wiederaufbua (KFW)	19,397,619.04	58,192,857.12	48,306,138.40
Sub-Total	**302,693,737.78**	**1,703,639,422.80**	**3,951,114,363.18**
Commercial			
Eurobonds	0.00	2,618,352,000.00	12,500,000,000.00
Syndicated Loan	270,000,000.00	0.00	0.00
Sub-Total	**270,000,000.00**	**2,618,352,000.00**	
Promissory Notes*	**270,000,000.00**	**0.00**	**0.00**
Grand Total	**2,677,721,027.82**	**6,810,644,186.90**	**33,006,797,892.98**

Source: DMO

Note* These are non-interest-bearing Notes. The balance outstanding as at September 2023, were re-classified as Domestic Debt in 2023, as they are held by Residents.

4.6 Sectoral Allocation of External Debt

In line with the vision of the Government to support the development of infrastructure projects and human capital, the proceeds of external borrowings were allocated to the following key sectors: Agriculture, Science and Technology, Water, Energy (Electricity and Gas), Transportation (Rail, Road and Air), Housing, Education, Health, Social Welfare and Environment. Table 4.6 shows sectors with the share in the outstanding External Debt Stock as at December 31, 2023. The share of the proceeds to the sectors shows the Budget Support (Multi Sector) 37.46 percent and 35.58 percent in 2022 and 2023 respectively.

Table 4.6: Sectoral Allocation of External Debt in 2022 and 2023 (US$' Million)

Economic Sector	2022		2023	
	Amount Outstanding	% Share of Total	Amount Outstanding	% Share of Total
Agriculture and Rural	3,152.98	7.56%	3,631.49	8.55%
Budget Support	4,084.51	9.80%	3,247.62	7.64%
Science & Technology	526.42	1.26%	569.95	1.34%
Education	1,250.27	3.00%	1,562.53	3.68%
Energy and Solid Mineral	2,656.76	6.37%	3,217.81	7.57%
Environment	732.40	1.76%	760.35	1.79%
Health & Social Welfare	2,410.02	5.78%	2,892.23	6.81%
Housing & Urban Development	786.31	1.89%	803.10	1.89%
Economic	5,786.54	13.88%	5,953.95	14.01%
Transport	4,142.45	9.94%	4,737.78	11.15%
Budget Support	15,618.35	37.46%	15,118.35	35.58%
Promissory Notes*	547.91	1.31%	0.00	0.00
Total	**41,694.92**	**100.00**	**42,495.16**	**100.00**

Source: DMO

Note* These are non-interest-bearing Notes. The balance outstanding as at September 2023, were re-classified as Domestic Debt in 2023, as they are held by Residents.

4.7 External Debt by Concessionality

Concessional debts represent 58.80 percent of the Total External Debt Stock, while the non-concessional debts accounted for 41.20 percent as at December 31, 2023, compared to 55.60 percent and 44.40 percent in the corresponding period of 2022, respectively. Table 4.8 and Figure 4.3 show that the concessional debts were sourced mainly from Multilateral and Bilateral creditors, while the non-concessional debts comprised Eurobond Issuances, Syndicated Loan, African Development Bank (ADB), as well as non-concessional windows of the multilateral agencies such as African Development Bank (AfDB) and International Bank for Reconstruction and Development (IBRD). The International Development Association (IDA) accounted for the largest Creditor from the concessional sources, with 35.21 percent of the Total External Debt Stock as at December 31, 2023.

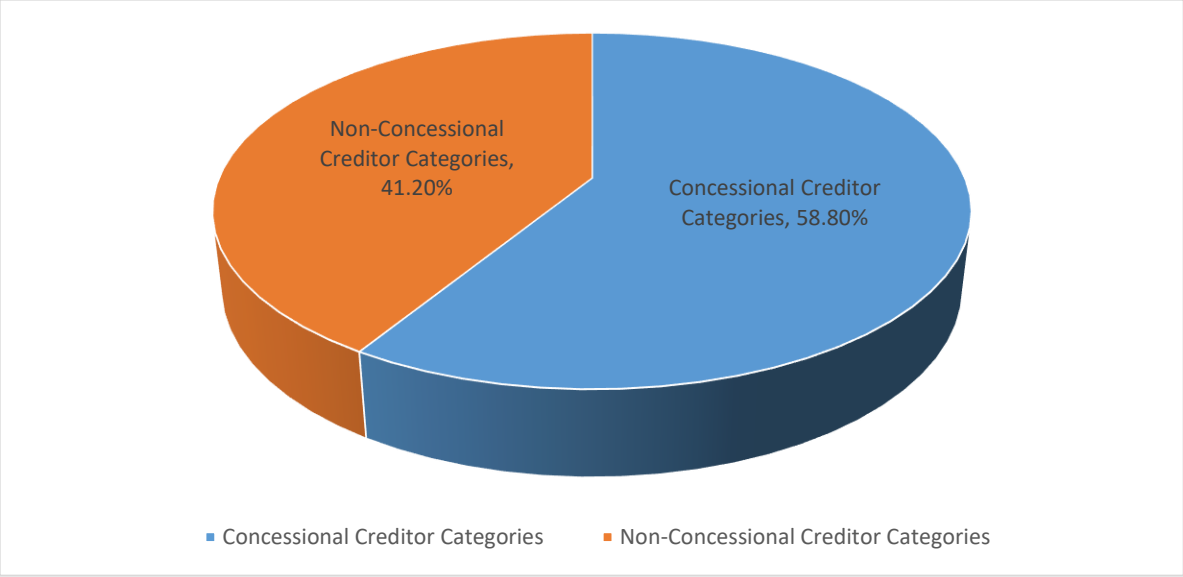
Table 4.7: Concessional and Non-Concessional External Loans as at December 31, 2023 (US$' Million)

	Amount Outstanding	% of Total Debt
Concessional Creditor Categories	**24,964.55**	**58.8%**
Multilateral	**19,007.11**	
International Monetary Fund (IMF)	2,469.90	
International Development Association (IDA)	14,960.20	
International Fund for Agricultural Development (IFAD)	277.40	
European Development Fund (EDF)	30.30	
African Development Fund (ADF)	1,002.64	
Africa Growing Together Fund (AGTF)	23.35	
Islamic Development Bank (IDB)	238.17	
Arab Bank for Economic Development (BADEA)	5.15	
Bilateral		
Exim Bank of China	5,167.14	
French Development Agency (AFD)	580.13	
Japan International Cooperation Agency (JICA)	58.33	
Exim Bank of India	25.94	
Germany (KFW)	125.90	
Non-Concessional Creditor Categories	**17,526.61**	**41.2%**
Multilateral	**2,138.26**	
African Development Bank (AfDB)	1,652.72	
International Bank for Reconstruction and Development (IBRD)	485.54	
Commercial		
Eurobonds	15,118.35	
Syndicated Loan	270.00	
Promissory Notes*	**0.00**	
Grand Total	**42,491.16**	**100%**

Source: DMO

Note* These are non-interest-bearing Notes. The balance outstanding as at September 2023, were re-classified as Domestic Debt in 2023, as they are held by Residents.

Figure 4.3: External Debt Stock by Concessionality as at December 31, 2023



Source: DMO

4.8 External Debt Flows

4.8.1 External Debt Principal Repayments

The External Debt Principal Repayment amounted to US$1,839.04 million as at December 31, 2023 compared to US$906.24 million as at December 31 2022, representing an increase of US$923.80 million or 103 percent. This was due to the redemption of Eurobond US$500.00 million, Syndicated loan US$30.00 million and Promissory Notes US$174.61 million in the period under review. The principal repayments made in the year amounted to (US$919.37 million) and (US$215.05 million) for Multilateral debts and Bilateral debts respectively, as shown in Table 4.9.

Table 4.8: External Debt Principal Repayments by Creditor Category, 2019-2023 (US$' Million)

Principal Repayments					
	2019	2020	2021	2022	2023
A. Official					
1. Multilateral	182.51	262.71	311.04	411.23	919.37
2. Bilateral	86.41	155.45	178.93	191.22	215.05
B. Commercial					
1. Eurobonds	0.00	0.00	500	0.00	500
2. Syndicated loans	0.00	0.00	0.00	300	30
C. Promissory notes*	0.00	0.00	0.00	3.79	174.61
Total	**268.51**	**418.16**	**989.97**	**906.24**	**1,839.04**

Source: DMO

Note* These are non-interest-bearing Notes. The balance outstanding as at September 2023, were re-classified as Domestic Debt in 2023, as they are held by Residents.

4.8.2 External Debt Interest Payments in 2022

Interest Payments on External Debt in 2023 was US$1,664.47 million compared to US$1,499.23 million in 2022, showing an increase of US$165.24 million or 11.02 percent. The increase is explained by the redemption of US$500 million Eurobonds that matured in the year under review, which required payment of interest on maturity. External Debt Interest Payments by Creditor category is shown in Table 4.10.

Table 4.9: External Debt Interest Payments by Creditor Category, 2019-2023 (US$' Million)

Interest Payments					
	2019	2020	2021	2022	2023
A. Official					
1. Multilateral	147.05	170.37	185.08	207.39	314.36
2. Bilateral	88.45	96.52	110.76	145.33	129.52
B. Commercial					
1. Eurobonds	770.95	823.22	806.35	1,132.13	1,184.47
2. Diaspora Bond	16.88	16.88	16.88	8.44	0
3. Syndicated Loan	-	-	-	5.95	36.12
C. Others*	41.74	20.89	-	-	
Total	**1,065.07**	**1,127.88**	**1,119.07**	**1,499.23**	**1,664.47**

Source: DMO

Note*Outstanding Oil Warrants, which were associated with the London Club debt were exited in 2007, and Agency fees paid to Citibank in respect of Oil Warra

4.8.3 Waivers

The total sum of US$5,285,409.85 was credited to the FGN in 2023 as waivers granted, due to prompt remittances of principal and interest payments during the year. Specifically, the sum of, US$3,609,058.86, US$1,676,287.37, US$68.59 and US$0.03, were granted to the FGN in respect of prompt payments made to IDA, IDB, BADEA and AFD respectively, and as shown in Table 4.11.

Table 4.10: Waivers in 2023 (US$' Thousand)

Category	Waiver/ Credit
MULTILATERAL	
IDA	3,609,058.86
IDB	1,676,282.37
BADEA	68.59
BILATERAL	
AFD	0.03
TOTAL	**5,285,409.85**

Source: DMO

4.8.4 External Debt Principal Repayments Projections (2024–2033)

Principal Repayments on External Debt is projected to increase due to the expected repayment of the Syndicated loans, Export Credit and some Eurobonds in 2024 and Principal redemption in the period under consideration. The principal repayments are projected to be made in respect of 7.625% US$1.118BN NOV 2025 Eurobond; 6.500% US$1.5BN NOV 2027 Eurobond, 6.125% US$1.25BN 2028 Eurobond, 8.375% US$1.25BN 2029, 7.143% US$1.25BN 2030, 8.747% US$1.00BN 2031, and 7.875% US1.50BN 2032 due to mature between 2024 and 2033. Table 4.12 shows the External Debt Principal Repayment projections in the next 10 years, 2024-2033.

Table 4.11: External Debt Principal Repayment Projections, 2024 – 2033 (US$' Million)

Category of Debt	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Multilateral										
ADF										
Principal	*30.14*	*30.65*	*31.01*	*31.33*	*33.31*	*35.28*	*36.50*	*36.49*	*44.28*	*43.29*
ADB										
Principal	*126.35*	*143.09*	*152.71*	*152.71*	*152.71*	*152.71*	*172.08*	*189.66*	*189.66*	*179.66*
AGTF										
Principal	*4.08*	*4.83*	*6.83*	*7.83*	*8.83*	*8.83*	*10.01*	*10.01*	*10.01*	*10.01*
IFAD										
Principal	*9.64*	*15.12*	*17.62*	*17.62*	*18.87*	*20.12*	*20.12*	*20.12*	*20.12*	*20.12*
IDA										
Principal	*421.21*	*499.21*	*604.42*	*680.85*	*682.29*	*723.09*	*768.25*	*798.89*	*975.58*	*893.80*
IMF										
Principal	*1,646.60*	*823.30*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
EDF										
Principal	*5.13*	*5.18*	*5.24*	*5.30*	*5.35*	*5.38*	*2.73*	*0.00*	*0.00*	*0.00*
BADEA										
Principal	*0.37*	*0.38*	*0.38*	*0.38*	*0.39*	*0.39*	*0.39*	*0.40*	*0.40*	*0.41*
IDB										
Principal	*13.60*	*15.69*	*18.15*	*23.27*	*31.57*	*32.12*	*32.31*	*32.51*	*31.86*	*29.96*
IBRD										
Principal	*8.63*	*17.97*	*35.58*	*38.86*	*40.90*	*42.29*	*43.58*	*44.97*	*46.38*	*47.90*
Sub-Total	***2,265.75***	***1,555.42***	***871.92***	***958.15***	***974.21***	***1,020.22***	***1,085.96***	***1,133.05***	***1,318.28***	***1,225.1***
Bilateral										
Principal	*243.90*	*413.02*	*440.07*	*470.27*	*466.56*	*475.21*	*549.54*	*480.34*	*474.00*	*431.69*
Sub-Total										
Commercial										
ICM										
Principal	*0.00*	*1,118.35*	*0.00*	*1,500.00*	*1,250.00*	*1,250.00*	*1,250.00*	*1,000.00*	*1,500.00*	*1,500.0*
Syndicated										
Principal	*270.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Sub-Total										
Export Credit										
Kreditanstalt Fur Wiederaufbua*										
Principal	*19.43*	*19.43*	*19.43*	*19.43*	*19.43*	*19.43*	*0.39*	*0.39*	*0.39*	*0.39*
Sub-Total	*2,265.75*	*2,673.77*	*871.92*	*2,458.15*	*2,224.21*	*2,270.22*	*2,335.96*	*2,133.05*	*2,818.28*	*2,725.1*
New Financing										
Total Principal	***2,859.29***	***3,174.87***	***1,420.66***	***3,037.08***	***2,836.43***	***2,907.97***	***3,026.32***	***2,747.70***	***3,422.73***	***3,276.75***

Source: DMO

Note* These are non-interest-bearing Notes. The balance outstanding as at September 2023, were re-classified as Domestic Debt in 2023, as they are held by Residents.

4.8.5 External Debt Interest Payment Projections (2024–2033)

Table 4.13 shows an increase in projected External Debt Interest Payment over the 10-year period, as a result of the anticipated payment of the last interest in the periods the Eurobond redemption as the occur in the due dates.

Table 4.12: External Debt Interest Payment Projections, 2024 - 2033 (US$' Million)

Category of Debt	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Multilateral										
ADF										
Interest	*10.45*	*11.47*	*11.57*	*11.31*	*10.99*	*10.57*	*10.15*	*9.73*	*9.32*	*8.81*
ADB										
Interest	*103.98*	*109.29*	*113.56*	*109.51*	*102.11*	*92.42*	*82.75*	*72.67*	*62.35*	*51.68*
AGTF										
Interest	*1.67*	*4.24*	*7.37*	*9.75*	*10.55*	*10.13*	*9.57*	*8.96*	*8.36*	*7.73*
IFAD										
Interest	*3.58*	*4.64*	*5.68*	*6.42*	*6.28*	*5.95*	*5.60*	*5.25*	*4.90*	*4.55*
IDA										
Interest	*241.22*	*271.93*	*298.69*	*306.61*	*302.00*	*292.29*	*280.05*	*266.73*	*252.84*	*236.87*
IMF										
Interest	*18.17*	*2.91*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
EDF										
Interest	*0.33*	*0.28*	*0.23*	*0.17*	*0.12*	*0.07*	*0.01*	*0.00*	*0.00*	*0.00*
BADEA										
Interest	*0.05*	*0.06*	*0.06*	*0.06*	*0.06*	*0.05*	*0.05*	*0.05*	*0.04*	*0.04*
IDB										
Interest	*9.05*	*8.21*	*5.82*	*2.25*	*2.03*	*1.85*	*1.66*	*1.46*	*1.26*	*1.04*
IBRD										
Interest	*15.22*	*14.83*	*14.25*	*13.64*	*12.92*	*12.15*	*11.33*	*10.47*	*9.57*	*8.62*
Sub-Total	***403.73***	***427.86***	***457.23***	***459.73***	***447.06***	***425.47***	***401.18***	***375.31***	***348.64***	***319.32***
Bilateral										
Interest	***139.78***	***143.24***	***139.54***	***133.28***	***124.66***	***114.77***	***104.01***	***90.15***	***77.23***	***64.29***
Sub-Total										
Commercial										
ICM										
Interest	***1,152.59***	***1,152.59***	***1,067.32***	***1,067.32***	***969.82***	***840.91***	***743.92***	***626.43***	***552.75***	***493.69***
Syndicated										
Interest	***31.32***	***2.46***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***
Export Credit										
Kreditanstalt Fur Wiederaufbua*										
Interest	***4.46***	***3.69***	***2.93***	***2.17***	***1.40***	***0.64***	***0.07***	***0.07***	***0.06***	***0.06***
Sub-Total	***1,188.37***	***1,158.74***	***1,070.25***	***1,069.49***	***971.22***	***841.55***	***743.99***	***626.49***	***552.81***	***493.75***
New Financing										
Total Interest	*1,731.88*	*1,729.84*	*1,667.02*	*1,662.50*	*1,542.94*	*1,381.79*	*1,249.18*	*1,091.96*	*978.69*	*877.36*

Source: DMO

4.8.6 External Debt Disbursements

Total External Debt Disbursements in 2023 stood at US$2,858.79 million compared to US$5,014.40 million in the preceding year. The disbursements were largely from Multilateral and Bilateral Creditors. Table 4.14 shows External Debt Disbursements by Source from 2019-2023.

Table 4.13: External Debt Disbursements by Source, 2019-2023 (US$' Million)

Source	2019	2020	2021	2022	2023
Multilateral					
IMF	-	3,358.90	-	-	-
IDA	1,253.39	1,193.48	1,346.69	2,350.97	1,735.17
IFAD	31.34	22.03	24.99	34.41	31.40
AfDB	136.66	310.18	20.88	147.34	169.24
ADF	69.71	27.64	47.58	39.40	35.33
AGTF	-	0.08	4.80	13.14	5.17
IDB	-	1.65	7.63	25.00	46.65
BADEA	-	-	-	-	-
IBRD	285.33	0.23	1.53	41.61	4.00
Sub-Total	1,776.43	4,914.18	1,454.10	2,651.87	2,026.96
Bilateral	714.27	350.79	551.92	851.01	791.83
Commercial	-	181.87	4,000.00	1,509.96	40.00
Promissory Notes*	**-**	**-**	426.59	1.56	**-**
TOTAL	**2,490.70**	**5,446.84**	**6,432.61**	**5,014.40**	**2,858.79**

Source: DMO
Note* These are non-interest-bearing Notes. The balance outstanding as at September 2023, were re-classified as Domestic Debt in 2023, as they are held by Residents.

4.8.7 Net Resource Flows and Net Transfers on External Debt

Nigeria's Net Resource Flows and Net Transfers on External Debt were US$1,019.76 million and US$(644.71) million in 2023 compared to US$4,108.16 million and US$2,608.94 million in 2022. The Net inflows in the year were as a result of disbursements from Multilateral, Bilateral and Syndicated Creditors. In addition to the principal and Interest payments to the Multilateral and Bilateral Creditors, the sum of US$500million was used to redeem the Eurobond that fell due within the period. Table 4.15 shows Net Resource Flows and Net Transfers on External Debt by Source in 2023.

Table 4.14: Net Resource Flows and Net Transfers on External Debt by Source in 2023 (US$' Million)

CREDITOR CATEGORY	Disbursements in 2023	Principal Repayments in 2023	Net resource flow in 2023	Interest paid in 2023	Net Transfers in 2023
	(A)	**(B)**	**C (A-B)**	**(D)**	**E(C-D)**
Multilateral	2,026.96	919.37	1,107.59	314.36	793.23
Bilateral	791.83	215.05	576.78	129.52	447.26
Commercial (Syndicated - AFC)	40.00	30.00	10.00	36.12	(26.12)
Oil Warrants	-	-	-	-	-
Eurobonds	-	500.00	(500.00)	1,184.47	(1,684.47)
Promissory Notes (Local Contractors)	-	174.61	(174.61)	-	(174.61)
Citibank Agency Fees	-	-	-	-	-
Total	**2,858.79**	**1,839.03**	**1,019.76**	**1,664.47**	**(644.71)**

Source: DMO
(i) Net resource flow equals disbursements less principal repayments.
(ii) Net transfers equal Net Resource flow less Interest payments.

4.9 International Capital Market Operations

4.9.1 Performance of Nigeria's Eurobonds in the Secondary Market

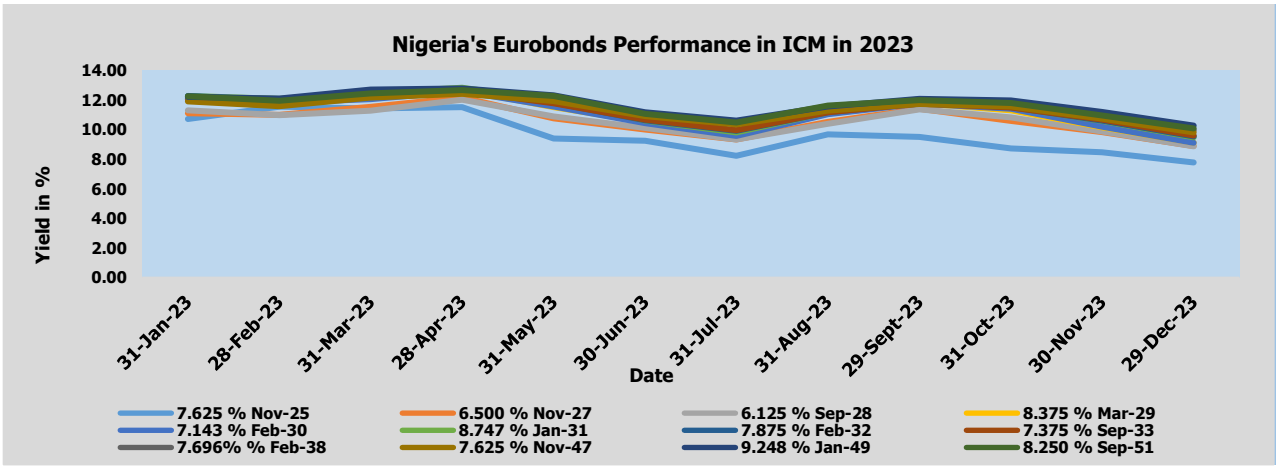
Nigeria did not access funds from the International Capital Market (ICM) in 2023. Meanwhile, the Yields of Nigeria's Eurobonds in the ICM increased in the early part of 2023 compared to levels recorded in 2022, and thereafter moderated downward towards the end of 2023. The upward trajectory in the yields in 2023 represent an average of 250 basis points (bps) across the twelve (12) instruments trading in the ICM. Some of the factors that accounted for the rise in the Yields of the instruments include global inflationary pressures and hikes in the benchmark interest rates by the monetary authorities of advanced economies. The trend in the Yields are shown in Table 4.16 and graphically represented in Figure 4.4

Table 4.15: Trends in Nigeria's Eurobonds End-Month Yields (January – December 2023)

Date	7.625 % NOV 2025	6.500 % NOV 2027	6.125 % SEP 2028	8.375 % MAR 2029	7.143 % FEB 2030	8.747 % JAN 2031	7.875 % FEB 2032	7.375 % SEP 2033	7.696 % FEB 2038	7.625 % NOV 2047	9.248 % NOV 2049	8.250 % JAN 2051
31-Jan-23	10.71	11.11	11.31	12.08	12.05	12.27	12.27	12.07	12.15	11.91	12.22	12.26
28-Feb-23	11.55	10.99	10.98	11.97	11.82	12.07	11.99	11.79	11.93	11.58	12.11	11.95
31-Mar-23	11.44	11.54	11.29	12.41	12.05	12.48	12.28	12.22	12.49	12.16	12.71	12.44
28-Apr-23	11.52	12.17	12.02	12.69	12.59	12.83	12.64	12.61	12.70	12.42	12.78	12.67
31-May-23	9.39	10.76	10.89	11.51	11.56	11.97	11.81	11.77	12.20	11.93	12.31	12.28
30-Jun-23	9.24	10.01	10.12	10.53	10.43	10.61	10.63	10.67	11.07	10.92	11.17	11.07
31-Jul-23	8.22	9.33	9.34	9.59	9.57	9.81	9.91	9.96	10.40	10.35	10.60	10.49
31-Aug-23	9.69	10.52	10.39	11.09	11.05	11.17	11.17	11.18	11.48	11.28	11.56	11.62
29-Sep-23	9.51	11.41	11.37	11.78	11.75	11.84	11.79	11.75	12.04	11.74	12.07	11.99
31-Oct-23	8.73	10.58	10.83	11.31	11.40	11.52	11.51	11.50	11.79	11.57	11.97	11.80
30-Nov-23	8.47	9.83	9.88	10.16	10.20	10.58	10.60	10.68	10.96	10.74	11.20	10.96
29-Dec-23	7.78	8.89	8.87	9.12	9.11	9.48	9.54	9.60	9.96	9.81	10.27	10.08

Source: Bloomberg

Figure 4.4: Trends in the End-Month Yields of Nigeria's Eurobonds Bond in 2023



Source: Bloomberg

4.9.2 Comparative Performance of other African Sovereigns Eurobonds

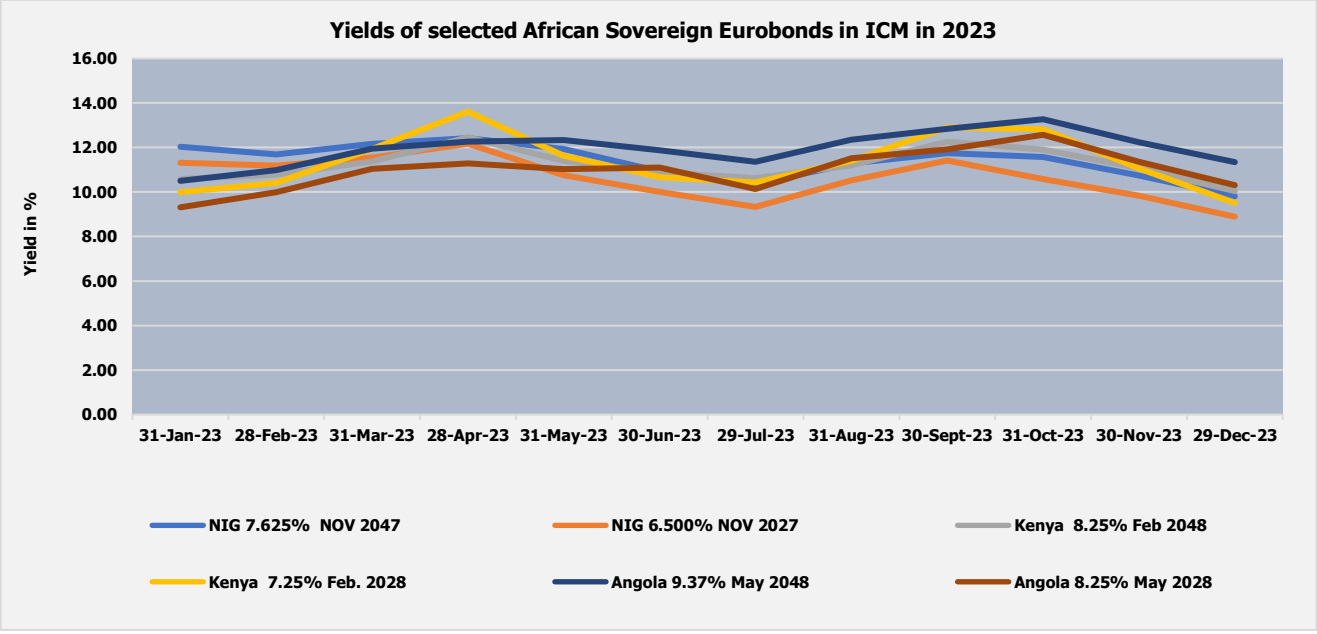
As with Nigeria, the Yields of Africans Eurobonds of similar tenor and term-to-maturity to the Nigeria's Eurobonds trading in the ICM rose sharply in 2023 relative to levels recorded in 2022 (Table 4.17). Comparatively, the Yields of two Nigeria's Eurobond; 7.625% NOV. 2047 and 6.500% NOV 2027 rose by an average of over 200 bps in Q1, 2023, while that of Kenya's 8.25% FEB 2048 and 7.25% FEB 2028 recorded an increase of about 300 bps in same period. Comparatively, Angola's 9.37% and 8.25% Yields increased by 200 bps in 2023 as against the level the instruments traded in 2022. The trend in the Yields are graphically represented in Figure 4.5.

Table 4.16: Comparative of Selected African Countries Eurobonds Yields in 2023

Date	Nigeria 7.625% Nov 2047	Nigeria 6.500% Nov 2027	Kenya 8.25% Feb 2048	Kenya 7.25% Feb 2028	Angola 9.37% May 2048	Angola 8.25% May 2028
31-Jan-23	11.91	11.11	10.58	9.99	10.50	9.31
28-Feb-23	11.58	10.99	10.78	10.41	10.99	9.99
31-Mar-23	12.16	11.54	11.37	11.93	11.94	11.04
28-Apr-23	12.42	12.17	12.46	13.61	12.27	11.28
31-May-23	11.93	10.76	11.40	11.63	12.34	11.02
30-Jun-23	10.92	10.01	10.88	10.67	11.88	11.10
29-Jul-23	10.35	9.33	10.62	10.42	11.35	10.14
31-Aug-23	11.28	10.52	11.20	11.40	12.35	11.51
30-Sep-23	11.74	11.41	12.27	12.90	12.84	11.92
31-Oct-23	11.57	10.58	11.91	12.83	13.27	12.57
30-Nov-23	10.74	9.83	11.07	11.05	12.24	11.35
29-Dec-23	9.81	8.89	10.04	9.51	11.34	10.31

Source: Bloomberg

Figure 4.5: Yields of selected African Sovereign Eurobonds in the ICM in 2023



Source: Bloomberg

4.9.3 New Securities Issued by African Sovereigns in 2023

In 2023, three (3) African Sovereigns: Morocco, Egypt and Gabon accessed the International Capital Market (ICM) through the Issuances of Eurobonds, Sustainable Panda Bond, Sukuk and Blue Bond (Table 4.19). Morocco issued US$2.5 billion Eurobonds in two tranches of US$1.25 billion each in tenors of 5-year and 10-year at a coupon rate of 5.95% and 6.50%, respectively. Similarly, Egypt issued the first Africa Sovereign Sustainable Panda Bond of RMB3.5 billion or USD0.478 billion with partial credit guarantees from the ADB and the Asian Infrastructure Development Bank. This debut Issuance is expected to pave the way for other African sovereigns to access the fast-growing Chinese debt capital markets. Also, during the year under review, Egypt issued a 3-year USD1.5 billion Sukuk at a rental rate of 11.00% with over 500% oversubscription recorded. The proceeds will be deployed to refinance Egypt's USD1.25 billion five-year Eurobonds that matured in 2023.

Gabon raised a USD500 million 6.097% 15-year debt-for-nature-swap (Blue Bond), with partial credit enhancement from the US International Development Finance Corporation (DFC). The proceeds will be used to refinance a portion of its debt obligation, while the balance will be used to fund marine conservation.

Table 4.17: Credit Ratings on Eurobonds and Other Bonds Issued by African Sovereigns in 2023

Country	Credit Rating			Date	Amount	Tenor	Coupon (%)	Issued Yield (%)
	Fitch	S&P	Moody's		USD (Billion)			
Morocco	B-	B-	B3	March 1, 2023	1.250	5	5.95	6.22
					1.250	10	6.50	6.60
Egypt	B+	B-	Caa1	October 17, 2023	0.478	3	3.50	3.50
	International Sukuk in the ICM			February 21, 2023	1.500	3	1.00	1.00
Gabon	B-	N/A	Caa1	August 14, 2023	0.500	15	6.097	6.097
Total					**4.978**			

Table 4.18: External Loans Signed by the FGN in 2023

S/N	Project Name	Creditor	Currency	Loan Amount
1.	National Agricultural Growth Support Program (NAGS)	AfDB	USD	134,000,000.00
2.	Investment in Digital and Creative Enterprises (IDICE)	AFD	EUR	100,000,000.00
3.	Kaduna-Kano Segment of the Lagos –Kano Nigeria Railway Modernization Project	China Development Bank	USD	883,451,285.40
4.	Reaching Out of School Children Project in Kaduna State	IsDB	USD	62,800,000.00
5.	Procurement of M346 Fighter Aircraft	i. Banco BPM S.P.A, ii. Credit Agricole Corporate & Investtment Bank iii. Unicredit Bank AG iv. SACE	EUR	443,300,000.00
6.	State Action on Business Enabling Reforms (SABER) Program	World Bank	USD	750,000,000.00
7.	Nigeria for Women Project-Scale-Up	World Bank	USD	500,000,000.00
8.	Adolescent Girls' Initiatives for Learning & Education (AGILE-AF)	World Bank	USD	700,000,000.00
	Total			**3,573,551,285.40**

Source: Federal Ministry of Finance

CHAPTER FIVE

NIGERIA'S DOMESTIC DEBT

FGN's Domestic Debt stock as at December 31, 2023 was ₦53,258.01 billion compared to ₦22,210.37 billion as at December 31, 2022, reflecting an increase of ₦31,047.64 billion or 139.79 percent. The increase in the Debt stock was due mainly to the securitization of the WMAs extended by the CBN to the FGN and *the issuance of FGN Bonds to fund the 2023 Appropriation Act. Other factors include refinancing of matured FGN securities and the settlement of local debts and other contractual obligations of the FGN. The FGN's Rental and Debt Service Payments on Domestic Debt in 2023 was ₦4,381.21 billion compared to ₦2,560.78 billion in 2022. The increase of ₦1,820.43.34 billion or 71.09 percent on debt service payments was as a result of redemption of the Treasury Bond and Promissory Note that fall due in the year under review.*

5.1 FGN's Domestic Debt Stock

The FGN's Domestic Debt stock outstanding as at December 31, 2023 was ₦53,258.01 billion compared to ₦22,210.537 billion in the corresponding period of 2022, representing an increase of ₦31,047.64 billion or 139.79 percent. The significant increase in the FGN's Domestic stock was due to the securitization of the WMAs extended by the CBN to the FGN in the sum of ₦22.71 trillion. In spite of the redemption of the Treasury Bond and some Promissory Notes that matured in 2023, the issuances of some FGN Securities to finance the 2023 Appropriation Act, Sukuk, Nigeria Treasury Bills and Promissory Notes mainly contributed to the growth of the FGN Domestic Debt stock.

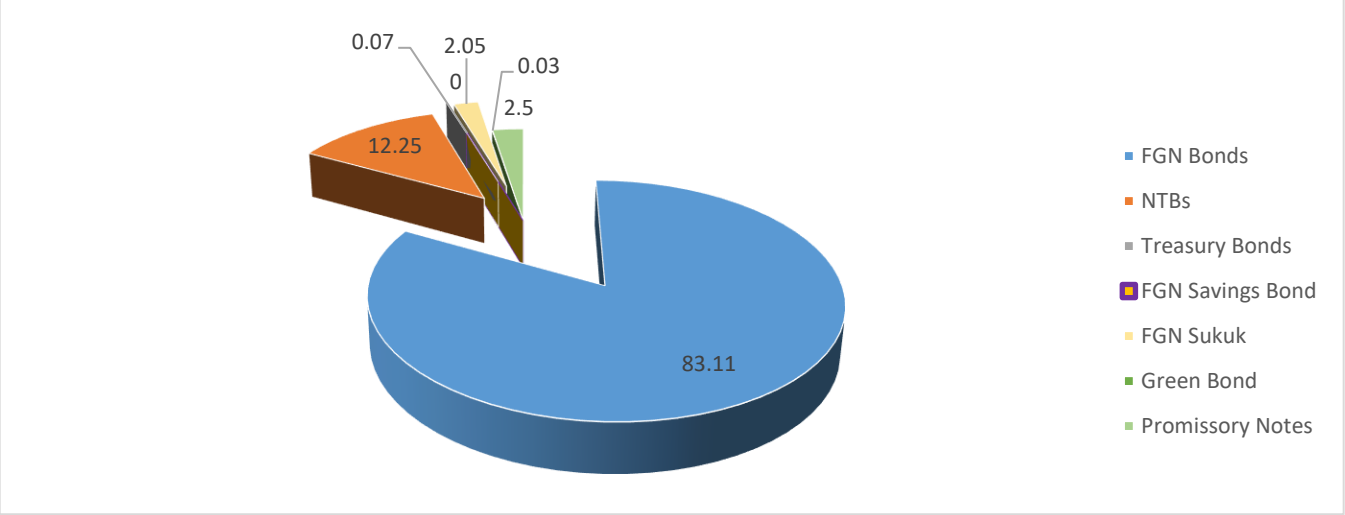
The FGN's Domestic Debt Stock comprises, FGN Bonds of ₦44,260.22 billion or 83.11 percent of the FGN's Total Domestic Debt stock as at December 31, 2023. Others components are; NTBs of ₦6,522.00 billion or 12.25 percent, FGN Savings Bonds of ₦39.18 billion or 0.07 percent, FGN Sukuk of ₦1,092.56 billion or 2.05 percent, FGN Green Bonds of ₦15.00 billion or 0.03 percent and Promissory Notes of ₦1,329.06 billion or 2.50 percent of the FGN's Total Domestic Debt stock. Table 5.1 and Figure 5.1 show the composition of the FGN's Domestic Debt Stock outstanding as at December 31, 2023.

Table 5.1 FGN Domestic Debt Outstanding by Instruments, 2019-2023

	2019	2020	2021	2022	2023
Instruments	**₦' Billion**	**₦' Billion**	**₦' Billion**	**₦' Billion**	**₦' Billion**
FGN Bonds	10,524.16	11,830.27	13,963.22	16,421.56	44,240.22
NTBs	2,651.51	2,720.43	3,786.14	4,422.72	6,522.00
Treasury Bonds	125.99	100.98	75.99	50.99	-
FGN Savings Bond	12.67	12.29	16.42	27.51	39.18
FGN Sukuk	200.00	362.56	612.56	742.56	1,092.56
Green Bonds	25.69	25.69	25.69	15.00	15.00
Promissory Notes	732.62	971.66	762.54	530.03	1,329.06
Total	**14,272.64**	**16,023.88**	**19,242.56**	**22,210.37**	**53,258.01**
Instruments	**% of Total**	**% of Total**	**% of Total**	**% of Total**	**% of Total**
FGN Bonds	73.74	73.83	72.56	73.94	83.11
NTBs	18.58	16.98	19.68	19.91	12.25
Treasury Bonds	0.88	0.63	0.39	0.23	-
FGN Savings Bond	0.09	0.08	0.09	0.12	0.07
FGN Sukuk	1.40	2.26	3.18	3.34	2.05
Green Bond	0.18	0.16	0.13	0.07	0.03
Promissory Notes	5.13	6.06	3.96	2.39	2.50
Total	**100**	**100**	**100**	**100**	**100**

Source: DMO

Figure 5.1 Composition of FGN's Domestic Debt Stock by Instruments as at December 31, 2023 (in Percentage)



Source: DMO

The share of FGN's Domestic Debt Stock composition continued to grow from 73.74 percent in 2019 to 83.11 percent in 2023, which together with the FGN Sukuk and Promissory Notes has contributed to the lengthening of the Average Time-to-Maturity of the FGN Debt portfolio (Table 5.1). In line with the country's debt management strategy, while the share of FGN Bonds, which is the principal instrument

for long-term borrowing in the domestic market has continued to move in an upward trend, the share of NTBs declined sharply from 18.58 percent in 2019 to 12.25 percent at the end of 2023.

Table 5.1 shows that the FGN Domestic Debt Stock by instruments was dominated by FGN Bonds and Nigeria Treasury Bills (NTBs) in 2023. The shares of FGN Bonds and NTBs were relatively larger since 2019, at 83.11 percent and 12.25 percent in 2023, respectively. This is followed by Promissory Notes and the FGN Sukuk with shares of 2.50 percent and 2.05 percent in 2023, respectively. The share of the FGN Savings and Green Bond decreased from 0.09 and 0.18 percent in 2019 to 0.07 and 0.03 percent in 2023, respectively.

5.2 FGN's Domestic Debt Stock by Category of Holders

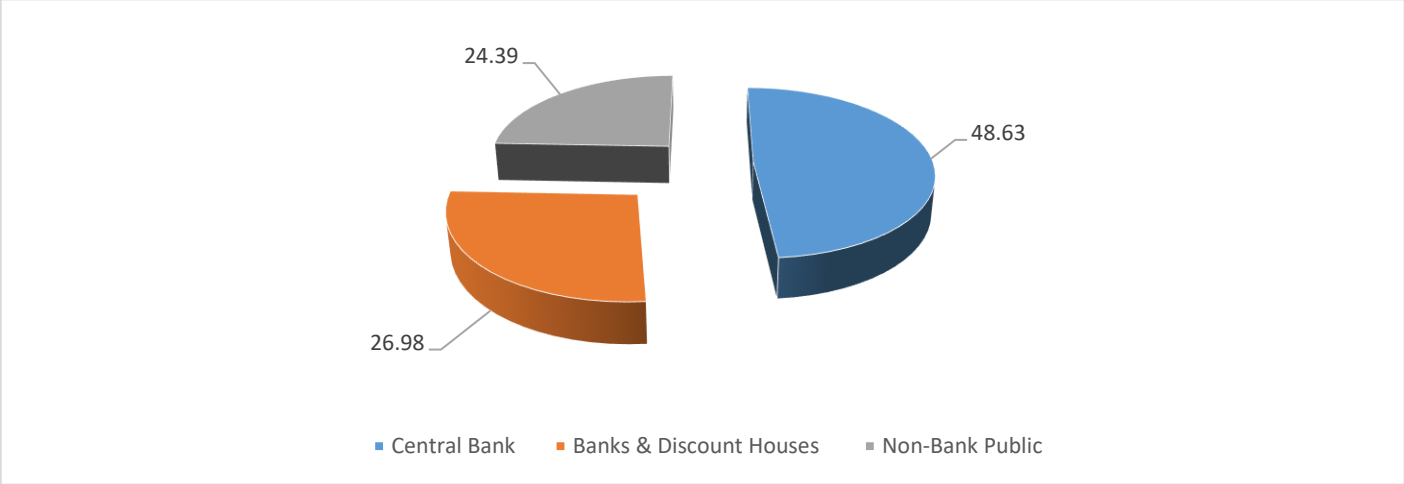
Table 5.2 shows the FGN's Total Domestic Debt outstanding by Holders' Category as at December 31, 2023. The breakdown revealed that the CBN held the largest share of the FGN's total Domestic Debt stock with ₦25,901.16 billion or 48.63 percent, followed by Banks and Discount Houses with ₦14,367.97 billion or 26.98 percent and the Non-Bank Public with ₦12,988.89 billion or 24.39 percent.

Table 5.2: FGN's Domestic Debt by Holder's Category, as at December 31, 2023(₦' Billion)

Instrument	Central Bank	Banks & Discount Houses	Non-Bank Public	Amount Outstanding
FGN Bonds	24,318.27	10,918.76	9,023.19	44,260.22
Nigerian Treasury Bills (NTBs)	1,582.89	3,449.21	1,489.90	6,522.00
Savings Bond	-	-	39.18	39.18
FGN Sukuk		-	1,092.56	1,092.56
FGN Green Bond		-	15.00	15.00
Promissory Notes		-	1,329.06	1,328.06
Total	**25,901.16**	**14,367.97**	**12,988.89**	**53,258.01**
% of Total	*48.63*	*26.98*	*24.39*	*100.00*

Source: DMO

Figure 5.2: Composition of FGN's Domestic Debt by Holders' Category as at December 31, 2023



Source: DMO

The Table 5.3 shows that holdings by the CBn increased from 23.60 percent in 2022 to 48.63 percent in 2023. Bank holding Category experienced a significant reduction from 51.95 percent in 2022 to 26.98 percent in 2023. However, Non-Bank Public (mainly Pension Fund Administrators, Asset and Fund Managers, as well as Insurance companies) saw a slight increase from 24.24 in 2022 to 24.39 percent in 2023. The increase in the share of the Non-Bank Public was as a result of diversification of the investor base and market development activities of the DMO and other stakeholders.

Table 5.3: FGN's Domestic Debt Outstanding by Holders Category, 2019 -2023 (₦' Billion)

Investor Type	2019	2020	2021	2022	2023
CBN	1,860.62	2,543.71	1,440.15	5,241.18	25,901.16
% of Total	*13.04*	*15.88*	*7.48*	*23.60*	*48.63*
Banks	4,248.49	6,929.44	10,073.57	11,538.53	14,367.97
% of Total	*29.76*	*43.24*	*52.35*	*51.95*	*26.98*
Non-Bank Public	8,078.58	6,467.75	7,667.18	5,382.79	12,988.89
% of Total	*56.60*	*40.36*	*39.84*	*24.24*	*24.39*
Sinking Fund	84.95	82.98	61.69	47.87	-
% of Total	*0.60*	*0.52*	*0.32*	*0.22*	*0.00*
Total	**14,272.64**	**16,023.88**	**19,242.56**	**22,210.37**	**53,258.01**

Source: CBN, DMO

5.3 FGN's Domestic Debt by Residual Maturity

Table 5.4 shows that the FGN's Domestic Debt has been lengthened considerably over the past five years (2019-2023). The medium to long-term FGN Domestic Debt account for larger share of debt stock between 2019 and 2023. In 2023, the short-term debt represents 14.52 percent of the stock, while the

medium to long-term account for 85.48 percent. The decrease in the share of Short-term debt from 24.66 percent in 2019 to 14.52 percent in 2023, aligns with the Debt Management Strategy of targeting 75:25 for long-term to short-term debts in the Domestic Debt Portfolio. This has substantially helped to moderate refinancing and interest rate risks associated with short-term debts.

Table 5.4: FGN's Domestic Debt Outstanding by Residual Maturity, 2019 – 2023 (₦' Billion)

Year	Short Term[1]	%	Medium-Long Term[2]	%	Total	%
2019	3,519.58	24.66	10,753.05	75.34	14,272.64	100
2020	4,402.36	27.47	11,621.53	72.53	16,023.89	100
2021	4,689.67	24.37	14,552.89	75.63	19,242.56	100
2022	5,968.67	26.87	16,241.69	73.13	22,210.36	100
2023	7,731.51	14.52	45,526.50	85.48	53,258.01	100

Source: DMO
Notes: [1] Instruments with up to 1-year remaining maturity
[2] Instruments with more than 1-year remaining maturity

5.4 FGN's Domestic Debt Service in 2023

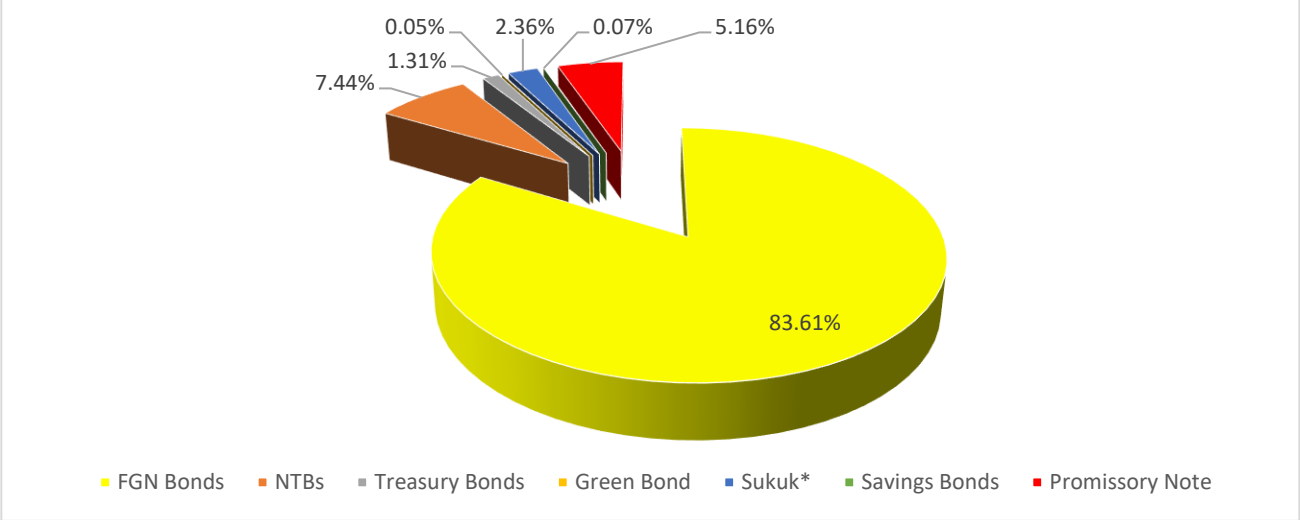
Table 5.5 shows that the Total FGN's Interest, Rental, and Principal repayments on FGN's Domestic Debt was ₦4,381.21 billion in 2023, relative to ₦2,560.78 billion in 2022. The increase of ₦1,820.43 billion or 71.09 percent on debt service payment was as a result of interest and rental payments on FGN's Domestic Debt as well as redemption of the Treasury Bond and Promissory Notes that matured in 2023. While the Interest Payments made in the year on FGN Bonds constituted 83.61 percent of the FGN's Total Domestic Debt Service; other shares of Debt Service accounted for payment made on NTBs (7.44 percent), Treasury Bonds (1.31 percent), FGN Green Bond (0.05 percent), FGN Sukuk (2.36 percent), FGN Savings Bonds (0.07 percent) and Promissory Notes (5.16 percent). Table 5.6 shows FGN's Domestic Debt Service for the period, 2019 - 2023, indicating that the largest debt service payment was made on FGN Bonds and NTBs.

Table 5.5: FGN's Domestic Debt Service in 2023 (N' Million)

Instruments	Principal Repayment	Interest/Rental	Total	% of Total
FGN Bonds	-	3,663,265.20	3,663,265.20	83.61
NTBs	-	326,120.86	326,120.86	7.44
Treasury Bonds	50,988.00	6,373.50	57,361.50	1.31
Green Bond	-	2,175.00	2,175.00	0.05
Sukuk*	-	103,251.38	103,251.38	2.36
Savings Bonds	-	2,866.40	2,866.40	0.07
Promissory Note	226,167.01	-	226,167.01	5.16
Total Debt Service	**277,155.01**	**4,104,052.34**	**4,381,207.35**	**100**

Source: DMO
FGN Bonds, NTBs, FGN Savings Bond, Green Bonds, Promissory Notes that matured during period were refinanced.
*Sukuk holders earn periodic rental on investment.

Figure 5.3: Composition of FGN's Domestic Debt Service in 2023 (in Percentage)



Source: DMO

Table 5.6: Trends in FGN's Domestic Debt Service 2019-2023 (₦' Billion)

Year	Domestic Debt Service
2019	1,661.03
2020	1,854.69
2021	2,054.44
2022	2,560.78
2023	4,381.21

Source: DMO

5.5 Size and Composition of the Domestic Debt Market

As of December 31, 2023, the aggregate Face Value of outstanding Domestic Debt Instruments comprised of FGN Securities, State Governments, and Corporate Bonds stood at ₦50.32 trillion (Table 5.7). This represents an increase of ₦28.72 trillion or 133.00 percent compared to the ₦21.59 trillion

recorded in 2022. The increase is primarily attributed to the securitization of the WMAs extended by the CBN to the Federal Government of Nigeria (FGN), in the sum of ₦22.719 trillion. Consequently, there was a substantial rise in the share of FGN Bonds, both in absolute terms and in market share. FGN Savings Bonds and Sukuk recorded modest increases only in absolute terms. These developments underscore the deepening of the domestic debt market, and signify heightened investor appetite for securities issued by the FGN other than FGN Bonds.

Table 5.7: Size and Composition of Domestic Bonds Market: 2022 and 2023

	2022		2023	
Issuer	**Amount Outstanding (₦' Billion)**	**% of Total**	**Amount Outstanding (₦' Billion)**	**% of Total**
FGN Bond	16,421.56	76.04	44,260.22	87.96
Treasury Bonds	50.99	0.23	25.99*	0.05
Sukuk	742.56	3.44	1,092.557	2.17
Green	15.00	0.07	15.00	0.03
FGN Savings Bonds	27.51	0.13	39.18	0.08
Promissory Notes	530.03	2.45	1,329.06	2.64
State Governments	494.75	2.29	696.88	1.38
Corporates	3,314.37	15.35	2,861.42	5.69
Total	**21,596.77**	**100.00**	**50,320.31**	**100.00**

Sources: SEC and DMO
Note: Corporates are included to show the total size of the Domestic Bond Market but are NOT part of the Public Debt Outstanding

5.6 FGN Bonds Primary Market Activities

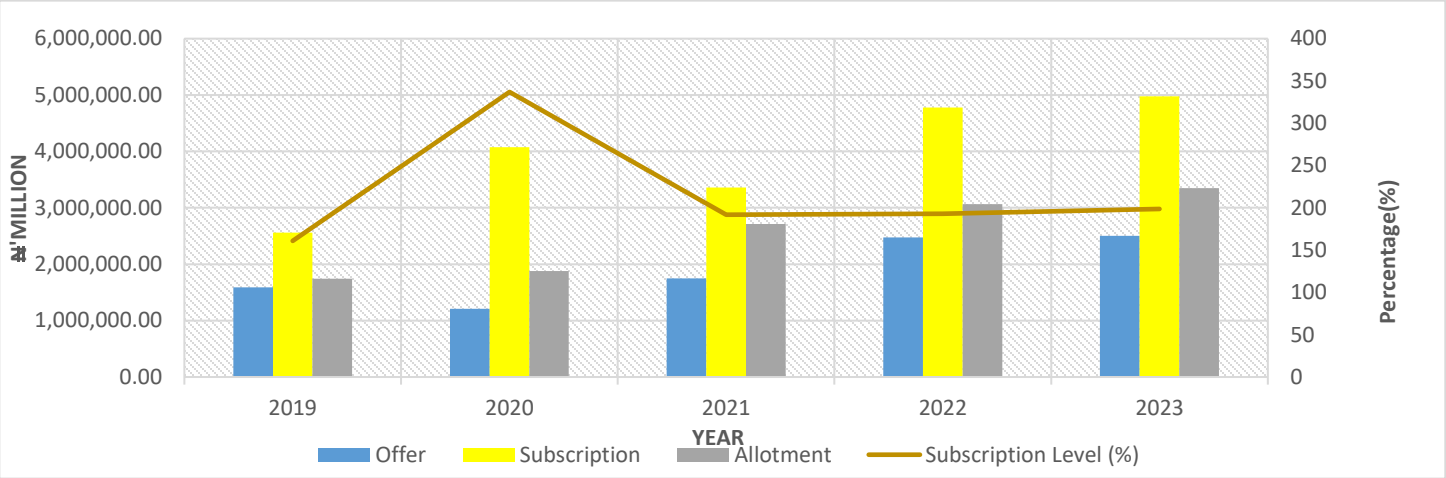
FGN Bonds of 10, 20 and 30-year tenors were issued by the FGN in the primary market in the year under review. The sum of ₦2,505,000.00 million was offered, with a total subscription level of ₦4,976,588.08 million, out of which ₦3,346,059.05 million was allotted during the year under revew. This represented a subscription level of 198.67 percent in the year 2023 (Table 5.9). The demand for FGN securities as shown in the table below reflects a high level of subscription. This is an indication that the domestic debt market remained robust with diversified and growing investor-base which includes Banks, Discount Houses, Non-Bank Public, Pension Funds and Asset Managers, Insurance Companies and other Institutional Investors. Table 5.8 shows the FGN Bonds primary market issuances from 2019 – 2023.

Table 5.8: FGN Bonds Primary Market Issuance, 2019 – 2023 (₦' Million)

Year	Offer	Subscription	Allotment	Subscription Level (%)
2019	1,590,000.00	2,558,720.96	1,742,462.46	160.93
2020	1,210,000.00	4,077,215.99	1,879,393.34	336.96
2021	1,750,000.00	3,357,333.42	2,712,148.03	191.85
2022	2,475,000.00	4,779,791.27	3,063,654.25	193.12
2023	2,505,000.00	4,976,588.08	3,346,059.05	198.67

Source: DMO

Figure 5.4: Summary of Yearly FGN Bonds Offer, Subscription & Allotment, 2019-2023 (₦' Million)



Source: DMO

5.7 FGN Bonds Allotment by Residency

Allotments of the FGN Bonds by Residency classification shows that resident investors accounted for ₦5,335,074.42 million or 99.38 percent of Bonds allotted in 2023, compared to ₦2,310,241.60 million or 75.41 percent in 2022. Allotments to Non-resident investors decreased significantly to ₦33,333.00 million or 0.62 percent of the Bonds in 2023 relative to ₦753,412.65 million or 24.59 percent in 2022, reflecting a significant decrease of 95.58 percent in participation by non-resident investors. The low participation in FGN Securities by Non-Resident investors could be attributed to change in Government in 2023, pronouncements of various economic policies such as the Unification of the Exchange Rate windows, which resulted in the devaluation of the Naira and less appetite for emerging economies financial instruments. Table 5.10 shows the Allotment of FGN Bonds by Residency Classification.

Table 5.9: Allotment of FGN Bonds by Residency Classification (₦' Million)

	2022		2023	
Classification	**Amount**	**% of Total**	**Amount**	**% of Total**
Residents	2,310,241.60	75.41	5,335,074.42	97.52
Non-Residents	753,412.65	24.59	33,333.00	2.48
Total	**3,063,654.25**	**100.00**	**5,368,407.42**	**100.00**

Source: DMO

5.8 Trend Analysis of FGN Bonds Allotment by Residency

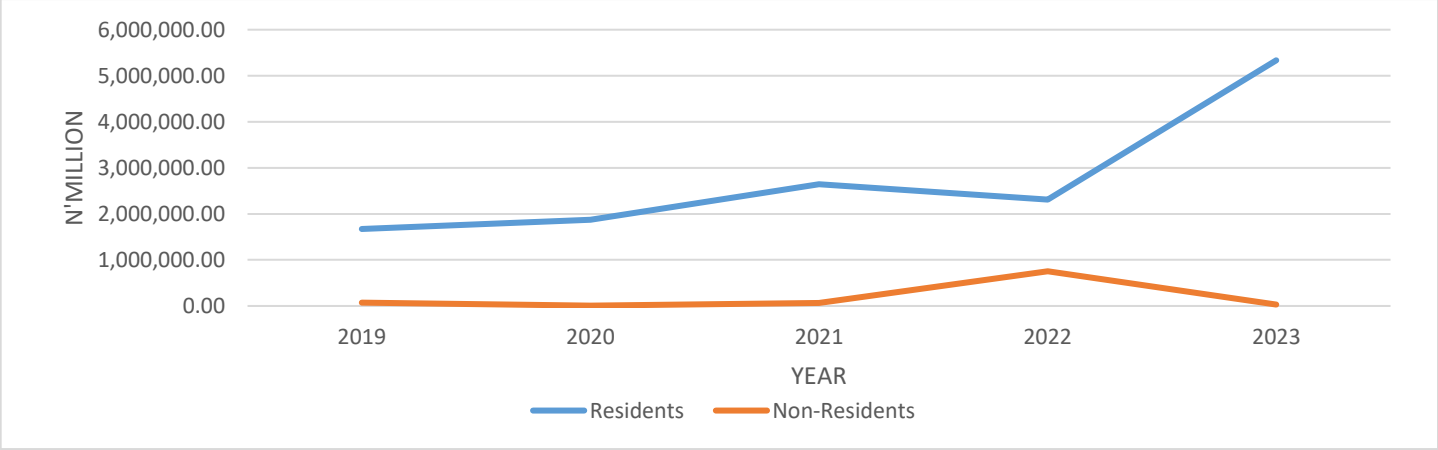
The breakdown of FGN Bonds allotments by Residency revealed a significant decrease in participation by Non-residents in FGN Bonds Auctions to 0.62 percent in 2023 compared to 24.59 percent in 2022, as shown in Table 5.10 and Figure 5.5. The decrease in Non-Resident investors' participation shows concerns around Nigeria's unstable foreign exchange regime, resulting in market uncertainty. It also shows that Nigeria's Domestic Market is robust and well developed to meet government's financing needs even with low Non-Residents investor participation.

Table 5.10: Summary of Allotment of FGN Bonds by Residency Classification, 2019-2023 (₦' Million)

Year	Residents	%	Non-Residents	%	Total	%
2019	1,671,581.28	95.93	70,881.18	4.07	1,742,462.46	100.00
2020	1,872,393.34	99.63	7,000.00	0.37	1,879,393.34	100.00
2021	2,644,963.03	97.52	67,185.00	2.48	2,712,148.03	100.00
2022	2,310,241.60	75.41	753,412.65	24.59	3,063,654.25	100.00
2023	5,335,074.42	99.38	33,333.00	0.62	5,368,407.42	100.00

Source: DMO

Figure 5.5: Summary of Allotment of FGN Bonds by Residency Classification, 2019 – 2023 (₦' Million)



Source: DMO

5.9 Analysis of FGN Bonds Auctions by Tenor

FGN Bonds with Tenors of 10, 20 and 30-year were issued in 2023. As indicated in Table 5.11, the 10-year tenor accounted for 39.20 percent of the total FGN Bonds issued, the 20-year tenor accounted for 54.64 percent while the 30-year tenor recorded 6.16 percent of the total FGN Bond issued in the year under review. The long tenor instruments of 20 and 30-years with a total percentage contribution of 60.80 percent, dominated the bond market to meet investors with longer tenor appetite, and also lengthen the yield curve of FGN Securities. Tables 5.12 and 5.13 show the monthly analysis of FGN Bonds issued by Tenor, and monthly FGN Bonds Issuances, Subscriptions and Allotments in 2023, while Figure 5.13 shows the Monthly Issuances in the year under review.

Table 5.11: Analysis of FGN Bonds Issuance by Tenor in 2023 (₦' Million)

Tenor*	Amount (₦' Million)	% of Total
10-year	1,403,028.71	39.20
20-year	1,995,908.00	54.64
30-year	220,573.90	6.16
Total	**3,579,510.61**	**100.00**

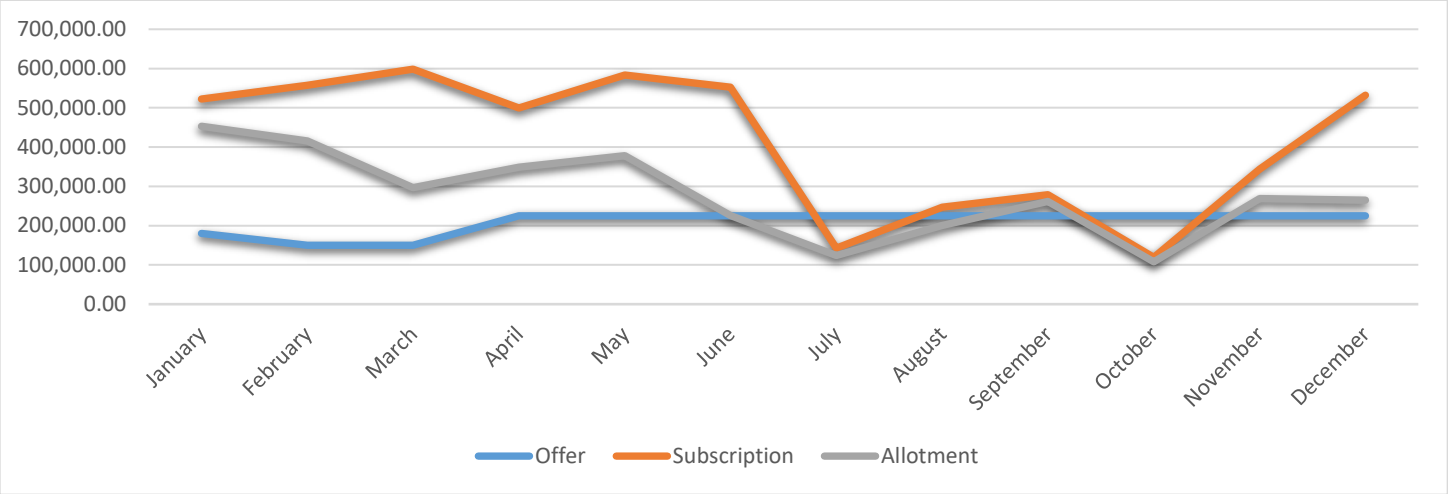
Source: DMO
* Represents original Issuance Tenor

Table 5.12: Monthly Analysis of FGN Bonds Issuance by Tenor in 2023 (N' Million)

Month	10 Year*	20 Year*	30 Year*	Total
January	233,451.55	232,466.13	220,573.90	686,491.58
February	153,398.62	262,022.20	-	415,420.82
March	127,635.00	169,371.68	-	297,006.68
April	230,195.16	118,381.72	-	348,576.88
May	207,417.86	171,000.00	-	378,417.86
June	119,510.90	106,617.88	-	226,128.78
July	23,127.33	100,718.12	-	123,845.45
August	33,050.87	167,522.90		200,573.77
September	122,104.04	139,397.80		261,501.84
October	15,026.00	92,854.16		107,880.16
November	52,243.32	216,908.32		269,151.65
December	85,868.06	178,647.09	-	264,515.14
Total	**1,403,028.71**	**1,955,908.00**	**220,573.90**	**3,579,510.61**

Source: DMO
* Represents original Issuance Tenor

Figure 5.6: Summary of Monthly FGN Bonds Offer, Subscription and Allotment in 2023 (₦' Million)



5.10 Allotment of FGN Bonds by Investor Type in 2023

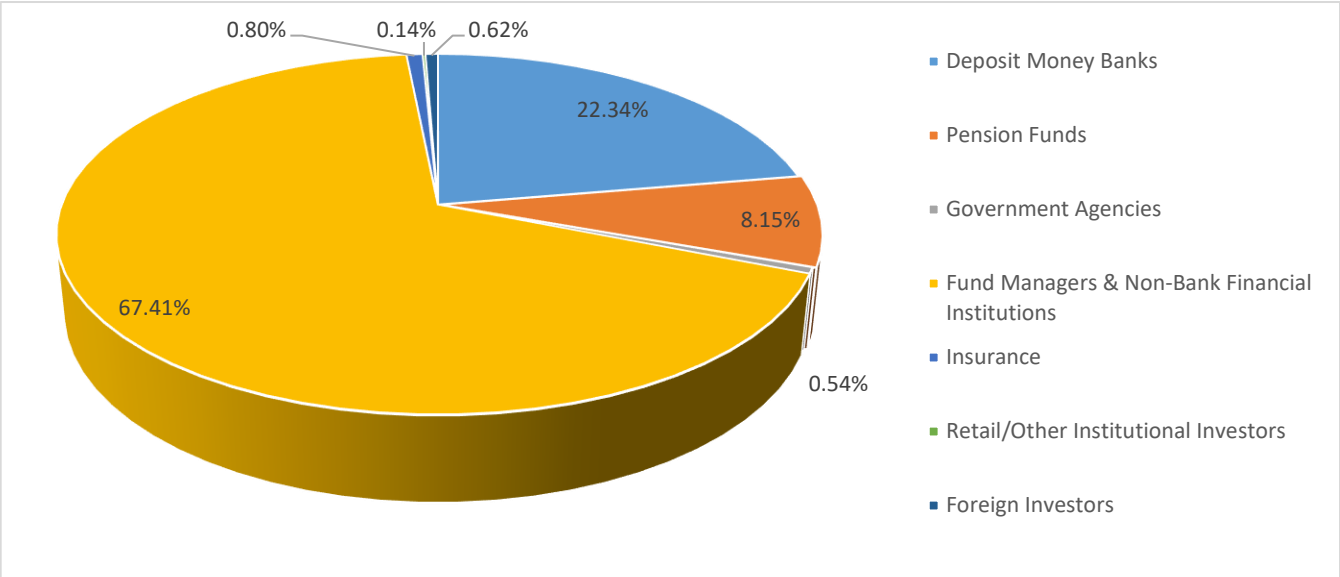
The breakdown of FGN Bond allotments by Investor Type shows that Fund Managers and Non-Bank Financial Institutions accounted for 67.41 percent of the total FGN Bonds allotted in 2023, followed by Deposit Money Banks (22.34 percent), Pension Funds (8.15 percent), Insurance (0.80 percent), Foreign Investors (0.62 percent), Government Agencies (0.54 percent), Retail/Other Institutional Investors (0.14 percent). The breakdown is shown in Table 5.13 and Figure 5.7 below.

Table 5.13: Summary of FGN Bond Auctions & Allotments by Investor Type in 2023 (₦' Million)

	AMOUNT	RESULT
Total Subscription		**7,649,621.08**
Range of Bids (%)		11.8000% - 18.0000%
Range of Marginal Rates (%)		12.5000% - 18.000%
Range of Coupons (4)		12.5000%-16.2499%
		% OF TOTAL ALLOTMENT
Deposit Money Banks	1,199,076.98	22.336
Pension Funds	437,658.56	8.152
Government Agencies	29,000.00	0.540
Fund Managers & Non-Bank Financial	3,618,887.17	67.411
Insurance	43,051.00	0.802
Retail/Other Institutional Investors	7,400.70	0.138
Foreign Investors	33,333.00	0.621
TOTAL ALLOTMENT	**5,368,407.42**	**100.00**

Source: DMO

Figure 5.7: Allotments of FGN Bonds Issuance by Investor Type in 2023

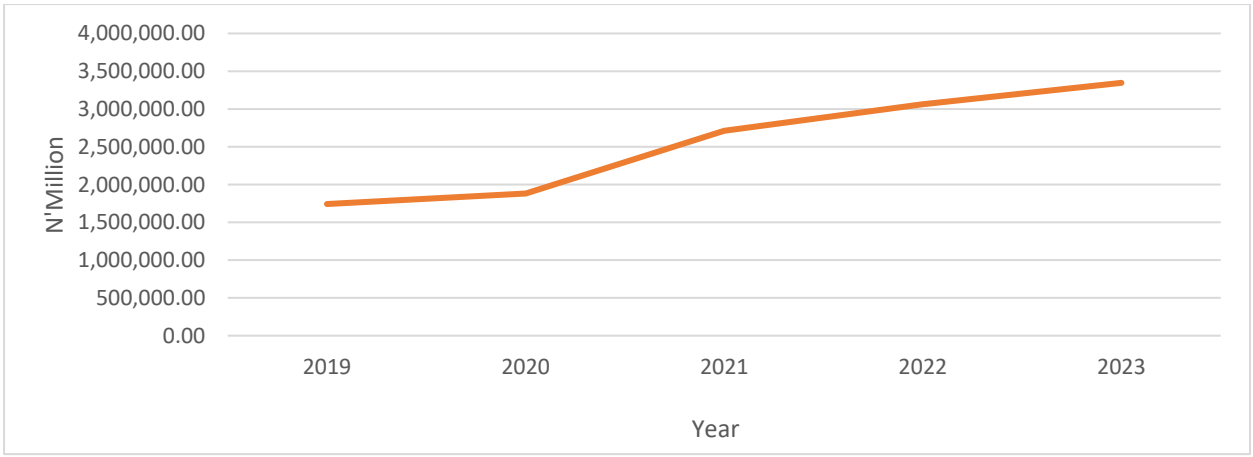


Source: DMO

5.11 Trend Analysis of FGN Bonds Allotment

Figure 5.8 and Table 5.8 shows the trend of Allotments of the FGN Bonds from 2019 to 2023. The trend analysis reveals an increase in Allotment of FGN Bonds to ₦3,346,059.05 million in 2023, from ₦1,742,462.46 million allotted in 2019. This was attributed largely to increase in Government Financing needs through New Domestic Borrowings and refinancing of maturing FGN Bonds during the year under review.

Figure 5.8: Analysis of FGN Bonds Allotments, 2019-2023 (₦' Million)



Source: DMO

5.12 FGN Domestic Secondary Bond Market in 2023

5.12.1 Trading of FGN Bonds on the FMDQ Securities Exchange

Trading volumes in FGN Bonds in the Secondary Market increased in 2023 compared to 2022, as per data from the FMDQ. The Total Face Value of FGN Bonds traded rose by 81.88 percent from ₦11.13 trillion to ₦20.25 trillion, while consideration increased by 73.2 percent from ₦11.93 trillion to ₦20.67 trillion. The number of transactions also rose by 37.91 percent from 17,173 to 23,683 during the same period under review (Table 5.14). The substantial increase in the value and number of FGN Bonds traded can be attributed to heightened demand for fixed-income securities as investors aimed to take advantage of rising yields of these instruments and the financing needs of the Government in 2023.

Table 5.14: FGN Bonds Secondary Market Trades on the FMDQ Securities Exchange, 2022-2023

	2022			2023		
Period	Number of Transactions	Face Value (₦' 000)	Considerations (₦' 000)	Number of Transactions	Face Value (₦' 000)	Considerations (₦' 000)
January	1,887	1,229,246,196	1,270,270,666	2,113	1,678,004,937	1,755,876,864
February	2,236	1,544,560,131	1,709,731,305	2,316	2,066,987,537	2,111,766,088
March	2,271	1,814,421,977	2,092,826,752	2,425	1,904,308,511	1,966,005,357
April	823	483,832,660	513,558,536	1,436	1,011,337,965	961,807,425
May	1,634	1,001,567,192	1,079,547,208	1,962	1,542,584,053	1,483,592,643
June	1,154	844,004,522	920,567,140	2,346	1,754,120,235	1,771,685,525
July	775	354,860,502	370,790,442	2,584	2,134,475,965	2,317,894,987
August	850	398,839,783	402,970,804	1,633	2,160,564,488	2,266,582,627
September	1,260	720,384,543	756,803,182	1,431	1,157,915,925	1,193,010,463
October	1,031	555,198,802	574,829,093	1,842	1,735,587,547	1,769,330,441
November	1,437	896,586,332	887,603,261	1,816	1,567,437,594	1,536,741,621
December	1,815	1,289,463,028	1,348,242,749	1,779	1,535,783,087	1,531,985,480
Total	**17,173**	**11,132,965,668**	**11,927,741,139**	**23,683**	**20,249,107,844**	**20,666,279,520**

Source: FMDQ Securities Exchange Limited (FMDQ)

5.12.2 FGN Securities Traded on The Nigerian Exchange Limited

The Total Face Value of FGN Securities (FGN Bonds, FGN Savings Bond and Sovereign Sukuk) traded on the NGX increased by 4.16 percent to ₦3.799 billion in 2023 from ₦3.647 billion in 2022. The Consideration increased by 1.16 percent to ₦3.838 billion in 2023 from ₦3.794 billion in 2022, while the number of Transactions increased by 27.90 percent to 1,192 in 2023 from 932 in 2022 (Table 5.15).

Table 5.15: FGN Bonds Secondary Market Trades on the Nigeria Exchange Limited

	2022			2023		
Period	Number of Transactions	Face Value (₦)	Consideration (₦)	Number of Transactions	Face Value (₦)	Consideration (₦)
January	61	188,623,000	190,972,254	84	127,949,000	127,469,604
February	67	295,368,000	318,300,608	73	173,304,000	173,427,079
March	66	204,573,000	219,638,774	90	185,897,000	182,378,249
April	66	377,566,000	393,295,845	86	84,743,000	82,576,159
May	74	246,038,000	260,860,182	79	207,003,000	210,291,944
June	88	248,602,000	254,837,452	115	318,787,000	324,652,530
July	116	1,089,388,000	1,129,282,157	98	246,583,000	257,428,247
August	113	317,304,000	328,866,628	147	1,377,514,000	1,369,729,667
September	79	280,453,000	305,045,620	105	427,051,000	450,887,027
October	49	53,651,000	53,591,524	133	359,734,000	364,815,449
November	70	211,620,000	210,877,975	113	167,666,000	165,264,371
December	83	134,265,000	129,157,387	69	123,077,000	129,870,899
Total	**932**	**3,647,451,000**	**3,794,726,406**	**1,192**	**3,799,308,000**	**3,838,791,225**

Source: NGX

5.12.3 Sovereign Yield Curve

As of the end of December 2023, the Sovereign Yield Curve shifted upward by an average of about 150 basis points (bps) across various maturities relative to 2022, as illustrated in Figure 5.9. This contrasted with the Yield Curve observed at the end of December 2022. The upward shift can be attributed to increase in the Yields of FGN Securities. This increase was primarily a consequence of the Central Bank of Nigeria's adoption of a tighter monetary stance from June 2023 compared to the previous year.

Figure 5.9: The FGN Bonds Yield Curve as at end of December, 2022 and 2023



Source: FMDQ

5.13 Market-Wide Developments in 2023

5.13.1 FGN Savings Bond Issuance in 2023

Table 5.16 illustrates that the aggregate subscription in FGN Savings Bonds for 2023 amounted to ₦16.762 billion, with a total of 7,642 Subscribers. The Subscription volume represents a 1.04 percent slight increase compared to the ₦16.589 billion sold in 2022. The number of Subscribers declined marginally from 8,847 in 2022 to 7,642 in 2023. The steady increase in the subscriptions for FGN Savings Bonds from 2021 to 2023 (Table 5.17) can be attributed to the FGN Securities Issuance Awareness Programme initiated by the DMO in 2021. This program has played a crucial role in raising awareness and educating the general public about the benefits of investing in FGN Securities, especially FGN Savings Bond which is targeted at retail investors. The Awareness Programme enabled the staff of the DMO embarked on visits to major commercial cities and sectorial districts to hold town-hall meetings to educate Nigerians on the benefits of Saving through investment in FGN Securities. This initiative is further highlighted in the DMO's ongoing commitment to promoting financial inclusion and diversification of investor base for FGN Securities.

Table 5.16: FGN Savings Bond Monthly Issuances and Numbers of Subscribers

Issue Dates	Issue Amount (₦' million)		Number of Subscribers	
	2 - Year	3 – Year	2 – Year	3 – Year
11-Jan-23	145.42	387.61	88	205
15-Feb-23	322.30	948.85	375	402
15-Mar-23	338.12	673.07	443	289
12-Apr-23	436.01	643.20	324	280
10-May-23	324.86	844.56	197	318
14-Jun-23	482.96	735.94	247	379
12-Jul-23	284.16	755.55	144	346
16-Aug-23	421.76	1,057.92	213	439
13-Sep-23	550.19	1,366.92	234	506
11-Oct-23	565.15	941.60	207	401
15-Nov-23	861.64	2,000.98	324	604
13-Dec-23	477.98	1,195.72	246	431
Total	**5,210.55**	**11,551.92**	**3,042**	**4,600**
Grand Total	**16,762.47**		**7,642**	

Sources: DMO

Table 5.17: FGN Savings Bond Annual Subscriptions and Number of Subscribers (2019 – 2023)

Period	Amount Issued (₦ 'Billion)	Number of Subscribers
2019	5.763	5,173
2020	3.637	1,476
2021	8.396	2,619
2022	16.589	8,847
2023	16.762	7,642
Total	**61.897**	**39,317**

Sources: DMO

5.13.2 Sovereign Sukuk Issuance in 2023

The DMO on behalf of the FGN issued ₦350.00 billion 10-Year 15.75 percent Al-Ijarah Sukuk due 2033 in the domestic securities market on October 13, 2023, being the sixth Sovereign Sukuk Issuance. The Offer commenced with an initial offering of up to ₦150.00 billion. There was a total subscription of ₦652.827 billion from a wide range of retail and institutional investors, which represented a subscription level of 435 percent. In view of the positive investor appetite, the DMO allotted a total of ₦350.00 billion (Table 5.20). The positive response could be ascribed to increased investors' confidence giving the visible impact of the use of proceeds of the previous Sukuk issuances, and continuous public enlightenment by the DMO.

2023 Sovereign Sukuk Issue Statistics:

Instrument Type: *Al-Ijarah Sukuk.*

Amount Offered: *₦150 billion.*

Subscription: *₦652.827 billion.*

Amount Allotted/Issued: *₦350 Billion.*

Rental Rate: *15.75%.*

Issue Date: *October 13, 2023.*

Tenor: *10-year.*

Maturity Date: *October 13, 2033.*

Listing: *Nigerian Exchange Limited and FMDQ Securities Exchange Limited.*

Status/Security: *Backed by the full faith and credit of the Federal Government of Nigeria (FGN) and ranks pari passu with all unsecured FGN's obligations.*

Use of Proceeds: *Solely to finance the construction/rehabilitation of Road Infrastructure Projects identified by the Federal Ministry of Works and the Federal Capital Territory Administration.*

Domicile of Funds: *Sukuk Issue Proceeds Account at the Central Bank of Nigeria.*

Table 5.18: Summary of Allotment for 2023 Sovereign Sukuk

S/N	Investor Category	Allotment (₦)	% of Total Allotments
1.	Retail investors	27,131,242,000.00	7.75
2.	Deposit Money Bank	133,170,000,000.00	38.05
3.	Non-Interest Financial Institutions	87,336,800,000.00	24.95
4.	Assets/Fund Managers	9,710,999,000.00	2.77
5.	Government Agencies	6,720,000,000.00	1.92
6.	Insurance Company	3,585,203,000.00	1.02
7.	Non-Bank Financial Institution	20,936,045,000.00	5.98
8.	Pension Fund Administrator	61,409,711,000.00	17.55
Total		**350,000,000,000.00**	**100.00**

5.13.3 Sub-National Bond Issuances in 2023

In 2023, only Lagos State raised a total of ₦142.86 billion, which includes Sukuk issuance of ₦19.815 billion (Table 5.19). There has been a lull in the sub-national fixed income space since 2019, primarily due to rising cost of funds and the fact that 2023 was an election year in the country. Table 5.19 presents the bond issuances by sub-national governments from 2019 to 2023.

Table 5.19: Sub-National Bonds Issuances in 2022 and 2023

2022		2023	
Bond Issuers	**Amt. (₦' Billion)**	**Bond Issuers**	**Amt. (₦' Billion)**
Nil		Lagos	142.86
Total	-		**142.86**

Source: Securities and Exchange Commission

Table 5.20: Sub-National Bonds Issuances from 2019 – 2023

Period	Total Issuance in in ₦ 'Billion	Number of States
2019	150.00	2
2020	114.88	2
2021	137.33	1
2022	0.00	0
2023	142.86	1
Total	**545.07**	**6**

Source: SEC

5.13.4 Corporate Bond Issuances in 2023

The Corporate Bonds segment of the domestic securities market witnessed reduced activity in 2023, with ten (10) corporates raising a total sum of ₦291.99 billion (Table 5.21). This is in contrast to the sixteen (16) corporates that issued a total of ₦751.11 billion in 2022, representing a decline of 61.11 percent in issue size. This decrease could be attributed to rising cost of funds in the economy.

Table 5.21: Corporate Bonds Issuances in 2022 and 2023

	2022		2023	
S/N	Bond Issuers	Amt. (₦' Billion)	Bond Issuers	Amt. (₦' Billion)
1.	ABC Transport	0.90	Development Bank of Nigeria Plc	23.00
2.	Accelerex SPV Plc	2.28	FCMB Group Plc	46.68
3.	Dangote Cement Plc	116.01	Flour Mills of Nigeria Plc	46.00
4.	Dangote Cement Plc	300.01	GNLG Funding SPV Plc	5.54
5.	e-Transzact International Plc	5.77	Sundry Foods Funding SPV Plc	5.50
6.	Eat & Go Finance SPV	3.50	Dangote Industries Funding Plc	112.41
7.	Family Homes Sukuk Issuance Programme Plc	20.00	WEMA Bank Plc	21.00
8.	Geregu Power Plc	40.09	Niger Delta Exploration & Production Plc	10.31
9.	LFZC Funding SPV Plc	25.00	Eat & Go Finance SPV	3.50
10.	MTN Nigeria Communications Plc	115.00	LFZC Funding SPV Plc	18.05
11.	Niger Delta Exploration & Production Plc	10.32		
12.	Parthian Partners SPV Plc	10.00		
13.	Presco Plc	34.50		
14.	TAJ Sukuk Issuance Programme SPV Plc	10.00		
15.	The Company for Habitat and Housing in Africa	46.00		
16.	United Capital Plc	11.73		
	Total	**751.08**		**291.99**

Source: SEC

5.14 Recent Developments in the FGN Bond Market in 2023

5.14.1 Benchmark Bonds

The Government introduced three (3) new Benchmark Bonds (14.70% FGN JUN 2033, 15.45% FGN JUN 2038, and 15.70% FGN JUN 2053) in June 2023, alongside the reopening of existing Bonds to execute the Domestic Borrowing Programme for 2023. By the close of 2023, there were sixteen (16) FGN Benchmark Bonds, as shown in Table 5.22.

Table 5.22: FGN Benchmark Bonds as at end of December 31, 2023

S/N	Bond Name	Tenor Benchmark (Years)
1.	13.53% FGN MAR 2025	2
2.	12.50% FGN JAN 2026	3
3.	16.2884% FGN MAR 2027	5
4.	13.98% FGN FEB 2028	5
5.	14.55% FGN APR 2029	7
6.	12.50% FGN APR 2032	10
7.	**14.70% FGN JUN 2033**	**10**
8.	12.1493% FGN JUL 2034	10
9.	12.50% FGN MAR 2035	15
10.	12.40% FGN MAR 2036	15
11.	16.2499% FGN APR 2037	15
12.	**15.45% FGN JUN 2038**	**15**
13.	14.13% FGN JAN 2042	20
14.	14.80% FGN APR 2049	25
15.	12.98% FGN MAR 2050	30
16.	**15.70% FGN JUN 2053**	**30**

Source: DMO

5.14.2 FGN Securities Issuance Awareness Programme

In January 2021, the DMO initiated the FGN Securities Issuance Awareness Programme, strategically targeting retail segment of the fixed income market. The primary objective was to promote financial inclusion and increase subscriptions in FGN Securities. In 2023, the DMO conducted Awareness Sessions in several senatorial districts including Benin City, Maiduguri, Port Harcourt, Makurdi, Yola, Asaba, Minna, Lafia, Oshogbo, Uyo, Gombe, Kaduna, Lagos and Kano. The Awareness Programme has been instrumental in educating investors about the benefits of investing in FGN Securities. Since its inception, the initiative has contributed to maintaining a gradual but steady growth in the subscription levels recorded for FGN Securities, particularly Sovereign Sukuk and FGN Savings Bond.

5.14.3 Initiatives by the Securities and Exchange Commission

According to the SEC the FGN is in the process of passing the Investments and Securities Bill (ISB) 2023 into law. The proposed legislation contains regulations aimed at enhancing oversight of SEC in the Nigerian capital market. Additionally, SEC undertook several initiatives in 2023, including:

i. Developed the National Savings Scheme Framework to support the National Savings Scheme, designed to mobilise funds to stimulate the national economy and encourage financial inclusion.

ii. Continued with the implementation of the Direct Cash Settlement initiative, part of the Revised Capital Market Master Plan (RCMMP) introduced by SEC in November 2022. In conjunction with

other strategies outlined in the plan, this initiative aims to improve transparency, protect investor interests, and strengthen overall market confidence.

iii. Licensed five (5) new fintech companies as market operators, comprised of two (2) crowdfunding intermediaries, two digital sub-brokers, and one robo-adviser.

5.14.4 All Share Index

The All-Share Index (ASI) of the NGX recorded positive trend in 2023 closing at 74,773.77 points. This represents year-on-year growth of 45.90 percent in ASI compared to the value of 51,251.06 points at the end of 2022. Notably, the market capitalization closed at ₦40.918 trillion at the year-end of 2023, a substantial increase of 45.61 percent from its value of ₦28.102 trillion at the end of 2022, indicating sustained investors' interest in the Nigerian Capital Market.

5.14.5 Initiatives by Nigerian Exchange Limited

The NGX recorded several milestones during the year, such as:

i. Signed a Memorandum of Understanding (MOU) with the Pan-African Payment Settlement System to facilitate cross-border payments across capital markets in Africa. Subsequently, the NGX facilitated its inaugural cross-border transaction between Nigeria and Ghana.

ii. Conducted various physical and online capacity-building programs, focused on Derivatives, Securities Lending, Retail Savings Bond webinars, and Islamic Finance Workshops. These programs aimed to enhance the knowledge of key stakeholders and increase investor participation in the domestic debt market.

iii. Collaborated with Pension Commission (PENCOM) to incorporate Securities Lending into their investment guidelines with a view to improving securities market liquidity.

iv. Partnered with the FGN to organize investor roadshows in New York and London.

5.14.6 Initiatives by FMDQ Securities Exchange Limited

The FMDQ implemented some initiatives in 2023, which include:

i. The activation of the FMDQ Exchange-Traded Derivatives ("ETD") Market, aimed at enabling investors to hedge financial market risks. The ETD market is expected to further enhance market liquidity, and deepen the Nigerian financial market.

ii. The Publication of revised Commercial Paper Registration and Quotation Rules in furtherance of its mandate of promoting market efficiency and transparency.

5.14.7 Initiatives by Central Securities and Clearing System PLC

The initiatives of the Central Securities and Clearing System Plc. (CSCS) during the year under review include the following:

i. Initiated engagement with market stakeholders towards achieving Euro clearability for FGN Naira-denominated Bonds.

ii. Collaborated with the SEC and other market stakeholders to shorten the settlement cycle from T+3 to likely T+1 or T+0 (instant settlement) thereby enhancing efficiency in the NDCM.

iii. Upgraded the Issuer Portal as part of an initiative to provide issuers with comprehensive information on trading activities.

iv. Established strategic partnership with the Dubai Central Securities Depository Single owner LLC (Dubai CSD) to facilitate dual listings for issuers in Nigeria and Dubai.

v. Developed and implemented Broker Segregation (Client and Proprietary Accounts) with the NGX Regulations Team.

CHAPTER SIX

DEBT SUSTAINABILITY ANALYSIS

The DMO conducted the 2023 DSA Exercise, using the Market Access Country-Debt Sustainability Analysis (MAC-DSA) Framework. The outcome of the Exercise, shows that Nigeria's Debt to GDP ratio remained sustainable at 42.34 percent as at December 31, 2023 based on the MAC-DSA threshold of 70 percent but exceeded the self-imposed limit of 40 percent in the MTDS 2020-2023 due to the inclusion of the ₦22 trillion WMAs at the CBN in the June 2023 Domestic Debt Stock. The risk assessment shows that Nigeria is at moderate risk of debt distress with attention on Debt Service to Revenue ratio at 57 percent as at December 31, 2023 compared to the country's threshold of 50 percent. Exchange rate risk was also heightened due to the devaluation of the Naira in 2023.

6.1 Introduction

The DMO through its mandate contained in the DMO (Establishment) Act, 2003 is required to ensure that the public debt is well managed and debt portfolio sustainable at all times. Thus, international best practice requires that countries should conduct a Debt Sustainability Analysis (DSA) Exercise to ascertain the sustainability of the public debt portfolio over the medium to long-term, as well as, determine existing risks and vulnerabilities. This is in view of making recommendations towards managing the risks inherent in the debt portfolio and the vulnerabilities. Nigeria adopted the MAC-DSA Framework in 2021 and used same in the conduct of the 2023 DSA Exercise.

MAC-DSA Framework applies to countries in Advanced Economies and Emerging Markets, which have significant access to market financing. As at September 30, 2023, Nigeria's Total Marketable Debt accounted for ₦62.42 trillion (71.01 percent) of the Total Public Debt, while Total Non-Marketable Debt accounted for ₦25.49 trillion (28.99 percent) of the Total Public Debt Portfolio. The ₦62.42 trillion Marketable Debt comprises of External Debt of ₦11.63 trillion (18.62 percent) and the Domestic Debt of ₦50.80 trillion (81.38 percent). The Framework also classifies countries into Low-Scrutiny or High-Scrutiny with distinctions on type of DSA to conduct. Nigeria falls under the Low-Scrutiny category and required to conduct a Basic DSA covering only the Baseline without an Alternative (Shock) Scenarios. However, for the 2023 MAC-DSA, shock scenarios were incorporated due to exposure to market and exchange rate risks to enable more in-depth sustainability assessment of the Total Public Debt portfolio.

The MAC-DSA approach also, included test on the Realism of the Baseline Scenario to assess the credibility of the Baseline Projections going by the changing macroeconomic environment.

Nigeria's macroeconomic environment in 2023 was faced with several challenges such as high inflation, exchange rate volatility, naira devaluation etc. The new Administration in May 2023 removed the subsidy in PMS and in June 2023, adopted a floating exchange rate system for the naira, unifying all forex market segments, consequently leading to the depreciation of the Naira against the US dollars and other global currencies. The CBN also adopted an inflation targeting approach leading to higher borrowing cost for government.

The MAC-DSA exercise was done in conjunction with other stakeholders, namely: the Federal Ministry of Finance, Budget and National Planning (FMFBNP), Central Bank of Nigeria (CBN), Budget Office of the Federation (BOF), National Bureau of Statistics (NBS), and the Office of the Accountant-General of the Federation (OAGF) with support from the World Bank (WB).

6.2 Objectives of the 2023 MAC-DSA Exercise

The 2023 MAC-DSA exercise was aimed at determining the sustainability of the public debt and the country's ability to meet current and future financing obligations without resulting to exceptional financing or falling into debt default. The DSA exercise also helps in determining the government borrowing capacity, and forms part of the Medium-Term Expenditure Framework and the Fiscal Strategy Paper (MTEF & FSP), the FGN Annual Budget and the MTDS.

6.3 Methodology and Scope

The MAC-DSA Framework used in the 2023 DSA exercise was developed jointly by the IMF and World Bank for Market Access Countries, and covers data for a 10-year historical period (2013-2022), and a 5-year projection (2024-2028), with 2023 as the base year, under the various macroeconomic assumptions. Having been classified as a Low-Scrutiny country, the Basic DSA approach was using incorporating the shock scenarios.

The scope of the Debt was the Gross Public Debt, that is, the General Government Debt (comprising the External and Domestic Debts of FGN, thirty-six (36) States and the FCT). The FGN's Domestic debt under the Baseline Scenario, incorporated the ₦7.3 trillion WMAs at the CBN approved by the NASS in December, 2023. Also, included in the FGN Domestic Debt under the Baseline are contractual arrears

and judgement debts of about ₦2.87 trillion that were being considered for possible settlement through the issuance of Promissory Notes in 2023. The FGN's Guarantees in the sum of ₦3.74 trillion as at December 2022 was considered in the Alternative (Shock) Scenario.

6.4 Summary of the 2023 MAC-DSA Exercise

6.4.1 Baseline Scenario

Under the baseline scenario, the macroeconomic assumptions used for the projections were as stated in the 2024 – 2026 MTEF and FSP, the 2024 Appropriation Act and the National Development Plan (NDP) 2021 – 2025. The Renewed Hope Agenda (RHA) of the President, Bola Tinubu's Administration which is aimed at repositioning Nigeria as "*Global Investment Hub*", was also taken into account.

The result of the Baseline Scenario (Table 6.1) showed that public debt to GDP ratio will maintain an upward increase to 46.7 percent in 2026 from 42.34 percent in 2023 and then decline to 38.0 percent at the end of the projection period. The decline can be attributed to fiscal consolidation over the medium term on both revenue and expenditure measures. The Gross Financing Needs to GDP ratio was 6.0 percent in 2023 and 2024 and declined to 5.0 percent from 2025 to 2028. These ratios shows that Nigeria's debt is sustainable when compared with the WB/IMF recommended MAC-DSA thresholds of 70 and 15 percent for debt to GDP and Gross Financing Need to GDP ratios for Emerging Markets respectively.

However, there is threat to debt sustainability due to poor revenue generation and increasing debt service burden as the FGN Debt Service to Revenue ratio exceeded the country's threshold of 50 percent to 57.0 percent in 2023 and continued at an upward trajectory to 109.0 percent in 2028. This is due to high domestic interest rate environment, in addition to the increase in cost of external debt owing to tightening global financing conditions.

Table 6.1: Total Public Debt Indicators, 2023-2028 (Baseline Scenario)

S/N	Indicators	Threshold	2023	2024	2025	2026	2027	2028
i.	Total Public Debt-to-GDP	70*	42.34	42.9	46.7	41.2	40.0	38.0
ii.	Gross Financing Needs-to-	15*	6.0	6.0	5.0	5.0	5.0	5.0
iii.	FGN Debt Service-to-	50**	57.0	62.0	83.0	86.0	97.0	109.0

* The WB/IMF Threshold showing the level in which if exceeded, promptly raises sovereign risk to unsustainable level

** Nigeria's Recommended Threshold

Further risk assessment to check for susceptibility to debt distress under the baseline scenario is shown in Table 6.2. The spread in yield was 665bps in 2023 DSA compared to the threshold of 600bps, signifying a high cost of borrowing. The Short-Term Debt as a percentage of Total Debt also exceeded the benchmark rate of 1.0 percent at 1.8 percent signifying refinancing risk. There was moderate risk seen in the share of the public debt held by non-resident at 40 percent when compared to the threshold of 45 percent and the share of foreign currency-denominated debt at 40 percent against the threshold of 60 percent.

Table 6.2: Total Public Debt Profile Risk Assessment (Baseline Scenario)

Details	Threshold	Outcome	Assessment
Bond Spread (in Basis Points)	600	665	High
Annual Change in Short-term Debt (in percent of Total Debt)	1.0	1.8	High
Public Debt Held by Non-Resident (in percent of Total Debt)	45	40	Moderate
Public Debt in Foreign Currency (in percent of Total Debt)	60	40	Moderate

Source: 2022 MAC DSA

6.4.2 Alternative Scenario

The Alternative Scenario assumes that the general operating macroeconomic environment (fiscal and monetary) will deteriorate should Government fail to address the current economic challenges notably the high inflation and exchange rate volatility. Thus, the Alternative Scenario was customised to include the various macro shocks in addition to Contingent Liabilities of about ₦3.74 trillion as at December 2023 which added to the Total Public Debt Stock. Table 6.3 shows that the public debt to GDP and Debt Service to revenue ratios exceeded the country specific thresholds and a worsening of the ratios compared to the Baseline. However, the debt to GDP ratio is still within the MAC-DSA threshold for the projection period.

Table 6.3: Total Public Debt Indicators, 2023 – 2028 (Alternative Scenario)

S /N	Indicators	Threshold*	Threshold**	2023	2024	2025	2026	2027	2028
i	Total Public Debt-to-GDP	70	40	45.1	49.6	51.4	52.9	58.0	52.0
ii	Gross Financing	15	-	6.4	7.5	8.9	7.7	8.1	8.3
iii	FGN Debt Service-to-Revenue	-	50	57.0	71.0	95.0	99.0	111.0	124.0

* IMF/WB Threshold showing the level in which if exceeded, promptly raises sovereign risk to unsustainable level

** Country Specific Threshold

6.5 Conclusion

Nigeria's Total Public Debt-to-GDP ratio at 42.34 percent as at December 31, 2023 is low relative to MAC-DSA threshold of 70 percent. However, the debt ratio is growing rapidly, amidst low revenue, resulting in Debt Service-to-FGN Revenue Ratio of 57 percent in 2023 and signifying vulnerability to Revenue. The public debt is also exposed to exchange rate risk, following the new exchange rate regime, which resulted in the devaluation of Naira. It is pertinent to state that a substantial increase in Government revenue, moderation in fiscal deficits and new borrowings with lower interest rates and a stable foreign exchange rate would contribute to Nigeria's public debt remaining sustainable in the medium to long-term.

6.6 Recommendations

Based on the analysis of the results of the 2023 MAC-DSA, the DMO recommends the following:

i. The Total Public Debt-to-GDP ratio limit of 40 percent set in the MTDS, 2020-2023 should be reviewed upward to accommodate new borrowings in the MTEF 2024-2027, since the target has been exceeded.

ii. With the projected Debt Service-to- FGN Revenue ratio exceeding the recommended threshold of 50 percent across the projection period, attaining a sustainable Debt Service-to-FGN Revenue ratio in 2024 would require an increase of FGN Revenue from ₦19.59 trillion projected in 2024 Appropriation Act to about ₦24.59 trillion. This can be achieved by the effective implementation of the mandates of the Presidential Committee on Fiscal Policy and Tax Reforms.

iii. Increasing the efficiency and effectiveness of Government expenditure particularly targeted spending on revenue generating projects.

iv. Public Private Partnerships should be the preferred method for financing viable infrastructure projects. Privatized and/or sale of Government assets should be accelerated especially with the setting up of Ministry of Finance Incorporated (MOFI) as a separate entity.

CHAPTER SEVEN

SUB-NATIONAL DEBT MANAGEMENT

The Total External Debt Stock of the thirty-six (36) States and the FCT stood atUS$4,610.06 million as at December 31, 2023 relative to US$4,456.37 million as at December 31, 2022 representing an increase of US$153.69 million or 3.45 percent. The External Debt Stock of Sub-nationals consist of FGN's on-lent loans obtained from Multilateral and Bilateral sources, whose proceeds were utilized by the States and FCT to finance various projects and programmes of their respective States. The Total External Debt Service of the States and the FCT in 2023 was US$194.08 million compared to the US$204.87 million in 2022. This represents a marginal decrease of US$10.79 million or 5.27 percent. While the Domestic Debt of the States and FCT as at December 31, 2023 was ₦5,862,845,931,217.41 trillion compared to ₦5,337,751.50 trillion as at December 31, 2022, representing a marginal increase

7.1 External Debt Stock of States and FCT

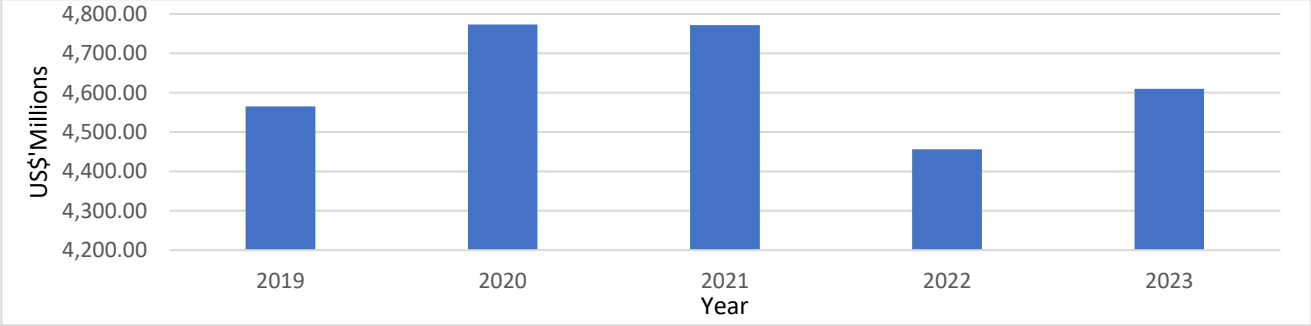
The Total External Debt Stock of the States and the FCT was US$ 4,610.06 million as at December 31, 2023 compared to US$4,456.37 million as at December 31, 2022, representing an increase of US$153.69 million or 3.45 percent (Table 7.1 and Figure 7.1). This increase is as a result of drawdowns from existing creditors for some States. Multilateral creditors accounted for US$4,123.29 million or 89.44 percent of the External Debt Stock of the States and the FCT, while the stock of debt owed to Bilateral creditors amounted to US$486.77 million or 10.56 percent as shown in Table 7.2. The Multilateral and Bilateral loans were contracted by the FGN on behalf of the States and FCT from IDA, IFAD, AfDB, ADF, ADB, AFD, India, IsDB and JICA. The loans were utilized by the State Governments and the FCT to finance mainly capital projects in priority sectors, including Road Construction, Agriculture, Education, Health Care, Water Supply, Housing, and other social services.

Table 7.1: Trend in States and FCT's External Debt Stock, 2019 - 2023 (US$' Million)

Years	2019	2020	2021	2022	2023
States' External	4,564.87	4,773.63	4,771.23	4,456.37	4,610.06

Source: DMO

Figure 7.1: Trend in States' & FCT's External Debt Stock, 2019 – 2023 (US$' Million)



Source: DMO

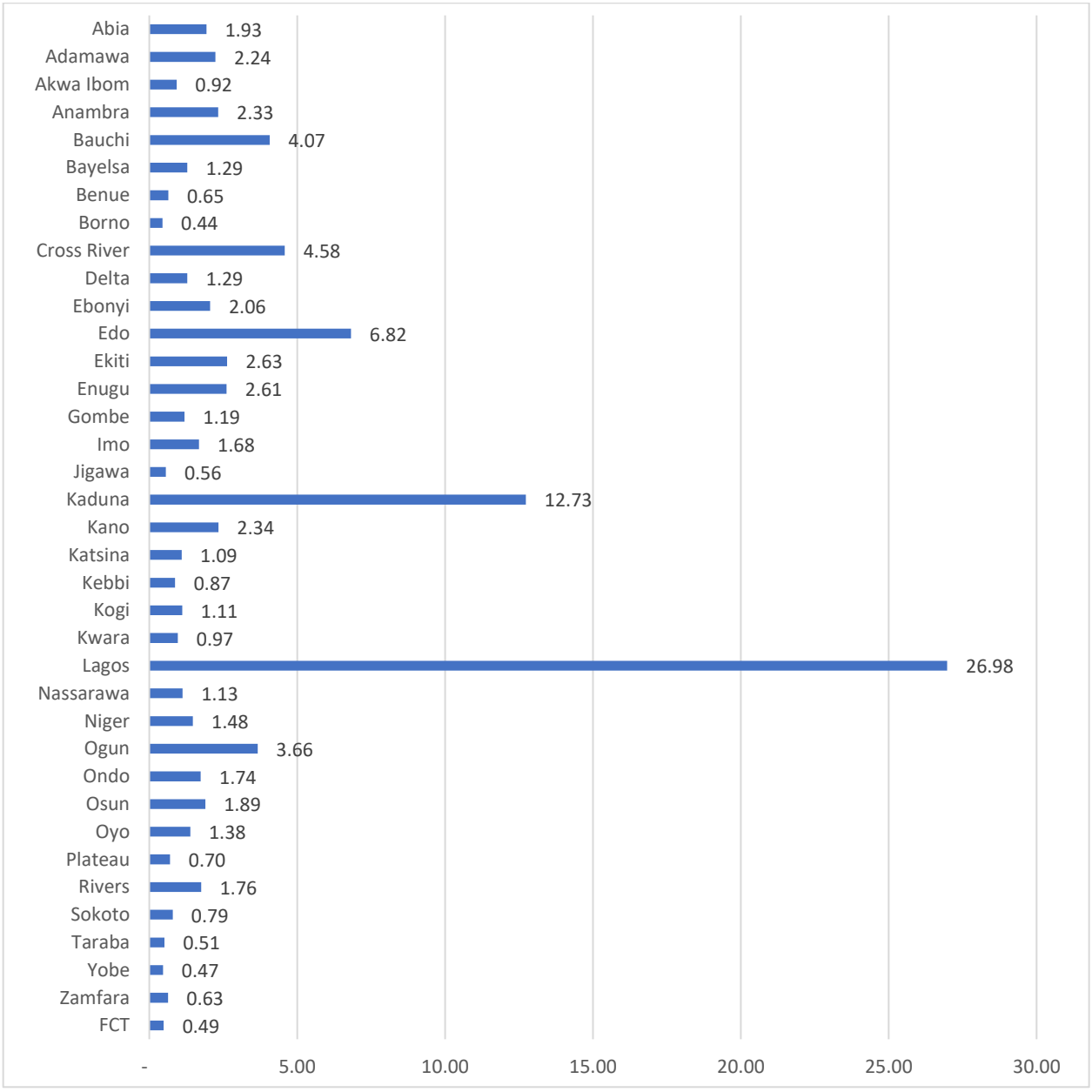
Table 7.2: External Debt Stock of States & FCT as at December 31, 2023 (US$)

S/No	States and FCT	Multilateral	Bilateral	Total
			JICA; INDIA; IsDB; AFD	
		USD	USD	USD
1	Abia	85,183,639.22	3,870,300.08	**89,053,939.30**
2	Adamawa	98,696,881.89	4,500,000.00	**103,196,881.89**
3	Akwa Ibom	38,741,100.22	3,870,300.08	**42,611,400.30**
4	Anambra	107,242,746.92	-	**107,242,746.92**
5	Bauchi	183,816,842.09	3,817,800.00	**187,634,642.09**
6	Bayelsa	59,341,824.19	-	**59,341,824.19**
7	Benue	29,871,346.98	-	**29,871,346.98**
8	Borno	20,487,776.55	-	**20,487,776.55**
9	Cross River	165,058,905.56	46,066,198.84	**211,125,104.40**
10	Delta	59,271,705.30	-	**59,271,705.30**
11	Ebonyi	63,614,037.98	31,291,741.96	**94,905,779.94**
12	Edo	314,448,148.13	-	**314,448,148.13**
13	Ekiti	121,049,293.97	-	**121,049,293.97**
14	Enugu	115,951,145.25	4,500,000.00	**120,451,145.25**
15	Gombe	54,881,154.07	-	**54,881,154.07**
16	Imo	49,315,121.77	28,056,234.70	**77,371,356.47**
17	Jigawa	24,930,900.85	864,535.16	**25,795,436.01**
18	Kaduna	495,603,259.34	91,468,954.21	**587,072,213.55**
19	Kano	57,591,555.54	50,329,398.30	**107,920,953.84**
20	Katsina	46,440,385.82	3,870,300.08	**50,310,685.90**
21	Kebbi	36,425,393.35	3,870,300.08	**40,295,693.43**
22	Kogi	47,304,654.54	3,870,300.08	**51,174,954.62**
23	Kwara	40,692,101.60	3,870,300.08	**44,562,401.68**
24	Lagos	1,113,444,870.83	130,354,020.27	**1,243,798,891.10**
25	Nassarawa	51,888,170.46	-	**51,888,170.46**
26	Niger	63,556,534.55	4,500,000.00	**68,056,534.55**
27	Ogun	134,991,731.43	33,841,275.23	**168,833,006.66**
28	Ondo	71,336,177.16	8,870,300.00	**80,206,477.16**
29	Osun	78,769,496.14	8,477,992.37	**87,247,488.51**
30	Oyo	59,960,284.72	3,870,300.00	**63,830,584.72**
31	Plateau	23,378,936.27	8,870,300.00	**32,249,236.27**
32	Rivers	80,940,554.32	-	**80,940,554.32**
33	Sokoto	32,602,081.40	3,870,300.00	**36,472,381.40**
34	Taraba	23,427,411.75	-	**23,427,411.75**
35	Yobe	21,488,967.49	-	**21,488,967.49**
36	Zamfara	29,051,198.79		**29,051,198.79**
37	FCT	22,490,892.52	-	**22,490,892.52**
	Total: States & FCT	**4,123,287,228.96**	**486,771,151.52**	**4,610,058,380.48**

Source: DMO

Table 7.2 and Figure 7.2 show the breakdown of External Debt outstanding for the States and the FCT as at December 31, 2023. Lagos State had the highest External Debt of US$1,243.80 million or 26.98 percent, followed by Kaduna and Edo States with US$587.07 million or 12.73 percent and US$314.50 million or 6.82 percent. Borno and Yobe States and FCT had the lowest outstanding External Debt, with US$20.50 million or 0.44 percent, US$21.50 million or 0.47 percent, and US$22.50 million or 0.49 percent, respectively.

Figure 7.2: External Debt Stock of States & FCT as at December 31, 2023 (% of Total)



Source: DMO

7.2 External Debt Service of the States and FCT

The Total External Debt Service of the 36 States and the FCT from January - December 2023 was US$194.08 million compared to US$204.87 million in 2022, representing a decrease of US$10.79 million or 5.27 percent. This decrease was mainly as a result of repayment of principal amounts on existing loans during the year under review. Table 7.3 shows the trend of External Debt Service of the States and the FCT from 2019 to 2023.

Table 7.3: External Debt Service of States and FCT, 2019 – 2023 (US$' Million)

S/N	States	2019	2020	2021	2022	2023
1	Abia	1.82	1.72	2.17	2.09	3.20
2	Adamawa	1.73	2.55	2.62	2.57	5.18
3	Akwa Ibom	1.72	1.74	1.69	1.75	2.66
4	Anambra	1.99	2.03	2.00	1.89	2.59
5	Bauchi	4.89	5.20	5.05	4.87	9.35
6	Bayelsa	1.41	1.42	1.56	1.58	1.52
7	Benue	1.04	1.01	1.18	1.23	1.23
8	Borno	0. 69	0.75	0.85	0.87	0.95
9	Cross River	4.6	7.62	7.88	12.01	8.61
10	Delta	1.11	1.04	1.25	1.19	1.03
11	Ebonyi	1.65	1.70	1.83	1.91	2.46
12	Edo	3.28	3.43	3.39	4.94	7.30
13	Ekiti	3.56	3.82	4.06	3.99	3.40
14	Enugu	3.1	3.18	3.28	3.23	4.61
15	Gombe	1.36	1.69	2.08	1.66	2.60
16	Imo	2.08	2.08	2.75	2.52	2.40
17	Jigawa	1.13	1.16	1.20	1.20	1.30
18	Kaduna	8.7	13.77	16.10	18.46	29.02
19	Kano	2.81	2.85	2.92	3.26	3.94
20	Katsina	4.11	4.21	4.26	4.08	3.36
21	Kebbi	1.53	1.84	1.99	1.97	1.65
22	Kogi	1.16	1.47	1.49	1.72	2.31
23	Kwara	1.56	1.55	1.78	1.75	1.55
24	Lagos	43.03	57.05	61.81	80.74	51.38
25	Nasarawa	1.34	1.34	1.30	1.37	1.47
26	Niger	1.56	2.24	2.30	2.15	2.58
27	Ogun	2.84	3.04	3.78	5.67	5.58
28	Ondo	2.65	2.62	2.62	2.56	3.15
29	Osun	4.12	5.20	5.16	4.88	4.79
30	Oyo	8.29	10.95	11.18	10.58	8.37
31	Plateau	0.89	1.30	1.26	1.29	1.17
32	Rivers	9.46	8.36	7.26	6.90	5.64
33	Sokoto	1.5	1.47	1.60	1.56	1.42
34	Taraba	0.8	1.11	2.25	1.74	2.12
35	Yobe	1.36	0.95	1.33	1.28	1.01
36	Zamfara	1.12	1.13	1.19	1.08	1.29
37	FCT	1.12	1.54	2.03	2.34	1.89
	Total	**137.56**	**165.90**	**178.45**	**204.87**	**194.08**

Source: DMO

7.3 Collation and Publication of Sub-National Domestic Debt Data

DMO's efforts to ensure timely and accurate collation and publication of the sub-national domestic debt data continued assiduously throughout 2023. A total of thirty-one (31) States and the FCT successfully completed the validation, sign-off and submission of their Q4, 2023 domestic debt data within the mandated 60-days from the period end.

7.4 States Domestic Debt Stock

Table 7.4 below shows the Domestic Data of the 36 States of the Federation and the FCT as at December 31, 2023.

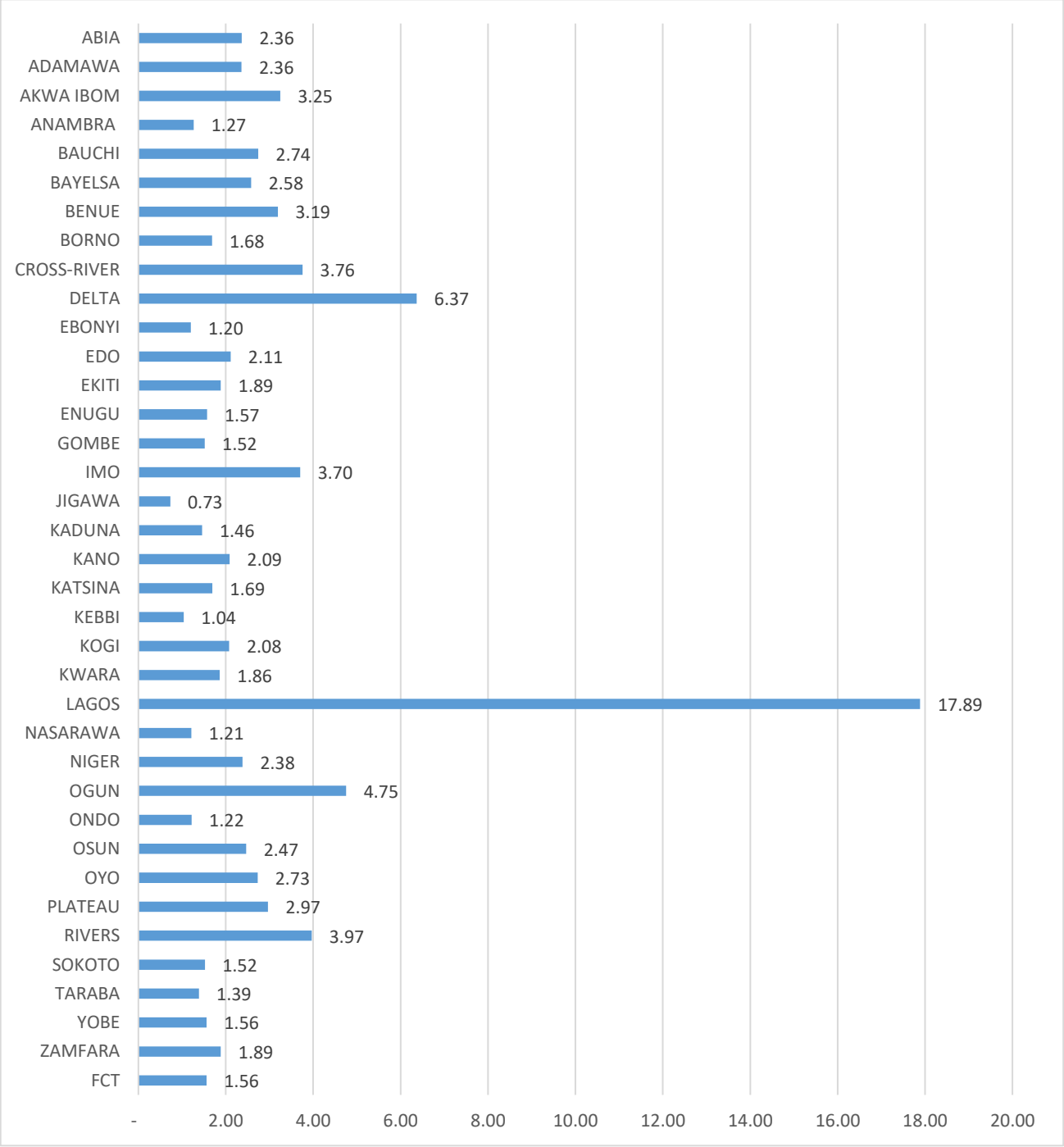
Table 7.4: Total Domestic Debt of the 36 States and the FCT as at Dec. 31, 2023 (NGN₦)

SN	STATE	DEBT STOCK (₦)
1	ABIA	138,638,007,432.32
2	ADAMAWA	138,261,010,699.22
3	AKWA IBOM	190,476,345,365.94
4	ANAMBRA	74,196,577,787.14
5	BAUCHI	160,808,088,694.22
6	BAYELSA	151,155,583,528.17
7	BENUE	187,181,205,478.46
8	BORNO	98,771,221,990.27
9	CROSS-RIVER	220,201,482,435.66
10	DELTA	373,407,744,509.06
11	EBONYI	70,435,753,895.14
12	EDO	123,879,949,054.12
13	EKITI	110,573,532,309.52
14	ENUGU	92,213,239,076.87
15	GOMBE	88,974,631,780.44
16	IMO	217,112,608,530.49
17	JIGAWA	42,758,073,964.49
18	KADUNA	85,519,766,061.70
19	KANO	122,361,942,618.03
20	KATSINA	99,313,694,044.20
21	KEBBI	60,690,877,475.46
22	KOGI	121,808,350,345.34
23	KWARA	109,162,798,865.21
24	LAGOS	1,048,703,617,143.87
25	NASARAWA	71,151,081,271.86
26	NIGER	139,802,106,979.14
27	OGUN	278,675,120,734.01
28	ONDO	71,502,242,507.74
29	OSUN	144,604,559,829.88
30	OYO	159,944,726,303.69
31	PLATEAU	173,932,825,607.72
32	RIVERS	232,576,206,164.34
33	SOKOTO	89,215,926,510.84
34	TARABA	81,329,559,172.30
35	YOBE	91,419,360,969.06
36	ZAMFARA	110,567,180,885.79
37	FCT	91,519,931,195.71
	TOTAL	**5,862,846,931,217.41**

Notes:

1. This Domestic Debt Data Report is generated from the signed-off submissions received from the 36 States of the Federation and FCT.
2. Domestic Debt Stock for Thirty-one (31) States and the FCT: Abia, Adamawa, Akwa Ibom, Anambra, Bauchi, Bayelsa, Borno, Cross River, Delta, Ebonyi, Edo, Ekiti, Gombe, Imo, Jigawa, Kaduna, Kebbi, Kogi, Kwara, Lagos, Nasarawa, Niger, Ogun, Ondo, Osun, Oyo, Plateau, Sokoto, Taraba, Yobe and Zamfara are as at December 31, 2023.
3. Domestic Debt Stock Figures for Benue and Enugu States were as at September 30, 2023.
4. Domestic Debt Stock Figures for Katsina and Rivers States were as at March 31, 2023.
5. Domestic Debt Stock Figures for Kano State was as at December 31, 2022.

Figure 7.3: Domestic Debt Stock of States and FCT as at Dec. 31, 2023 (in % of Total)



Source: States and FCT

7.5 Institutional Support to Debt Management Departments (DMDs) in the States

7.5.1 Capacity Building for Sub-National Debt Managers

The DMO in the year under review, continued its mandate of promoting sound debt management practices and ensuring sustainability of Public Debt at the sub-national level. Thus, capacity building for

sub-nationals was carried out under the World Bank facilitated States SFTAS Programme for Results Program for Results (PforR).

7.5.2 Donor Intervention in Sub-National Debt Management

With the extension of the closure of the SFTAS Program for Results to April 30, 2024, the DMO as implementing agency, continued to provide guidelines, templates and tools, to the sub-national debt managers, as well as, organized technical workshops and just-in-time support to the States and the FCT on the debt-related DLIs using a mixture of virtual and face-to-face delivery methods.

In collaboration with the World Bank, the DMO in the year under review conducted refresher trainings on the sub-national DSA and DMS tool kits. An introductory training on the World Bank's Debt Management Performance Assessment Tool (DeMPA) was also conducted with participation from six (6) States.

Achievements of the DMO-SFTAS Program

The achievements of the DMO under the 6-year implementation period of the SFTAS Program include:

i. Availability and implementation since 2021, of fit-for-purpose Legal Frameworks that guide Debt Management across the Sub-nationals;
ii. Timely Submission, since 2018, of Quarterly Debt Reports to the DMO within a period of two months (8 weeks) after the end of each quarter;
iii. Incorporation of DeMPA into the sub-national debt management function;
iv. Improved Capacity of States to prepare Debt Sustainability Analysis and Medium-Term Debt Management Strategy Reports since 2020; and,
v. Annual publication, since 2021, of Subnational Debt Sustainability and Medium-Term Debt Management Strategy Reports by the States and the FCT;

For these Achievements, the DMO received an Award as one of the outstanding Implementing Agencies.

In May-June 2023, the State Governors signed a Charter to ensure that the gains from the SFTAS Program are sustained by successive governments.

CHAPTER EIGHT
RISK ANALYSIS OF FGN'S PUBLIC DEBT

The exposure of the Total Public Debt portfolio to exchange rate risk was constant, as the share of External Debt in the Public Debt portfolio remained at 39.26 percent at the end of December 2023, compared to 40.44 percent in the corresponding period of 2022. The exposure to refinancing risk reduced considerably as a result of the strategy of issuing longer-tenored securities in the domestic market. Meanwhile, the FGN's Contingent Liabilities as a percentage of GDP was 2.14 percent in 2023 compared to 1.88 percent in the corresponding period of 2022.

8.1 Introduction

Total Public Debt Sustainability, as well as Costs and Risks performance of the FGN's Debt portfolio (inclusive of States' and FCT's Domestic Debt Stock), as at December 31, 2023, is presented in this chapter. Further analysis of the following risk indicators is covered: InterestRate, Refinancing, Exchange rate, Credit and Contingent Liabilities risks.

8.2 Debt Portfolio Performance

The ratio of Total Public Debt-to-GDP stood at 42.34 percent as at December 31, 2023 compared to 23.20 percent in the corresponding period of 2022. This represent an increaseof 19.14 percent, which was due to the additional borrowing in the year 2023 (Table 8.1). This ratio is slightly above the Country's Specific Debt Limit of 40 percent and below the benchmark of 55.00 percent recommended by the IMF and World Bank for countries in Nigeria's peer-group, as well as the West African Monetary Zone convergence threshold of 70.00 percent. The ratio of Total Interest Payment-to-FGN Revenue remained relatively highat 110.00 percent in 2023, indicative of the underperformance in Federal Government Revenue during the period under review. However, Government needs to enhance its revenue initiatives and reforms to generate more revenue. The ratio of Total External Debt-to- Exports was 76.13 percent as at December 2023, relative to 64.92 percent in the corresponding period of 2022.

Table 8.1: Trend in Total Public Debt Sustainability Indicators, 2019-2022

	Thresholds	2019	2020	2021	2022	2023
Total Public Debt as % of GDP	55	19.00	21.61	22.80	23.20	42.34
External Debt as % of GDP	40	6.26	8.34	9.14	9.38	16.62
Domestic Debt as % of GDP	-	12.74	13.27	13.66	13.82	25.71
External Debt as % of Exports	180	44.77	96.63	92.57	64.92	76.13
FGN's Interest Payment as % of Revenue[2]	-	43.19	66.51	47.45	68.62	110.00

Source: DMO, NBS, CBN, OAGF
[1]Nigeria's country-specific threshold for Total Public Debt-to-GDP is 40%.
[2]Interest Payment and Revenue apply to FGN-only

8.3 Costs and Risks Performance of FGN Public Debt Portfolio

Table 8.2 shows the Costs and Risks Performance of FGN's Public Debt portfolio as at December 31, 2023. The outcome reveals that the cost of External Debt reduced from 5.40 percent in 2022 to 3.55 percent in 2023, while the average cost of Domestic Debt increased from 9.30 percent in 2022 to 11.20 percent in 2023. The exposures of the debt portfolio to Interest Rate and Refinancing Risks were relatively low, due to the improvements in the structure of the debt portfolio, arising from further extension of the tenors of the debt instruments, for both the domestic and external debt.

Table 8.2: Costs and Risks Indicators of FGN's Total Public Debt Portfolio as at December31, 2023

Risk Indicators		Target[2]	External Debt	Domestic Debt	Total Debt
FGN's Total Public Debt (US$' Millions)			42,495.16	65,734.18	108,229.34
Total Public Debt (incl. States' Dom. Debts) as % of GDP[1]		Max. 40%	16.95	26.21	42.34
Cost of debt	Average Interest Rate (%)	*	3.55	11.20	8.14
Refinancing risk	Debt maturing in 1yr (% of total)	Max. 20%	5.45	14.04	10.42
	Average Time-to-Maturity (ATM) years	Min. of 10 yrs.	10.48	13.66	12.32
Interest rate risk	Average Term to Re-fixing (ATR) years	*	10.05	13.66	12.14
	Debt Re-fixing in 1yr (% of total)	*	11.00	14.04	12.76
	Fixed rate debt (% of total)	*	93.70	100.00	97.34
	T-bills (percent of total)	*	0.00	11.16	6.45
FX risk	External Debt (% of Total Public Debt)[3]	*	-	-	39.26

Source: DMO

Notes:
[1]Nominal Values of Total Public Debt Stock was used, and includes States and FCT's Domestic Debt Stock
[2] Nigeria's Country Specific Targets as set in its Debt Management Strategy, 2020-2023, while none was for the indicators marked (*)
[3]Total Public Debt covers External and Domestic debts of the FGN, States and FCT

8.3.1 Average Cost of FGN's Total Public Debt

As shown in Table 8.3, the Weighted Average Interest Rates of the External Debt (FGN, States and FCT) was relatively high at 3.55 in 2023 compared to 5.40 percent in 2022. Conversely, the weighted Average Interest Rates of the Domestic Debt was moderately high at 11.20 percent in 2023 when compared to 9.30 percent in 2022. The Average Interest Rate for the Total FGN's Public Debt slightly increased from 7.70 percent in 2022 to 8.14 percent in 2023, which was partly attributable to the general increase in cost of debt during the year under review.

Table 8.3: Trend in Average Interest Rate (Weighted), 2019-2023

Year	2019	2020	2021	2022	2023
External Debt - Average Interest Rate (%)	4.30	3.39	2.67	5.40	3.55
Domestic Debt – Average Interest Rate (%)	9.43	11.42	9.79	9.30	11.20
Total Debt - Average Interest Rate (%)	7.45	7.87	6.50	7.70	8.14

Source: DMO

8.3.2 Refinancing Risk

The exposure of the FGN Public Debt to Refinancing Risk was moderate, the debt maturing within one year decreased from 14.37 percent in 2022 to 10.42 percent in 2023, as a result of reduction of short-term domestic debts (NTBs), as well as borrowing long term in the Domestic and ICMs The ratio of ATM stood at 12.32 years as at December 31, 2023, which is above the strategic target of a minimum of 10 years. Table 8.5 shows the Trend in Refinancing Risk Indicators, 2019-2023.

Table 8.4: Trend in Refinancing Risk Indicators, 2019-2023

Year	2019	2020	2021	2022	2023
Debt Maturing in 1 year (%)	13.77	14.50	14.60	14.37	10.42
External Debt – Average Time-to-Maturity (Years)	13.19	13.48	11.70	10.50	10.48
Domestic Debt - Average Time-to-Maturity (Years)	7.85	8.56	9.10	9.00	13.66
Total Debt - Average Time-to-Maturity (Years)	10.50	10.52	10.28	9.70	12.32

Source: DMO

8.3.3 Interest Rate Risk

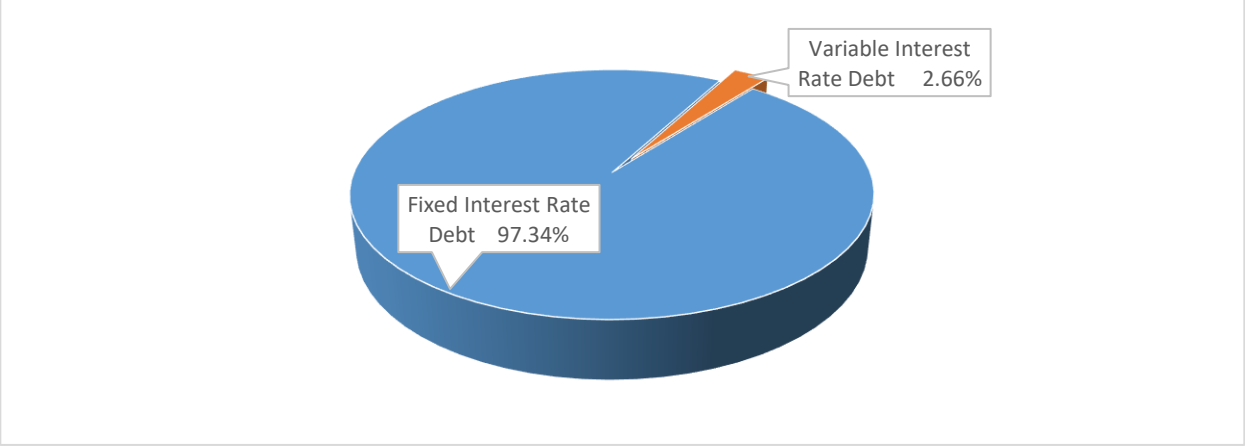
The exposure of FGN's Public Debt to Interest Rate Risk increased slightly in 2023, as Average Time-to-Refixing (ATR) increased from 9.70 years as at December 31, 2022 to 12.14 years as at December 31, 2023. Conversely the proportion of fixed rate debt increased marginally from 96.84 percent in 2022 to 97.34 percent in 2023, as the share of variable rate debt decreased from 3.16 percent in 2022 to 2.66 percent in 2023. The Debt Re-fixing in one year as percentage of total debt, which indicates exposure of the outstanding debt portfolio to interest rate changes, showed that the interest rate risk declined from 15.10 percent in 2022 to 12.76 percent in 2023, indicating appreciable improvement in the structure of the portfolio in favour of longer-tenored domestic and external borrowing. The trend in Interest Rate Risk Indicators, 2019-2023, is shown in Table 8.4.

Table 8.5: Trend in Interest Rate Risk Indicators, 2019-2023

Year	2019	2020	2021	2022	2023
Fixed Interest Rate Debt (%)	96.46	97.25	97.10	96.84	97.34
Variable Interest Rate Debt (%)	3.54	2.75	2.90	3.16	2.66
External Debt - Average Time-to-Re-fixing (Years)	12.60	12.99	11.18	10.60	10.05
Domestic Debt - Average Time-to-Re-fixing (Years)	7.85	8.56	9.10	10.0	13.66
Total Debt - Average Time-to-Re-fixing (Years)	10.08	10.52	10.04	9.70	12.14
Debt Re-fixing in 1 year (% of Total Public Debt)	17.18	17.12	17.36	15.10	12.76

Source: DMO
Note: Average Time-to-Re-fixing (ATR): Provides a measure of weighted average time it takes until all the principal payments in the debt portfolio become subject to a new interest rate. This takes account the time when variable rates on floating debt are reset, and or fixed rate debt needs to be refinanced.

Figure 8.1: Interest Rate Type of FGN's Total Public Debt as at December 31, 2023

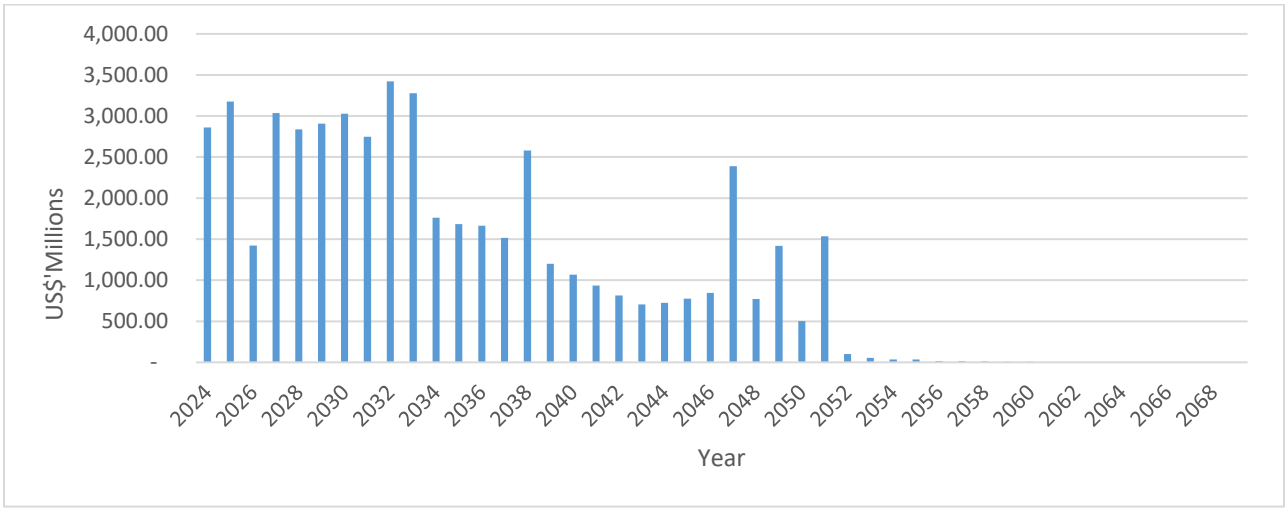


Source: DMO

8.4 Redemption Profile

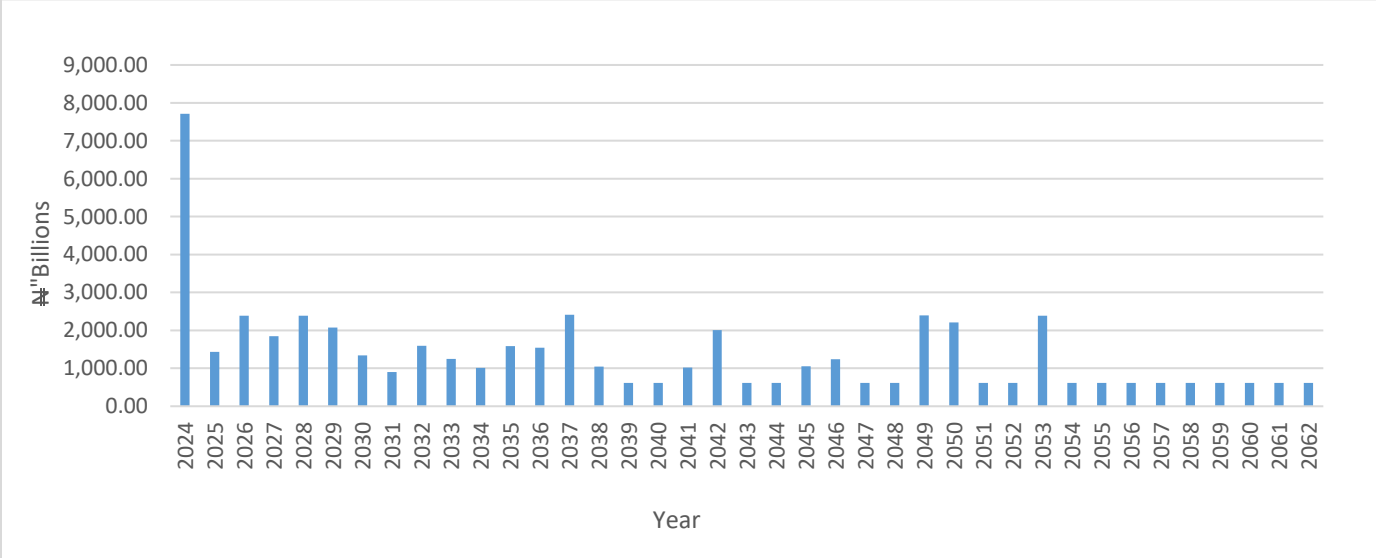
The External Debt Redemption Profile is fairly smooth with intermittent relatively high maturities occasioned by maturities of Eurobonds and the IMF Rapid Financing Instrument obtained in 2020 to ameliorate the Impact of the COVID 19 Pandemic. The issuance of securities in the ICM had been structured to spread the maturities over several years (up to 30 years) to avoid bunching of maturities and to create a US Dollar Sovereign Yield Curve for Nigeria in the ICM (Figure 8.2). The Domestic Debt Redemption Profile is also evenly spread out as most of the Debt consists of FGN Bonds and to a lesser extent NTBs, FGN Sukuk, FGN Savings Bond and FGN Green Bonds (Figure 8.3)

Figure 8.2: External Debt Redemption Profile (US$' Million)



Source: DMO

Figure 8.3: Domestic Debt Redemption Profile (₦' Billions) Outstanding



Source: DMO

8.5 Exchange Rate Risk (Foreign Exchange Component in the Debt Portfolio)

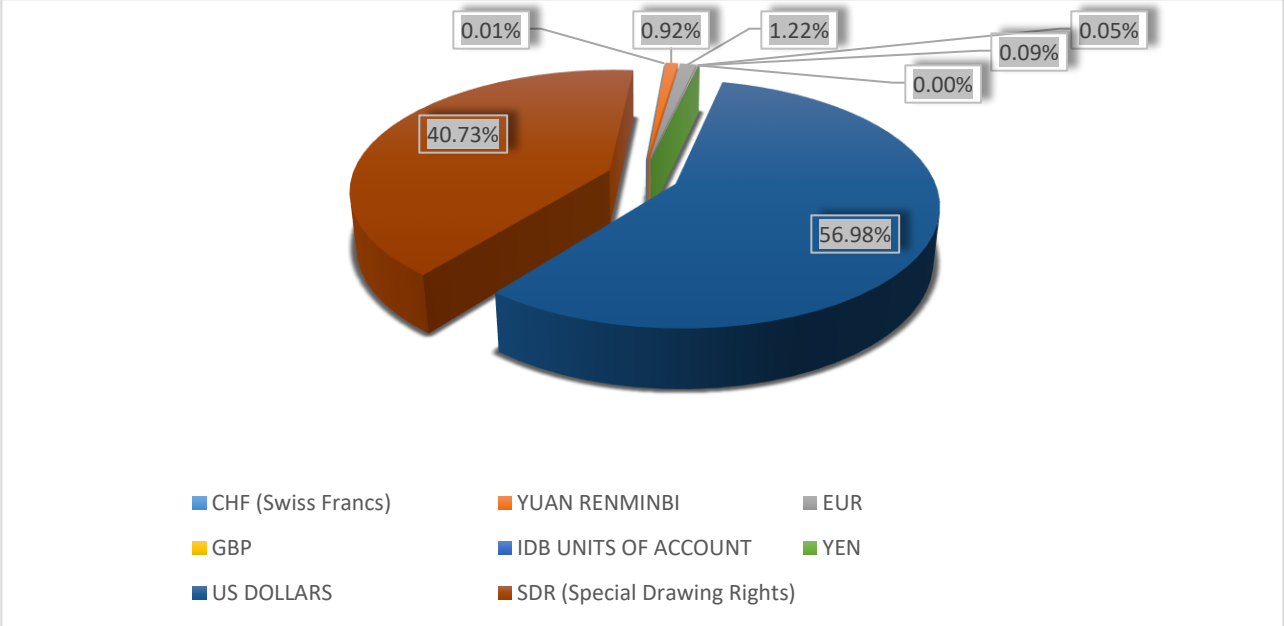
The FGN's Public Debt portfolio exposure to Foreign Exchange Risk remained constant in the year under review, as the share of Total External Debt remained at 39 percent of the Total Debt Portfolio as at December 31, 2023, compared to 40 percent as at December 2022. The trend of the External Debt Component of the Total Public Debt Portfolio for the period, 2019-2023, is shown in Table 8.6.

Table 8.6: Trend in Foreign Exchange Component of Debt Portfolio, 2019-2023

Year	2019	2020	2021	2022	2023
Domestic Debt (%)	67	61	60	60	61
External Debt (%)	33	39	40	40	39
Total Debt	100	100	100	100	100

Source: DMO

Figure 8.4: Currency Composition of External Debt as at December 31, 2023



Source: DMO

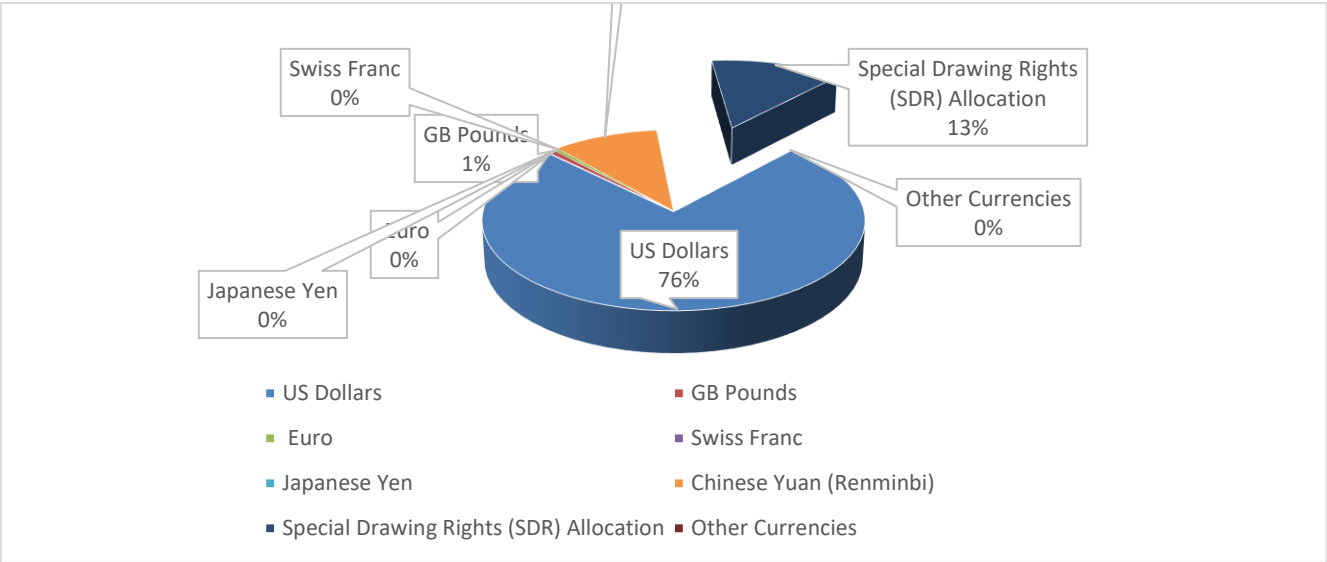
The Currency Composition of the External Debt portfolio as at December 31, 2023, comprised the United States Dollar (US$), British Pound Sterling (GBP), Euro (EUR), Swiss Franc (CHF), Chinese Yuan (Renminbi), Islamic Dinar (ID), Japanese Yen (JPY) and Special Drawing Rights (SDR). The US Dollars and SDR constituted 56.98 and 40.73 percent of the Currency Composition of the External Debt portfolio, respectively. Other currencies; GBP(0.05 percent), EUR (1.22 percent), CHF (0.01 percent), Chinese Yuan (0.92 percent), Other Currencies (0.09 percent) and JPY (0.00 percent). Exchange Rate Risk arising from the exposure to the US Dollars is mitigated by Nigeria's External Reserves, which is predominantly in US Dollars. In addition, the External Creditors' Funding Account (ECFA) from which External Debt Service is made is also denominated in USD. Similarly, Nigeria's export earnings are denominated in USD, thereby further mitigating the Exchange Rate Risk arising from the exposure of the External Debt portfolio to the USD.

Table 8.7: Currency Composition of External Reserve Asset as at December 31, 2023

Currency	USD	% of Total
US Dollars	25,181,575,465.60	75.8080
GB Pounds	225,381,212.45	0.6785
Euro	152,368,993.59	0.4587
Swiss Franc	-	0.0000
Japanese Yen	797,221.68	0.0024
Chinese Yuan (Renminbi)	3,268,044,189.31	9.8383
Special Drawing Rights (SDR) Allocation	4,388,771,783.54	13.2122
Other Currencies	631,133.83	0.0019
TOTAL	**33,217,570,000.00**	100.00

Source: CBN

Figure 8.5: Currency Composition of External Reserves as at end December 31, 2023



Source: CBN

Table 8.7 and Figure 8.5 show that Nigeria's External Reserves stood at US$42.5 billion as at December 31, 2022. The following comprised the Currency Composition of the External Reserves: US Dollars (75.8079 percent), GBP (0.6785 percent), Euro (0.4587 percent), JPY (0.0024 percent), Chinese Yuan (9.8383 percent), SDR (13.2122 percent) and other currencies (0.0019 percent). The Currency Composition of the External Debt portfolio closely matched the Currency Composition of the country's External Reserves, thereby providing a further hedge to the External Debt portfolio against Exchange Rate fluctuation (Table 8.8).

Table 8.8: Composition of External Debt & Reserve Assets as at December 31, 2023(in percent)

Currencies	US$	GBP	EURO	CHF	IDB	JPY	Yuan	SDR	Others
External Debt: Currency Composition	56.98	0.05	1.22	0.01	-	0.00	0.92	40.73	0.09
External Reserve: Currency Composition	75.8079	0.6785	0.4587	0.0000	-	0.0024	9.8383	13.2122	0.0019

Source: DMO and CBN

8.6 Credit Risk (FGN's On-lent Loans to MDAs)

The FGN On-Lent loans to various MDAs amounted to ₦171.09 billion as at December 31, 2023. This is slightly higher than the amount of ₦174.09 as at December 31, 2022. The DMO manages the credit risk associated with the On-Lent loans through close monitoring to ensure timely and full payment when due. The On-Lent Loans are also backed by a MOU executed between the DMO and the MDAs to mitigate the Risk.

8.7 FGN's Contingent Liabilities

The FGN's Contingent Liabilities amounted to ₦4,930.199 billion in 2023 representing an increase of 31.87 percent when compared to ₦3,738.683 billion in 2022. The increase was due to exchange rate fluctuations. The FGN's exposure to Contingent Liabilities as a percentage of GDP was at 2.14 percent in 2023 compared to 1.88 percent in 2022, representing an increase of 0.26 percent caused by exchange rate fluctuations of the dollar denominated FGN's Contingent Liabilities in the period under review. Table 1 shows the FGN's exposure to Contingent Liabilities during the period, 2019-2023.

Table 8.9 Federal Government Contingent Liabilities 2019- 2023 (₦ Billion)

S/N	Liability Type	2019	2020	2021	2022	2023
1.	Federal Mortgage Bank of Nigeria	5.238	5.238	5.238	5.238	-
2.	Nigerian Export-Import (NEXIM) Bank	3.487	2.746	1.478	-	-
3.	FCDA- Katampe Infrastructure Project	7.441	7.441	7.441	7.441	7.441
4.	Nigeria Mortgage Refinance Company Plc	17.707	26.839	24.990	22.951	20.700
5.	Lekki Port LFTZ Enterprise – Lekki Deep Sea Port	-	-	24.600	26.913	445.199
6.	Power Sector Contingent Liabilities Put-Call Option Agreement (PCOA)	495.642	401.637	663.013	642.960	1,226.576
7.	Power Sector Contingent Liabilities – Partial Risk Guarantees (PRG)	73.465	90.842	98.272	107.513	215.574
8.	Payment Assurance Facility for Nigeria Bulk Electricity Trading Plc	623.590	971.711	1,022.594	-	-
9.	Legacy FGN Exposure from PHCN Successor Companies	778.029	962.064	1,040.756	1,102.062	2,283.046
10.	NNPC – AKK Gas Pipeline Project	-	931.181	1,007.347	1,062.308	-
11.	Pension Arrears for MDAs	855.258	785.269	684.991	684.991	726.427
	Total	**2,859.859**	**4,184.998**	**4,580.722**	**3,738.682**	**4,930.199**

Source: DMO

Notes:

1. Federal Mortgage Bank of Nigeria
   FGN Guarantee of FMBN Bond issued to enable the Bank to raise funding from the capital market to refinance the sale of Federal Government non-essential houses under the monetization programme of the Government. All investors in the Bond have been paid and the outstanding balance represents amounts due to Mortgage Loan Originators.
2. Nigerian Export-Import Bank (NEXIM)
   FGN Guarantee given on June 2, 2014 to NEXIM for a 10-year Master Line of Credit from the African Development Bank (AfDB) in the original sum of US$200 million, which was later revised downward to US$50 million to finance part of the cost of the Export Oriented Small and Medium Enterprises financing programme of the Nigerian Export-Import (NEXIM) Bank. Total outstanding obligation as at February 1, 2021: US$3,605,336.99. Converted @410/$). The Loan was fully repaid in 2021 and the Guarantee did not crystalise.
3. FCDA – Katampe Infrastructure Project
   The Guarantee was issued on behalf of the Federal Capital Development Authority (FCDA), in favour of FBN Capital Limited and FBN Trustees Limited, in respect of a bank facility granted to Deanshanger Projects Limited for the provision of integrated civil infrastructure to Katampe District, Abuja. The current outstanding amount confirmed by FCDA is N7,440,504,380.68, excluding accrued interest.
4. Nigeria Mortgage Refinance Company Plc
   The Guarantee is to enable NMRC raise long term funds from the capital market by issuing notes for the purpose of refinancing or purchasing mortgages created by Eligible Mortgage Lenders. N29 billion (N8 billion-Series 1;
   N11 billion Series 2 & N10 billion – Series 3) has been utilized out of the total Guarantee available in the sum of N440 billion.
5. Lekki Port LFTZ Enterprise
   FGN Guarantee in favour of Lekki Port LFTZ Enterprise (Concessionaire) to cover the sum of US$800 million in respect of the investment by the Concessionaire for the purpose of funding the construction of a Deep-Sea Port at Lekki Lagos, Nigeria, on a Build, Own, Operate and Transfer basis, for a period of forty-five years, for and on behalf of the Nigerian Ports Authority. $60 million has been utilized out of the Guarantee.
6. Power Sector Contingent Liabilities - Put-Call Option Agreement
   Power Sector Contingent Liabilities arising from Put-Call Option Agreement (PCOA) in favour of Azura-Edo Independent Power Project (IPP) - $938,905,531.57; Calabar NIPP - $500,000,000.00; Afrinergia Power Limited - $74,250,000.00 & CT Cosmos - $103,950,000.00. Converted@ N410/$. Submitted to DMO by Nigeria Bulk Electricity Trading (NBET) Plc.
7. Power Sector Contingent Liabilities – Partial Risk Guarantees
   Power Sector Contingent Liabilities arising from Partial Risk Guarantee (PRG) in favour of Azura-Edo IPP - $120,000,000.00; Calabar NIPP - $111,800,000.00; Afrinergia Power Limited - $3,287,250.00 & CT Cosmos - $4,602,150.00. Converted@N410/$. NBET provided the data.
8. Payment Assurance Facility for Nigeria Bulk Electricity Trading (NBET) Plc
   FGN Guarantee to the Central Bank of Nigeria for providing N1,301,000,000,000.00 to the Nigeria Bulk Electricity Trading Plc (NBET) for settlement of invoices from Power Generation Companies. The Facility has been fully implemented and closed out.
9. Legacy FGN Exposure from PHCN Successor Companies
   Figures provided by BPE on FGN's exposure regarding the debt component of the purchase price of the PHCN successor companies. US$2,538,430,000.00 converted @N410/$
10. NNPC – AKK Gas Pipeline Project
    FGN Guarantee for the Ajaokuta-Kaduna-Kano (AKK) Gas Pipeline Project undertaken by the Nigeria National Petroleum Corporation (NNPC). The Guarantee was cancelled in 2023 due to non-utilization.
11. Pension Arrears for MDAs
    Data provided by PENCOM to DMO: Outstanding Retirement Benefits Liability of the FGN for certain categories of its employees. The last employee would be retiring in 2039

CHAPTER NINE

FEDERAL GOVERNMENT ON-LENT LOANS

The FGN through the DMO provides On-Lent Loans to various MDAs to support the development of critical sectors and promote growth and economic development. The total outstanding on-lent loans to MDAs as at December 31, 2023 stood at ₦171.09 billion.

9.1 Introduction

The Federal Government of Nigeria (FGN) in its drive to tackle the infrastructure challenges in the country, borrows through the DMO and lends to various Ministries, Departments and Agencies (MDAs) by way of On-Lent loans which are then utilized in financing approved projects. The key sectors that benefit from the On-Lent loans include; Road and Railway, Agriculture, Health, Education, Security, amongst others. These On-Lent loans are managed by the DMO through Memorandum of Understanding (MOU) signed on each loan with the MDAs to ensure the full and timely repayment of the loans and to minimize the risk of a default.

9.2 Analysis of FGN's On-lent Loans to MDAs

Table 9.1 shows that the number of MDAs benefiting from the On-Lent loans were eleven (11) as at December 31, 2023 with the principal loan outstanding of ₦171.09 billion out of ₦220.62 billion. When compared to the principal outstanding of ₦174.09 billion as at December 31, 2022, it declined by ₦3 billion due to the repayment made by the Federal Capital Territory Administration for the ₦15 billion FGN Funding of Health and Education Projects in the FCT. The DMO carries out project monitoring visits to facilities funded by the On-Lent loans to ensure compliance and adequate utilization for purposes to which they were intended.

Table 9.1: Principal Outstanding on On-lent Loans as at December 31, 2023

S/N	MDA	FACILITY	LOAN AMOUNT (₦)	PRINCIPAL AMOUNT OUTSTANDING (₦)
1	Federal Capital Territory Administration (FCTA)	₦15 Billion FGN Funding of Health and Education Projects in the FCT	15,000,000,000.00	872,918,492.93
2	Federal Ministry of Finance (FMF)	₦6.3 Billion Pioneer Consumer Car Finance Scheme for Public Servants	6,300,000,000.00	1,882,841,431.80
3	Federal Ministry of Transport (FMoT)	₦12.5 Billion Nig. Railway Revitalization (25 Locomotives)	12,500,000,000.00	12,500,000,000.00
4	Ministry of Defence	₦35 Billion Funding of Peace Keeping Operations	35,000,000,000.00	11,275,102,824.49
5	Ministry of Mines and Steel Development	₦2.24 Billion Ajaokuta/NIOMCO Staff Salary Arrears	2,239,175,142.72	2,239,175,142.72
6	Nigerian Television Authority (NTA)	₦4.5 Billion Loan for Upgrading of NTA's Broadcast Equipments	4,500,000,000.00	2,431,265,480.82
7	Federal Capital Territory Administration (FCTA)	₦20 Billion Seed Money for Infrastructural Development of Four Districts of the FCT	20,000,000,000.00	20,000,000,000.00
8	Federal Mortgage Bank of Nigeria (FMBN)	₦5 Billion for the development of the housing sector of the economy granted to FMBN.	5,000,000,000.00	5,000,000,000.00
9	Bureau of Public Enterprises (BPE)	Settlement of ₦63.03 Billion Loan Facility granted to Transcorp Plc for NITEL/MTEL Buy-Out	63,030,000,000.00	60,480,000,000.00
10	Bureau of Public Enterprises (BPE)	NITEL/MTEL Terminal Benefits	54,552,000,000.00	52,002,000,000.00
11	Bank of Industry (BOI)	Indebtedness of the defunct Nigeria Bank for Commerce and Industry to the FGN	2,500,711,000.00	2,410,293,267.05
TOTAL			**220,621,886,142.72**	**171,093,596,639.81**

Source: DMO

CHAPTER TEN

INSTITUTIONAL ISSUES

The new DMO 5th Strategic Plan, 2023-2027 prepared at the expiration of the 4th Strategic Plan 2018-2022 took into cognizance the evolving role of the DMO and the need to align public debt management activities with government economic policy. The DMO also conducted the Debt Sustainability Analysis (DSA) Exercise, trainings for Staff and other external Stakeholders, as well as enhanced its business processes by improving the ICT infrastructure during the period under review. DMO continued efforts to ensure timely and accurate collation and publication of the sub-national domestic debt data in 2023.

10.1 The DMO's 5th Strategic Plan, 2023-2027

The new Strategic plan was prepared at the expiration of the 4th Strategic plan in 2022. The Strategic goals for the 5th Strategic plan are:

i. Achieve the Targets in the Debt Management Strategy compatible with the Medium-Term Expenditure Framework (MTEF) 2024-2026 and National Development Plan (NDP) 2021-2025;

ii. To strengthened mechanisms and systems for more effective monitoring and management of the total public debt to identify threats to public debt sustainability at all tiers of government;

iii. Deploy appropriate Technology and Processes that will enable the DMO deliver on its mandate (products and services) more effectively;

iv. Structure the DMO's activities to align with its evolving role and complemented by Human resources with the required competencies to deliver up-to date debt management services;

v. Enhance the DMO Brand;

vi. Employ off-Balance sheet product to support Economic development, and

vii. Proactively manage the Cost and Risks of the Public Debt Portfolio and Credit Risk associated with On-lent loans.

10.2 Debt Sustainability Analysis (2023)

The 2023 MAC DSA Exercise was conducted by the DMO from December 18-22, 2023 in conjunction with other stakeholders, namely: the Federal Ministry of

Finance, Budget and National Planning (FMFBNP), Central Bank of Nigeria (CBN), Budget Office of the Federation (BOF), National Bureau of Statistics (NBS), and the Office of the Accountant-General of the Federation (OAGF). The World Bank and International Monetary Fund (IMF) also participated in the exercise.

The 2023 MAC-DSA has identified the fact that Nigeria's Public Debt is vulnerable to Revenue. In addition, following the new exchange rate regime, which resulted in the devaluation of Naira, exchange rate risk is another key factor to monitor in order to ensure that Public Debt is sustainable. Substantial increase in Government revenue, moderation in fiscal deficits and new borrowings with lower interest rates and stable foreign exchange rate would support a sustainable Public Debt path in the medium to long-term for Nigeria.

10.3 DMO's Supervisory Board Activities

The Vice President of the Federal Republic of Nigeria is the Statutory Chairman of the DMO Supervisory Board, with the Honourable Minister of Finance as Vice Chairman. The other members include; the Attorney-General of the Federation and Honourable Minister of Justice, Chief Economic Adviser to the President, Governor of the CBN, Accountant-General of the Federation, and the Director-General of DMO, who doubles as the Secretary to the Board. The DMO Supervisory Board meeting did not hold in the period under review, as the new Administration came into office in May 2023, while the Cabinet of Ministers were formed in August 2023.

10.4 Staffing Issues

10.4.1 Staff Exit

In 2023, a total of four (4) members of staff exited the DMO in compliance with statutory provisions of the Public Service Rules. Two of which exited upon attaining mandatory retirement age of sixty (60) years, while the other retired having completed eight (8) years tenure as Director, as provided in the Revised Public Service Rules. There was also a sad occurrence of the death of an officer.

10.4.2 Recruitment of Staff

There was no recruitment of new staff into the DMO in 2023.

10.4.4 Repositioning/Redeployment Exercise

With the exit of the Head, Internal Audit and Control Unit (IA & CU), the Assistant Director, Project Unit was redeployed to Head the IA & CU. The Chief Operations Officer, Institutional Skills Development (ISD) Northern Zone, was also redeployed to Human Resource Unit under the Organisational Resourcing Department.

10.4.5 Staff Promotion Exercise

The 2023 Promotion Exercise was conducted successfully for all Candidates. The outcome of the exercise showed that Ten (10) officers were promoted to different GLs. One (1) Deputy Director (GL 16) was promoted to the rank of Director (GL 17); four (4) Assistant Directors (GL 15) were promoted to the rank of Deputy Director (GL 16); while two (2) Chief Operations Officers (GL 14) were promoted to Assistant Directors (GL 15). Three (3) Principal Operations Officers (GL 12) were promoted to the rank of Assistant Chief Operations Officers (GL 13)

10.4.7 Training for DMO's External Stakeholders

As part of its External Stakeholders training programme, the DMO in conjunction with Training Vendors, conducted Workshops for Members of the Senate Committee on Foreign and Local Debt, the House Committee on Loans, Aids and Debt Management, and the Staff in the Secretariats of both Committees in October and November, 2023, on "Special Executive Forum on the new Strategic Focus".

10.4.8 DMO Staff Training

Trainings were conducted from the second to the fourth quarter of the year, in accordance with the training needs of all members of staff. The Trainings were carried out between June and December, 2023 in the following areas: -

i. The Agile Leader;
ii. Data Analytics;
iii. Developing Work Ethics and Performance Skills;
iv. Introduction to Fixed Income Securities Analysis;
v. Advance Fixed Income Securities Analysis;
vi. Workforce Planning and Budgeting: A tool for Productivity Management in the Public Service;
vii. Fundamentals and Operationalization of Federal Government Contracts Administration System (FCAS);
viii. National Learning and Development Programme on International Public Sector Accounting Standards (IPSAS), Applicability and Financial Reporting of Public Sector Entities: An Ex-Post Evaluation.

10.5 Sub-National Debt Management Activities

10.5.1 Capacity Building for Sub-National Debt Managers

The DMO continued its mandate of promoting sound debt management practices and ensuring sustainability of Public Debt at the sub-national level. Thus, capacity building for sub-nationals was carried out under the Donor Intervention programe of the World Bank's SFTAS Programme for Results (PforR).

10.5.2 Collation and Publication of Sub-National Domestic Debt Data

DMO's efforts to ensure timely and accurate collation and publication of the sub-national domestic debt data continued assiduously throughout 2023. A total of thirty-one (31) States and the FCT successfully completed the validation, sign-off and submission of their Q4, 2023 domestic debt data within the mandated 60-days from the period end.

10.6 ICT Infrastructure

In the bid to further consolidate on the gains made in the adoption of ICT as a tool to enhance the DMO's business process, the following milestones were achieved in 2023;

- The DMO IT Digital Transformation Project has reached an advanced stage with some projects fully implemented while others are expected to be completed before the end of the year 2024. This includes the migration from the Commonwealth Secretariat Debt Recording and Management System Version 2.3 (CS-DRMS v2.3) to Commonwealth Meridian, which is expected to be completed by September, 2024.
- The Bond Auctioning System (BAS) has remained operational and all FGN Bond Auctions have been successfully conducted with the participation of the Primary Dealer Market Makers (PDMMs) using the Bloomberg Platform and with settlement on the CBN Scripless Securities Settlement System (CBN S4).
- The DMO Website was fully supported and maintained with regular data updates. All information and updates were successfully carried out on the website and DMO pages on the social media. This has continued to improve the DMO’s outreach to the public and stakeholders.
- The DMO’s Wide Area Network (WAN) is fully secured with Sophos Firewall, while the Local Area Network (LAN) and the Workstations are secured with the configuration and integration of the Acronis Antivirus. It comes with a lot of additional features over the Sophos Anti-Virus.
- The DMO has maintained its external and internal communication by integrating the Modern IP Telephony System with dedicated E1 line and IP Teleconferencing Solution on the Galaxy Backbone platform. The new system enables the organization to communicate easily with external stakeholders from anywhere around the world virtually.
- ICT Services were maintained optimally with over 95% uptime for the period under review, thus contributing significantly in the DMO's achievement of its objectives in 2023.

CHAPTER ELEVEN

FINANCIAL STATEMENTS AND ACCOUNTS

Debt Management Office
Annual Report and Audited Financial Statements
For the year ended 31 December 2023

DEBT MANAGEMENT OFFICE NIGERIA
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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Corporate Information

Supervisory Board

Chairman	**Professor Yemi Osinbajo** * Vice President, Federal Republic of Nigeria **Sen Kashim Shettima** ** Vice President, Federal Republic of Nigeria
Vice Chairman	**Zainab Shamsuna Ahmed** * Hon. Minister of Finance, Budget and National Planning **Olawale Edun** ** Hon. Minister of Finance
Member	**Abubakar Malami, SAN** * Attorney General of the Federation **Lateef Fagbemi** ** Attorney General of the Federation
Member	**Dr. Adedoyin Rasaq Salami** * Chief Economic Adviser to the President
Member	**Godwin I. Emefiele** * Governor, Central Bank of Nigeria **Olayemi Cardoso** ** Governor, Central Bank of Nigeria
Member	**Sylva Okolieaboh** * Accountant General of the Federation **Dr. Oluwatoyin Sakirat Madein** ** Accountant General of the Federation
Member/Secretary	**Patience Oniha** Director - General & Chief Executive, DMO

* These are board members that are statutorily retired upon the inauguration of the President - elect on 29 May 2023

** These are board members that are appointed by the new President in 2023

Principal Officers

Patience Oniha	Director - General
Joe Ugoala *	Director, Organisational Resourcing Department
Oladele Afolabi*	Director, Portfolio Management Department
Monday Usiade	Director, Market Development Department
Maraizu Nwankwo	Director, Debt Recording and Settlement Department
Elizabeth Ekpenyong	Director, Strategic Progrmmes Department
Sani Kolo Abubakar	Head, Policy Strategy & Risk Management Department

* These are principal officers that retired in 2023

Registered Office
Ist Floor, NDIC Building
Plot 447/448 Constitution Avenue
Central Business District, Garki - Abuja

Corporate Information Cont'd

Independent auditor
KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Principal banker
Central Bank of Nigeria

Financial Highlights

	31-Dec-23 N'000	31-Dec-22 N'000	Change N'000	Change %
Statement of Financial Position				
Property, Plant and Equipment	324,670	348,829	(24,159)	(7)
Intangible Asset	17,463	-	17,463	100
Other Receivables	122,133	54,217	67,916	125
Prepayments	2,640	2,640	-	-
Cash and Cash Equivalents	4,463,592	4,995,571	(531,979)	(11)
Total Assets	**4,930,498**	**5,401,257**	**(470,759)**	**(9)**
Liabilities				
Account Payables and Accruals	371,263	400,061	(28,798)	(7)
Total Liabilities	**371,263**	**400,061**	**(28,798)**	(7)
Net Assets	**4,559,235**	**5,001,196**	**(441,962)**	**(2)**
Equity				
Capital fund	602,360	495,715	106,644	22
Accumulated Financial Performance	3,956,875	4,505,481	(548,606)	(12)
Total Equity	**4,559,235**	**5,001,196**	**(441,962)**	**(9)**
Statement of Financial Performance				
Total Income	3,718,814	3,780,829	(62,014)	(2)
Total Expenditure	4,267,420	3,516,388	751,032	21
(Deficit)/Surplus	**(548,606)**	**264,440**	**(813,046)**	**(307)**

Report of the Supervisory Board

1 Financial statements

The Supervisory Board of Debt Mangement Office ("DMO") present their report together with the audited financial statements for the year ended 31 December 2023 to the public. The report discloses the state of affairs of the Office.

2 Legal form and address

The Debt Management Office (DMO) was established by the Federal Government of Nigeria on 4 October 2000 to centrally coordinate and manage Nigeria's public debt. The Office was initially created administratively and subsequently given statutory backing by the Debt Management Office (Establishment, etc.) Act, 2003, which formalized its existence and functions. The DMO is a statutory government agency operating under the supervision of the Federal Ministry of Finance and is responsible for managing the Federal Government's domestic and external debt obligations. The Office is domiciled in Nigeria.

3 Principal activities

The Debt Management Office (DMO) is responsible for the central coordination and management of Nigeria's public debt. Its principal activities include advising the Federal Government on debt strategy and borrowing plans, maintaining a comprehensive database of domestic and external debt, and managing the issuance of government securities such as Federal Government bonds, Treasury bills, and Sukuk. The DMO also negotiates and services external loans, ensures timely debt servicing, conducts risk analysis to maintain debt sustainability, and provides debt-related information to support fiscal policy formulation and transparency.

4 Supervisory Board and their statutory positions

The following are the supervisory board that held office as at 31 December 2023:

Name	Designation	Position
Professor Yemi Osinbajo *	Chairman	Vice President, Federal Republic of Nigeria
Sen. Kashim Shettima **	Chairman	Vice President, Federal Republic of Nigeria
Zainab Shamsuna Ahmed *	Vice Chairman	Hon. Minister of Finance, Budget and
Olawale Edun **	Vice Chairman	Hon. Minister of Finance
Abubakar Malami, SAN *	Member	Attorney - General of the Federation
Lateef Fagbemi **	Member	Attorney - General of the Federation
Dr. Adedoyin Rasaq Salami *	Member	Chief Economic adviser to the President
Godwin I. Emefiele *	Member	Governor, Central Bank of Nigeria
Olayemi Cardoso **	Member	Governor, Central Bank of Nigeria
Sylva Okolieaboh *	Member	Ag Accountant General of the Federation.
Dr. Oluwatoyin Sakirat Madein **	Member	Accountant General of the Federation.
Patience Oniha	Secretary	Director-General, Debt Management Office

* These are board members that are statutorily retired upon the inauguration of the President - elect on
** These are board members that are appointed by the new President in 2023

None of the supervisory board had any interest in the equity of the entity as at 31 December 2023 and as at the date of this report.

5 Going Concern

In the opinion of the Supervisory Board, the state of DMO's affairs was satisfactory and no events have occurred since the financial position date which would affect the financial statements as presented.

6 Property and Equipment

Information relating to changes in property and equipment is given in Note 25 to the financial statements. In the supervisory board's opinion, the disclosures regarding DMO's properties are in line with the accounting policy of the entity.

Report of the Supervisory Board Cont'd

7 Operating results

The summarised results are presented below:

	31 December 2023 N'000	31 December 2022 N'000
Total Income	3,718,814	3,780,829
Total Expenditure	4,267,420	3,516,388
(Deficit)/Surplus for the year	**(548,606)**	**264,440**

8 Format of the Financial Statements

The Financial Statements are presented in accordance with the reporting and presentation requirements of the International Public Sector Accounting Standards; in compliance with the Financial Reporting Council Act No 6, 2011.

9 Events after the reporting period

There were no events after the reporting period which could have a material effect on the financial position of the Company as at 31 December 2023 which have not been recognised or diclosed.

10 Donations

There was no donations during the year

11 Equal employment opportunity

The Office pursues an equal employment opportunity policy. It does not discriminate against any person on the ground of race, religion, color, or physical disability

12 Training and development

The Office places great emphasis on the training and development of its staff and other stakeholders and believes that its employees are its greatest assets. Training courses are geared towards the developmental needs of staff and the improvement of their skills set to face the increasing challenges in the financial sector.

13 Health, safety and welfare at work

DMO prioritizes the health, safety and welfare of its employees in their place of work.

14 Auditors

Messrs. KPMG Professional Services were appointed as the Independent Auditor for the year under review. The Independent auditors have indicated their willingness to continue in the office in accordance with the extant rules governing the audit of the Federal Government owned Agencies and Parastatals.

Patience Oniha
Director-General and Secretary to the Supervisory Board
FRC/2018/ICAN/00000018421
30 June 2026

Responsibility of the Supervisory Board

The Supervisory Board accept the responsibility for the preparation of the financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards and in the manner required by the Financial Reporting Council of Nigeria Act, 2011 (as amended) and the Debt Management Office Establishment Act 2003.

The Supervisory Board further accept responsibility for maintaining adequate accounting records as required by the Financial Reporting Council of Nigeria Act, 2011 (as amended) and the Debt Management Office Establishment Act 2003 and for such internal control as the Supervisory Board determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Supervisory Board have made an assessment of the office's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

Patience Oniha
FRC/2018/ICAN/00000018421
Director General/ Chief Executive Officer
30 June 2026

Feyisayo Olumide-akinyemi
FRC/2025/PRO/ICAN/001/732531
Head, Finance and Accounts
30 June 2026

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

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Independent Auditor's Report

To the Supervisory Board of Debt Management Office

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Debt Management Office (The DMO) , which comprise:

- the statement of financial position as at 31 December 2023;
- the statements of financial performance;
- the statement of changes in net assets/equity;
- the statement of cash flows for the year then ended,
- the statement of comparison of budget and actual and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the the DMO as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance withIPSAS Accounting Standards as issued by the International Public Sector Accounting Standards Board (IPSAS Accounting Standards) and in the manner required by the Financial Reporting Council of Nigeria Act, 2011 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the the DMO in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Nigeria. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Supervisory Board are responsible for the other information. The other information comprises the Corporate Information, Supervisory Board Report, Statement of Supervisory Board Responsibilities, and Other National Disclosures but does not include the financial statements and our auditor's report thereon.

KPMG Professional Services, a partnership registered in Nigeria and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registered in Nigeria No BN 986925

A list of partners is available for inspection at the firm's address.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Supervisory Board for the financial statements

The Supervisory Board are responsible for the preparation of financial statements that give a true and fair view in accordance with IPSAS Accounting Standards as issued by the International Public Sector Accounting Standards Board (IPSAS Accounting Standards) and in the manner required by the Financial Reporting Council of Nigeria Act, 2011 (as amended) and for such internal control as the Supervisory Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Supervisory Board are responsible for assessing the DMO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Supervisory Board either intend to liquidate the DMO or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DMO's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Supervisory Board.

- Conclude on the appropriateness of the Supervisory Board' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the the DMO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the DMO to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Signed:

Elijah Oladunmoye, FCA

FRC/2013/PRO/ICAN/004/00000019769

For: KPMG Professional Services

Chartered Accountants

2 September 2026

Lagos, Nigeria.



Statement of financial performance

	Notes	2023 ₦' 000	2022 ₦' 000
Income			
Appropriation/Subventions	8	890,123	799,923
FGN bond floatation receipts	9	2,772,667	2,678,773
SFTAS receipts	10	-	287,960
Other Income	11	56,024	14,173
Total Income		**3,718,814**	**3,780,829**
Expenditure			
Operating expenses	12	285,937	250,467
Personnel cost	13	750,899	650,577
SFTAS expenses	16	136,948	150,355
Aids & Grant expenses	14	-	1,201
Special TSA expenses	15	-	144,941
		1,173,784	**1,197,541**
Other Expenditures			
Bank charges	17	447	317
FGN bond floatation expenses	18	3,093,086	2,302,971
Return to consolidated revenue fund (CR	19	104	15,559
		3,093,636	**2,318,847**
Total Expenditure		**4,267,420**	**3,516,388**
(Deficit)/ Surplus for the period		**(548,606)**	**264,440**

Statement of financial position	Notes	31-Dec-23 ₦' 000	31-Dec-22 ₦' 000
Assets			
Non-current assets			
Property, Plant & Equipment	25	324,670	348,829
Intangible asset	26	17,463	-
		342,133	**348,829**
Current assets			
Other receivables	20	122,133	54,217
Prepayments	21	2,640	2,640
Cash and Cash equivalents	22	4,463,592	4,995,571
		4,588,365	**5,052,428**
Total assets		**4,930,498**	**5,401,257**
Liabilities			
Current liabilities			
Account payables and accruals	23	371,263	400,061
		371,263	**400,061**
Net assets			
Capital Fund	24	602,360	495,715
Reserves		3,956,875	4,505,481
Total net assets		**4,559,235**	**5,001,196**
Total net assets and liabilities		**4,930,498**	**5,401,257**

The accompanying notes in pages 16-28 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Supervisory Board on 30 June 2026 and were signed on behalf of the Supervisory board by:

Patience Oniha
FRC/2018/ICAN/00000018421
Director General/ Chief Executive Officer
30 June 2026

Feyisayo Olumide-akinyemi
FRC/2025/PRO/ICAN/001/732531
Head, Finance and Accounts
30 June 2026

Statement of changes in net assets for the year ended 31st December, 2023

	Capital Fund	Reserve	Total
	₦' 000	₦' 000	₦' 000
Balance as at 1st January 2023	495,715	4,505,481	5,001,196
Capital receipt	106,644	-	106,644
Deficit for the year	-	(548,606)	(548,606)
Balance at 31 December 2023	**602,360**	**3,956,875**	**4,559,235**

Statement of changes in net assets for the year ended 31st December, 2022

	Capital Fund	Reserve	Total
	₦' 000	₦' 000	₦' 000
Balance as at 1st January 2022	409,080	4,241,041	4,650,121
Capital receipt	86,635	-	86,635
Surplus for the year	-	264,440	264,440
Balance at 31 December 2022	**495,715**	**4,505,481**	**5,001,196**

The significant accounting policies on pages 16 to 22 and the accompanying explanatory notes on pages 23 to 27 form integral parts of these Financial Statements.

Statement of cash flows

	Notes	2023 ₦' 000	2022 ₦' 000
Cash Flows from Operating Activities:			
Cash received from Appropriation/Subventions	8	890,123	799,923
FGN Bond floatation cash receipts	9	2,772,667	2,678,773
SFTAS cash receipts	10	-	287,960
Cash received from Refunds	11a, 11b	17,391	4,532
Cash paid for operating expenses	12a, 12b	(181,805)	(160,662)
Cash paid for personnel cost	13	(750,899)	(650,577)
Cash paid for Grants and Aids expenses	14	-	(1,201)
Cash paid for special TSA expenses	15	-	(144,941)
Cash paid for SFTAS expenses	16	(136,948)	(150,355)
Cash paid for bank charges	17	(447)	(317)
Cash paid for FGN Bond floatation expenses	18	(3,093,086)	(2,302,971)
Cash paid for return to consolidated revenue fund	19	(104)	(15,559)
Cash paid to suppliers	27	(28,799)	(1,056,571)
Cash paid to other receivables	28	(67,916)	(37,071)
Net Cash Flow from Operating Activities		**(579,822)**	**(749,037)**
Cash Flow from Investing Activities:			
Purchase of Property Plant & Equipment	25	(77,478)	(180,034)
Purchase of intangible asset	26	(19,957)	-
Net Cash Flow from Investing Activities		**(97,435)**	**(180,034)**
Cash Flow from Financing Activities:			
Capital fund received	24	106,644	86,635
Net Cash Flow from Financing Activities:		**106,644**	**86,635**
Net decrease in Cash and Cash Equivalent		(570,613)	(842,436)
Cash and Cash equivalents at the beginning of the year		4,995,571	5,828,366
Effect of exchange rate changes on cash and cash equivalents	11	38,633	9,641
Cash and Cash equivalent at 31 December	22	**4,463,592**	**4,995,571**

Statement of comparison of budget and actual amounts

	A Final budget (Appropriation act)	B Budget Releases	C Actual Expenditure	D Budget performance Final budget: Expenditure	E Budget performance Budget releases: Expenditure
RECURRENT EXPENDITURE	₦	₦	₦	₦	₦
PERSONNEL	750,899,460	750,899,460	750,899,460	-	-
OVERHEAD					
LOCAL TRAVEL & TRANSPORT: OTHERS	1,000,000	1,002,270	1,002,270	(2,270)	-
LOCAL TRAVEL & TRANSPORT: OTHERS	15,000,000	14,768,768	14,768,768	231,232	-
TELEPHONE CHARGES	4,204,000	4,041,000	4,041,000	163,000	-
INTERNET ACCESS CHARGES	2,000,000	1,840,000	1,840,000	160,000	-
OFFICE STATIONERIES / COMPUTER CONSUMABLES	7,000,000	6,999,161	6,999,161	839	-
NEWSPAPERS	1,200,000	1,149,181	1,149,181	50,819	-
PRINTING OF NON SECURITY DOCUMENTS	750,000	-	-	750,000	-
DRUGS & MEDICAL SUPPLIES	208,000	-	-	208,000	-
UNIFORMS & OTHER CLOTHING	1,800,000	1,800,000	1,800,000	-	-
MAINTENANCE OF MOTOR VEHICLE / TRANSPORT EQUIPMENT	3,500,000	3,817,988	3,817,988	1,682,012	-
MAINTENANCE OF OFFICE FURNITURE	1,000,000	718,588	718,588	281,412	-
MAINTENANCE OF OFFICE BUILDING / RESIDENTIAL QTRS	1,000,000	-	-	1,000,000	-
MAINTENANCE OF OFFICE / IT EQUIPMENTS	1,100,000	100,000	100,000	1,000,000	-
LOCAL TRAINING	17,582,836	15,584,124	15,584,124	2,098,712	-
SECURITY CHARGES	60,000	60,000	60,000	300,000	-
OFFICE RENT	15,420,082	15,420,082	15,420,082	-	-
FINANCIAL CONSULTING	4,200,000	3,782,672	3,782,672	417,328	-
INFORMATION TECHNOLOGY CONSULTING	1,100,000	773,400	773,400	326,600	-
MOTOR VEHICLE FUEL COST	9,680,000	8,960,000	8,960,000	720,000	-
INSURANCE PREMIUM	5,000,000	4,233,778	4,233,778	766,222	-
REFRESHMENT & MEALS	20,000,000	16,022,478	16,020,358	3,979,642	2,120
HONORARIUM & SITTING ALLOWANCE	1,000,000	120,000	120,000	880,000	-
PUBLICITY & ADVERTISEMENTS	500,000	101,075	101,075	398,925	-
POSTAGES & COURIER SERVICES	1,112,868	150,000	150,000	962,868	-
WELFARE PACKAGES	12,000,000	2,701,685	2,701,685	9,298,315	-
SUBSCRIPTION TO PROFESSIONAL BODIES	3,000,000	1,852,204	1,852,204	1,147,796	-
TOTAL OF OVERHEAD COST	**167,068,685**	**139,221,904**	**139,221,784**	**27,846,901**	**2,120**
TOTAL RECURRENT EXPENDITURE	**917,968,145**	**890,121,364**	**890,121,244**	**27,846,901**	**2,120**
CAPITAL EXPENDITURE (a)					
RESEARCH AND DEVELOPMENT	15,000,000	3,161,262	3,161,262	2,838,738	1,114
RESEARCH AND DEVELOPMENT	15,000,000	1,500,000	1,370,625	13,629,375	129,375
RESEARCH AND DEVELOPMENT	15,000,000	1,054,000	1,053,400	13,946,600	600
PURCHASE OF INDUSTRIAL EQUIPMENT	22,000,000	20,512,000	20,115,292	1,884,708	396,708
PURCHASE OF INDUSTRIAL EQUIPMENT	40,000,000	40,000,000	39,973,623	26,377	26,377
COMPUTER SOFTWARE ACQUISITION	21,270,818	17,500,000	17,388,462	3,881,864	111,538
COMPUTER SOFTWARE ACQUISITION	35,000,000	20,000,000	19,857,130	5,042,870	142,870
				-	-
				-	-
CAPITAL EXPENDITURE (2022)	**180,148,410**	**105,827,262**	**105,019,068**	**68,251,746**	**808,192**
CAPITAL EXPENDITURE (b)					
PROCUREMENT OF ICT CONSULTANCY SERVICES	35,000,000	35,000,000	34,999,270	730	730
COMPUTER DESTOP & ACCESSORIES	29,615,816	28,327,228	-	29,615,816	28,327,228
PROCUREMENT OF UTILITY VEHICLES	65,000,000	-	-	65,000,000	-
CAPITAL EXPENDITURE (2023)	**129,615,816**	**63,327,228**	**34,999,270**	**94,616,546**	**28,327,958**
TOTAL CAPITAL EXPENDITURE (2022 & 2023)	**310,103,223**	**169,154,490**	**140,018,339**	**162,868,292**	**29,136,150**

*** The Balance of the 2022 Capital was not Mopped up as at December, 2022 but was rolled over into 2023.**

*** The 2023 Capital Budget year has been extended to December 31, 2024 and this accounts for the Balance yet unutilized at the end of the year 2023**

*** The approved budget was prepared on a cash basis, whereas the financial statements were prepared on an accrual basis. Consequently, the budgeted amount and budget releases are not directly comparable.**

1 Corporate Information

The Debt Management Office (DMO) was established on 4th October, 2000 to centrally coordinate the management of Nigeria's debt, which was hitherto being done by a myriad of establishments in an uncoordinated fashion. This diffused debt management strategy led to inefficiencies.

The DMO was established to achieve the following mandates/objectives:
- Good debt management practices that make a positive impact on economic growth and national development, particularly in reducing debt stock and cost of public debt servicing in a manner that saves resources for investment in poverty reduction programs;
- Prudently raising financing to fund government deficits at affordable costs and manageable risks in the medium- and long term;
- Consciously avoiding debt crisis and achieving an orderly growth and development of the national economy.

1.1 Financial Period

These Financial Statements cover the financial period from 1 January 2023 to 31 December 2023 with comparative figures for the year ended 31 December 2022.

1.2 Going Concern

The Supervisory Board believes that there is no intention or threat from any party to curtail significantly its line of operation in the foreseeable future. Thus, these financial statements are prepared on a going concern basis.

2 Basis of preparation

2.1 Statement of compliance

The Financial Statements have been prepared in accordance with Accrual Basis – International Public Sector Accounting Standards (IPSAS). These are prepared in line with the Treasury Circulars issued by the Office of the Accountant-General of the Federation and the requirements of the Financial Reporting Council of Nigeria in accordance with the Federal Government Roadmap on migration to IPSAS accrual basis of financial reporting.

2.2 Functional and Presentation Currency

These Financial Statements are presented in Nigerian Naira, which is the functional currency of the Office.

2.3 Composition of the Financial Statements

The Financial Statements are prepared on the historical cost basis under the Accrual Basis of Accounting. The principal accounting policies adopted are set out below. The Financial Statements are presented in Naira.

The General-purpose Financial Statements comprise:
- Statement of Financial Position
- Statement of Financial Performance
- Statement of Changes in Net Assets/Equity
- Statement of Cashflows
- Statement of Comparison of Budget and Actual Amounts
- Notes to the Financial Statements

2.4 Use of Judgements, Estimates and Assumptions

The preparation of Financial Statements in conformity with the International Public Sector Accounting Stansards (IPSASs) for not-for-profit organisations requires the use of judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Basis of preparation continued

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in notes.

DMO Board should select and apply the Office's accounting policies so that the Financial Statements comply with all the requirements of each applicable IPSASs. Where there is no specific requirement, DMO Board should develop policies to ensure that the Financial Statements provide information that is:

* Relevant to the decision making needs of all users; and
* Reliable in that:
  - represent faithfully the results and financial position of the Office;
  - reflect the economic substance of events and transactions;
  - are free from bias; and
  - are complete in all material respects.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.5 Basis of Measurement

These Financial Statements are prepared on the historical cost basis under the Accrual Basis of Accounting.
The Statement of Financial Performance, Statement of Comparison of Budget and Actual amounts by function, and notes forming parts thereof have been prepared on the format of Accrual Basis IPSAS – Financial Reporting under the Accrual Basis of Accounting. The Statement of Cash Flows as required by IPSAS 2- Statement of Cash Flows has also been presented.

2.6 Changes in accounting policies and disclosures

New and amended standards and interpretation

At the date of authorization of these financial statements, the following new and amended IPSAS Standards had been issued but were not yet effective. These standards are expected to have an impact on the entity in the future reporting periods. These are as follows:

a) IPSAS 45: Property, Plant and Equipment (released in may 2023)
b) IPSAS 46: Measurement and updates to Conceptual Framework (released may 2023)
c) IPSAS 47: Revenue (released may 2023)
d) IPSAS 48: Transfer Expenses (released may 2023)
e) IPSAS 47: Revenue (released November 2023)
f) IPSAS 49: Retirement benefit Plans (released November 2023)

Standard	Release Date	Effective Date	Summary
IPSAS 45 – Property, Plant and Equipment	May-23	Annual periods beginning on or after 1 January 2025 (early adoption permitted)	Replaces IPSAS 17. Provides updated guidance on recognition, initial and subsequent measurement, depreciation, impairment, derecognition, and disclosure of PPE. Aligns PPE accounting with the new IPSAS 46 Measurement principles and clarifies treatment of infrastructure and heritage assets, improving consistency and comparability in public sector asset reporting. IPSAS 45 will require the DMO to improve asset registers, valuation, and depreciation of property and infrastructure assets, strengthening controls and disclosures while enhancing consistency and comparability in public sector asset reporting
IPSAS 46 – Measurement	May-23	Annual periods beginning on or after 1 January 2025 (early adoption permitted)	Introduces a single, comprehensive measurement framework applicable across IPSAS. Defines and explains measurement bases including historical cost, fair value, value in use, and current operational value (COV)—a measurement basis specifically designed for public sector service-delivery assets. Enhances consistency, transparency, and decision-usefulness of measurements and related disclosures. IPSAS 46 introduces a consistent measurement framework across IPSAS, requiring the DMO to apply appropriate measurement bases such as historical cost or current operational value to assets and liabilities, improving transparency and decision-usefulness of financial information.

IPSAS 47 – Revenue	May-23	Annual periods beginning on or after 1 January 2026 (early adoption permitted)	Replaces IPSAS 9, IPSAS 11, and IPSAS 23 with a single revenue standard for the public sector. Provides guidance on revenue from exchange and non-exchange transactions, focusing on binding arrangements, enforceable rights and obligations, and satisfaction of performance obligations. Improves consistency in recognizing, measuring, presenting, and disclosing revenue across public sector entities. IPSAS 47 introduces a single, consistent framework for recognizing revenue from exchange and non-exchange transactions, requiring the DMO to reassess fees, grants, and transfers based on enforceable rights and performance obligations, improving consistency and transparency in revenue reporting.
IPSAS 48 – Transfer Expenses	May-23	Annual periods beginning on or after 1 January 2026 (early adoption permitted; must be applied with IPSAS 47 if early adopted)	Establishes principles for recognition, measurement, presentation, and disclosure of transfer expenses (cash and in-kind) from the transfer provider's perspective. Clarifies when an expense is recognized (e.g., when obligations are incurred) and removes unnecessary complexity from earlier guidance, reflecting the nature of public sector transfer arrangements IPSAS 48 affects the DMO by establishing clear principles for recognizing and measuring transfer expenses, including cash and in-kind transfers, from the provider's perspective. This may change the timing of expense recognition, require stronger documentation of transfer obligations, and expand disclosure of transfer arrangements.

IPSAS 49 – Retirement Benefit Plans	Nov-23	Annual periods beginning on or after 1 January 2026 (early adoption permitted)	Provides comprehensive accounting and reporting requirements for retirement benefit plans (e.g., pension plans). Requires presentation of information about plan assets, liabilities, funding arrangements, contributions, and benefits paid, with extensive disclosures to enhance transparency and accountability for significant public sector retirement obligations. Internally, the office do not have any defined bebefit obligations henece this is not expected to have an impact on their operations.
Improvements to IPSAS, 2023 (Amendments Package)	Dec-23	Various effective dates, mainly 1 January 2025 and 1 January 2026	A package of narrow-scope amendments to existing IPSAS Standards to improve clarity, consistency, and alignment with recent IFRS amendments. These amendments do not introduce new standards, but refine definitions, disclosure requirements, and cross-references across multiple IPSAS. Improvements to IPSASs will refine existing accounting requirements for the DMO, enhancing clarity, consistency, and alignment with IFRS without fundamentally changing accounting treatments.

3 Material Accounting Policy Information

3.1 Basis of Preparation

The General-Purpose Financial Statements shall be prepared under the historical cost convention and in accordance with IPSAS and other applicable standards as may be defined by relevant Statutes.

3.2 Accounting Period

The accounting year (fiscal year) shall be from 1st January to 31st December in line with the National Treasury Circular Ref. OAGF/CAD/026/V.1/102 of 30th December, 2013. Each accounting year is divided into 12 calendar months (periods) and shall be set up as such in the accounting system.

3.3 Reporting Currency

The General-Purpose Financial Statements shall be prepared in Nigerian Naira

Material Accounting Policy Information Continued

4.5 Employee Benefits/Pension Obligations:

Under the Defined Benefits Scheme:

Provision has been made, where applicable, using an actuarial valuation for retirement gratuities. The actuarial valuation determines the extent of anticipated entitlements payable under employment contracts and brings to account a liability using the present value measurement basis, which discounts expected future cash outflows. To the extent that it is anticipated that the liability will arise during the following year the entitlements are recorded as Current Liabilities. The remainder of the anticipated entitlements are recorded as Non-Current Liabilities.

Under the Defined Contribution Scheme

Public Entities makes pension and national insurance contributions on behalf of employees in line with Pension Act 2014. The contributions are treated as payments to a defined contribution pension plan. A defined contribution plan is a pension plan under which fixed contributions are paid into a separate pension Entity fund managed by Pension Fund Administrators (PFAs). The Entity has no legal or constructive obligations to pay further contributions if the pension Entity does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

4.6 Interest on Loans

Interest on loans shall be treated as expenditure or as a charge in the financial performance report (Statement of Financial Performance). Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense in each period.

4.7 Foreign Currency Transactions

Foreign currency transactions throughout the year shall be converted into Nigerian Naira at the ruling (Central Bank of Nigeria –CBN) rate of exchange at the dates of the transactions.Foreign currency balances, as at the year end, shall be valued at the exchange rates prevailing on that date. Foreign Exchange gains/losses are recognised in the Statement of Financial Performance.

4.8 Statement of Cashflows

This statement shall be prepared using the direct method in accordance with the format provided in the General-purpose financial statements

The Cashflow statement shall consists of three (3) sections:

a. Operating activities section include cash received from all income sources of the Government and record the cash payments made for the supply of goods and services.

b. Investing activities section are those activities relating to the acquisition and disposal of non-current assets.

c. Financing activities section comprise the change in equity and debt capital structure of the Government.

4.9 Cash & Cash Equivalent

Cash and Cash Equivalent means cash balances on hand, held in bank accounts, demand deposits and other liquid investments with an original maturity of 6 months or less in which the Entity invests as part of its day- to-day cash management and which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Cash & Cash Equivalent is reported under Current Assets in the statement of financial position.

Material Accounting Policy Information continued

5.0 Accounts Receivable

a. Receivables

Receivables from exchange transactions are recognized when revenue is earned and measured initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of the receivables.

b. Receivables from Non-exchange Transactions

Receivables from non-exchange transactions comprises; fees, taxes and fines (and any penalties associated with these activities) as well as social benefit receivables that do not arise out of a contract. These receivables are initially assessed at nominal amount or face value; that is, the receivable reflect the amount of tax owed, levy, fine charged or social benefit debt payable. These receivables are subsequently adjusted for penalties as they are charged and tested for impairment. Interest and penalties charged on tax receivables are presented as tax revenue in the statement of financial performance.

5.1 Prepayments

Prepaid expenses are amounts paid in advance of receipt of goods or services. They can represent payments made early in the year for benefits to be received over the latter part of the year, or payments made in one year for benefits to be received in subsequent years. Prepayments for which the benefits are to be derived in the following 12 months should be classified as Current Assets. Where the benefits are expected to accrue beyond the next 12 months, it should be accounted for as a Long-Term Prepayment and classified as Non-Current Assets. Prepayments that are identifiable with specific future revenue or event, e.g. adverts, should be expensed in the period in which the related event takes place; those that relate to specific time periods, e.g. insurance, rent, leasehold premises, should be recognised as an expense in such periods. Prepayments not exceeding N100, 000 shall be expensed immediately, except there is a possibility of obtaining a refund or credit within the same financial year.

5.2 Loans Granted

Loans Granted are shown at estimated realisable value after providing for bad, doubtful debts and impairments.

5.3 Impairment of Securities

Entity determines at each reporting date whether there is any objective evidence that the investment is impaired in line with the provisions of the Financial Regulations, if this is the case, Entity calculates the amount of impairment as being the difference between the recoverable value of the investment and the carrying value and recognises the amount in the statement of financial performance.

Where an Entity uses its surplus cash to purchase short-term investments, the financial assets are classified at initial recognition as available-for-sale. Available-for-sale financial assets are included in non-current assets unless Entity intends to dispose of the investment within 12 months of the reporting date. Regular purchases and sales of financial assets are recognized at fair value on the trade-date (the date on which Entity commits to purchase or sell the asset) and subsequently at fair value with any resultant fair value gains or losses recognized in the statement of Net Assets/Equity. Realized gains and losses on sale of available-for-sale securities are recognized in the consolidated statement of financial performance as 'gains/losses from available-for-sale securities. Impairment losses and interest on available-for-sale securities is calculated using the effective interest method and is recognized in the consolidated statement of financial performance as part of other income. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the entity shall establish fair value using valuation techniques. These include:

Material Accounting Policy Information continued

i. the use of recent arm's length transactions
ii. reference to other instruments that are substantially the same
iii. discounted cash flow analysis and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Entities shall ascertain at the date of preparation of each General purpose financial statements whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized is recognized in the statement of financial performance.

5.4 Property and equipment

a Initial recognition and measurements

All PPE are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items and bringing it to the state of usage. Where an asset (other than land) is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially recognized at fair value, where fair value can be reliably determined, as income in the statement of financial performance (unless there are restrictions on the asset's use in which case income is deferred). All land held by Government owned entities is not included in the Entity's financial statements unless that land is to be used for development purposes. The following shall constitute expenditure on PPE. Amounts incurred on the purchase of such assets, Consumables are to be wholly expensed irrespective of their amounts, Construction Cost- including materials, labour and overheads. Improvements to existing PPE, which significantly enhance their useful life and Other associated costs.

b Depreciation

The cost of PPE shall be written off, from the time they are brought into use, on a straight line basis over their expected useful lives less any estimated residual value as follows:

Lease Properties	Over term of lease
Buildings	2%
Plant and Machinery	10%
Motor Vehicles	25%
Office Equipment	15%
IT Equipment	33.33%
Furniture and Fittings	15%
Specific cultural and heritage assets	Not to be depreciated

The full depreciation charge shall be applied to PPE in the months of usage regardless of the day of the month the transactions was carried out. However, there shall be no depreciation in the year of disposal. Fully depreciated assets that are still in use are carried in the books at a net book value of N1,000.00. An asset's carrying amount is written down immediately to its recoverable amount or recoverable service amount if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

Material Accounting Policy Information continued

c Cost

The cost of an item of PPE shall comprise: its purchase price, including import and non-recurring costs and any directly attributable costs of bringing the asset to its location and working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

a. PPE shall be stated at cost or at their professional valuation less accumulated depreciation and impairment.

b. The amount recorded for a PPE shall include all costs directly related to its acquisition including expenditures incurred to place the asset in usable condition for the Service. Accordingly, the cost of the assets shall include acquisition or construction costs, custom duties, transportation charges, professional fees and installation costs. Cash discounts shall be netted against the cost of the assets.

d Capitalisation

The capitalisation threshold shall be N50, 000 (Fifty thousand naira). Only amounts spent in connection with the above and whose values exceed (Fifty thousand naira) N50, 000 shall be capitalised. All assets equal to or above this amount shall be recorded in the Fixed Assets Register (Non-current Asset Register). However in certain cases, it may be appropriate to aggregate individually insignificant value items such as chairs and tables, printers, UPS, etc. and apply the capitalisation threshold to the aggregate value.
Fixed assets whose costs are below the capitalization threshold shall be charged appropriately to the following accounts: office supplies – furniture, office supplies – IT equipment, office supplies – household equipments, etc. Where an asset's category already exists for a newly acquired asset below the capitalisation threshold, such an asset shall be capitalised irrespective of its cost and recorded in the fixed assets register under the appropriate category. Notwithstanding, the capitalization of PPE depends on provisions in the capital budget.

e Revaluation

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Surplus arising from the revaluation shall be transferred to the revaluation reserve in the financial position under reserves and to the statement of changes in net assets/equity. In case of revaluation deficit, it shall be set against the respective asset value and the corresponding entry to either the revaluation reserve – if surplus exists on the same class of asset, or to the statement of financial performance as an expense.

f Disposal

Gains or losses on the disposal of PPE are to be included in the income statement as either an income or expense respectively.

g Impairment

Entities shall test for impairments of its PPE where it suspects that impairment has occurred.
These are cash-generating property owned by the Government/ its entities. The cost, capitalisation, depreciation and impairment of Investment Property are same with PPE, but shall be reported separately in the General purpose financial statements.

Material Accounting Policy Information continued

5.5 Intangible Assets

These shall consist of assets that are not physically tangible which have been acquired and held for use from which benefits are derivable beyond a financial year. The cost of an item of intangible asset shall comprise: its purchase price, including non-recurring costs and any directly attributable costs of bringing the asset to its state of intended use. Any trade discounts and rebates shall be deducted in arriving at the purchase price. Intangible assets are tested for impairment and amortised over the estimated useful life using the straight line method on an annual basis. Classes of Intangible Assets and their estimated useful lifes are as follows:

Softwares acquired externally	3 years
Goodwill acquired	4 years
Copyrights	4 years
Trademarks	4 years
Other Intangible assets	4 years
Intangible asset with infinite life	not amortized

5.6 Loans & Debts

Loans are funds received to be paid back at an agreed period of time. They are classified under liability in the General purpose financial statements and are categorised as either short or long term. Short-term loans and debts are those repayable within one calendar year, while long-terms loans and debts are those that shall fall due beyond one calendar year.

5.7 Unremitted Deductions

Unremmitted Deductions are monies owed to third parties such as tax authorities, schemes and associations and other government agencies. These include: tax deductions and other deductions at source. These amounts shall be stated in the General purpose financial statements at their repayment value, which shall be treated as Current Liabilities in the Statement of Financial Position.

5.8 Payables

Payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. These are monies payable to third parties in respect of goods and services received. Accrued Expenses for which payment is due in the next 12 months shall be classified as Current Liabilities. Where the payments are due beyond the next 12 months, it shall be accounted for This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings shall be classified under Current Liabilities in the Statement of Financial Position.

5.9 Public and Trust Funds

These are balances of Federal Government funds at the end of the financial year. They are classified under the Non-Current Liabilities in the Statement of Financial Position and include: Trust Funds, Revolving Funds and other Funds created by Government.

6.0 Reserves

Reserves are classified under equity in the Statement of Financial Position and include: Accumulated Surpluses/(Deficit) and the Revaluation Reserves.

Material Accounting Policy Information continued

6.1 Contingent Liability

A contingent liability is a possible obligation arising from past events whose existence will be confirmed only by uncertain future event(s) or present obligation arising from past events that are not recognised because either an outflow of economic benefit is not probable or the amount of the obligation cannot be reliably measured. Contingent liabilities shall only be disclosed in the Notes to the General purpose financial statements.

6.2 Leases

Finance leases

These are leases which effectively transfer to the lessee Entity substantially all the risks and rewards incidental to ownership of the leased item. They are capitalised at the present value of the minimum lease payment. The leased assets and corresponding liabilities are disclosed while the leased assets are depreciated over the period the Entity is expected to benefit from their use.

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of financial performance on a straight-line basis over the period of the lease.

6.3 Financial Instruments

These form part of the Government's everyday operations. These financial instruments include Bank Accounts, Short Term Deposits, Trade and Accounts Receivable, Trade and Accounts Payable and Term Borrowings, all of which shall be recognized in the Statement of Financial Position. Revenue and expenses in relation to all financial instruments shall be recognized in the Statement of Financial Performance.

6.4 Transfer to Other Government

Transfers to other government entities are non-exchange items and are recognized as expenses in the statement of financial performance.

6.5 Service Concession Arrangement Assets

Service Concession Assets are operated by third parties under the terms of Service Concession Arrangements. On classification the original service concession asset is measured at its fair value and any difference between its fair value and its book value is recognized in the Statement of Financial Performance.Since the fair value of assets previously transferred under Service Concession Arrangements is not reliably available, Government has chosen to adopt the standard prospectively from 1st January 2016. If the terms of the arrangement require Government to compensate the operator for the concession asset by making payments and the payments are separable between the asset and service portions of the payment then the fair value of the original service concession asset is the fair value of the asset portion of the payments. If however the asset and service portions of the payments are not separable, the fair value is determined using estimation techniques.

Service Concession Arrangement Liabilities

When Government recognizes a Service Concession Arrangement asset it also recognizes a liability of an equal amount. The liability is split between a financial liability and a performance obligation. The financial liability arises from the payments due from an entity under the terms of the Service Concession Arrangement and the performance obligation from the rights granted to the operator under the terms of the Service Concession Arrangement to earn revenues from the Service Concession Assets(s) or associated asset(s).

Financial risk management continued

31 December 2022	Note	Carrying amount ₦' 000	Nominal Inflow/Outflow ₦' 000	3months or less ₦' 000	Above 3 months ₦' 000
Financial assets					
Cash and cash equivalents	22	4,995,571	4,995,571	4,995,571	-
Other Receivables	20	54,217	54,217	54,217	
Total		**5,049,788**	**5,049,788**	**5,049,788**	-
Financial liabilities					
Accounts payables and Accruals	23	400,061	400,061	400,061	-
Total		**400,061**	**400,061**	**400,061**	-
Liquidity gap				**4,649,727**	-
Cumulative				**4,649,727**	**4,649,727**

(d) Market risk

Market risk is the risk that changes in market prices such as interest rate will affect the DMO's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

(i) Foreign exchange risk

Foreign exchange risk refers to the potential impact of adverse movements in exchange rates on the DMO's financial position. The DMO's exposure to currency risk is minimal, as its cash balances are maintained in Naira with the Central Bank of Nigeria (CBN).

During the financial year, the CBN unified all existing foreign exchange windows into a single NAFEM rate to promote stability of the Naira. Despite holding most cash in Naira, the DMO maintains payables settled in foreign currency (USD) which includes fees due to international rating agencies and stock exchanges in connection with the year's issuance of securities, bloomberg and reuters subscriptions settled in USD.

The amounts presented below represent the Nigerian Naira equivalent of the respective assets and liabilities in USD.

Financial instruments by currency

31 December 2023	Note	NGN ₦' 000	Total ₦' 000
Financial assets			
Cash and cash equivalents	22	61,955	61,955
Total assets		**61,955**	**61,955**
Financial liabilities			
Accounts payables and Accruals	23	-	-
Total liabilities		-	-
Net on balance sheet exposure		**61,955**	**61,955**

31 December 2022	Note	NGN ₦' 000	Total ₦' 000
Financial assets			
Cash and cash equivalents	22	150,957	150,957
Total assets		**150,957**	**150,957**
Financial liabilities			
Accounts payables and Accruals	23	-	-
Total liabilities		-	-
Net on balance sheet exposure		**150,957**	**150,957**

Financial risk management continued

Sensitivity analysis for foreign exchange risk

As shown in the table above, the DMO is primarily exposed to changes in dollar exchange rates in the settlement of payables in USD. The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date.

	2023 ₦' 000	2022 ₦' 000
Effect of a 10% appreciation of the Naira against US Dollar in profit or loss	(6,195)	(15,096)
Effect of a 10% depreciation of the Naira against US Dollar in profit or loss	6,195	15,096

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair value of financial instruments. Interest rate risk arises when the entity invests in interest bearing financial instruments. DMO does not hold any interest bearing assets hence it is not exposed to the risk that the value of financial instruments will fluctuate due to changes in the prevailing market interest rate.

7.1 Fair value of financial assets and liabilities

Debt Management Office's financial instruments as disclosed below are not designated at fair value.

	Carrying Amount 2023 N'000	Fair Value 2023 N'000	Carrying Amount 2022 N'000	Fair Value 2022 N'000
Financial assets				
Cash and cash equivalents	4,463,592	4,463,592	4,995,571	4,995,571
Other receivables	122,133	122,133	54,217	54,217
Total	**4,585,725**	**4,585,725**	**5,049,788**	**5,049,788**
Financial liabilities				
Account payables and accruals	371,263	371,263	400,061	400,061
Total	**371,263**	**371,263**	**400,061**	**400,061**

8 Appropriations/Subventions		2023 ₦' 000	2022 ₦' 000
Recurrent:			
	Overhead	139,224	143,775
	Personnel	750,899	656,147
		890,123	799,923

9 FGN bond floatation receipts		2023 ₦' 000	2022 ₦' 000
FGN domestic bond floatation account		1,255,748	1,649,432
WHT on FGN bond commission received for remittance to FIRS		918,600	491,489
International capital market		-	537,852
FGNSAP account	a	598,319	-
		2,772,667	2,678,773

a. This amount represents inflows received from the Federal Government to finance the Federal Government of Nigeria Securities Awareness Programme (FGNSAP). FGNSAP is a public education initiative led by the Debt Management Office (DMO) aimed at sensitising and encouraging Nigerian citizens to invest in Federal Government of Nigeria (FGN) securities. These securities include FGN Bonds, FGN Savings Bonds, Green Bonds and other approved Federal Government debt instruments.

10 SFTAS receipts		2023 ₦' 000	2022 ₦' 000
SFTAS receipts	a	-	287,960
		-	287,960

a. The amount represents receipts from the World Bank in partnership with the Debt Management Office (DMO) to support the States Fiscal Transparency, Accountability and Sustainability (SFTAS) Programme in Nigeria, which aims to strengthen fiscal transparency and debt management capacity across sub-national governments through trainings and other capacity-building initiatives. No additional funds were received from the World Bank in respect of this programme during the 2023 financial year.

11 Other income		2023 ₦' 000	2022 ₦' 000
Return of salary in lieu of notice	a	102	1,016
Refunds	b	17,289	3,516
Gain on foreign exchange translation		38,633	9,641
		56,024	14,173

12 Operating expenses		2023 ₦' 000	2022 ₦' 000
Administrative expenses	12a	176,876	152,065
Repairs & Maintenance	12b	4,929	8,597
Depreciation	25	101,637	89,806
Amortisation	26	2,495	-
		285,937	250,467

a Administrative overheads	2023 ₦' 000	2022 ₦' 000
Local travel and transport: training & others	31,794	24,694
Communication, telephone and postages	4,241	4,585
Newspaper/Magazine/Books and periodical	1,789	1,189
Office stationeries/Computer consumables	6,999	5,706
Printing of non-security documents	-	709
Uniforms and other clothing	1,800	1,485
Refreshment and meals	16,020	19,345
Security services	60	240
Office rent	15,321	15,321
Financial consulting	3,783	-
Auditing of accounts	-	3,200
Information technology consulting	773	2,144
Motor vehicle fuel and lubricant	8,960	9,654
Local training	12,368	16,497
Welfare packages	22,653	14,992
Subscription to professional bodies	1,432	3,050
Publicity and advertisement	105	-
Insurance premium	4,234	3,305
Internet access charges	1,840	1,349
Honorarium & sitting allowance	120	475
Research and development expense	42,583	24,126
	176,876	152,065

b Repairs and Maintenance

	2023 ₦' 000	2022 ₦' 000
Motor vehicles	4,111	5,322
Office furniture and fittings	719	246
Office building	-	1,199
Computers and IT equipment	100	1,830
	4,929	**8,597**

13 Personnel cost

	2023 ₦' 000	2022 ₦' 000
Salary	750,899	650,577
	750,899	**650,577**

14 Aids & Grants expenses

	2023 ₦' 000	2022 ₦' 000
Bank charges	-	1
Telephone charges	-	1,200
	-	**1,201**

15 Special TSA (AFDB) expenses

	2023 ₦' 000	2022 ₦' 000
Local travel & transport	-	46,013
Bank charges (AFDB)	-	19
Local training	-	7,141
Consultancy fees	-	63,131
Unutilized funds returned to AFDB	-	21,227
Unutilized funds returned to AFDB	-	7,410
	-	**144,941**

16 SFTAS expenses *

	2023 ₦' 000	2022 ₦' 000
Bank Charges	50	50
Consultancy fees	43,389	57,673
Computer Consumables	-	1,143
Operating Cost/Communication & Postages	2,696	3,247
Co-ordination of Capacity Building for DSA & MTDs	90,681	80,492
Local Travels & other Office Expenses	90	142
Office Equipment & Consumables	41	5,433
Furniture & Fittings	-	2,175
	136,948	**150,355**

* These are expenses incurred on the World Bank partnership project with DMO. World Bank partnered with DMO to fund States Fiscal Transparency, Accountability and Sustainability (SFTAS) programs in Nigeria to strengthen debt management across sub-national government. Programs include trainings and capacity-building. No additional fund was received from the world bank in 2023.

17 Bank charges

	2023 ₦' 000	2022 ₦' 000
CBN charges on FGN bond floatation account	447	317
	447	**317**

18 FGN Bond floatation expenses

		2023 ₦' 000	2022 ₦' 000
Domestic bond floatation	18a	2,334,130	1,829,672
International capital market	18b	174,754	467,625
Promissory note account	18c	2,182	5,674
FGNSAP account	18d	582,019	-
		3,093,086	**2,302,971**

18d. This amount represents expenses incurred on the Federal Government of Nigeria Securities Awareness Programme (FGNSAP). FGNSAP is a public education initiative led by the Debt Management Office (DMO) aimed at sensitising and encouraging Nigerian citizens to invest in Federal Government of Nigeria (FGN) securities. Expenses relate to trainings, marketing and road shows.

a **Domestic Bond floatation expenses**	2023 ₦' 000	2022 ₦' 000
Travels	153,953	71,974
Annual workshop on debt sustainability analysis - expenses	11,308	695
Issuance of SUKUK expenses	338,366	358,913
Issuance of Green Bonds	-	3,662
Auction centre electricity charges	419	323
Government stockbrokers fees	24,725	24,725
FMDQ Quotation & listing fees	161,250	270,979
NGX Quotation & listing Fees	109,752	-
IT & IS support	120,565	24,852
Consultancy services	115,154	1,661
Marketing services	155,691	152,788
Auction centre rent	5,640	5,640
Capacity building	146,641	61,068
Subscriptions(Reuters, Bloomberg & Others)	206,569	111,263
Fiscal agency fees	17,660	22,825
Publicity	-	2,550
Contribution to fss 2020	-	544
Staff retreat	4,978	-
Public debt engagement	95,488	106,460
WHT on domestic securities commission (FGN BOND/SUKUK/Savings bond)	562,267	517,489
Advertisements	88,739	77,752
Review of DMO ACT	581	-
Review of DMO organogram	-	3,129
CSCS costs	13,075	9,806
NIBSS processing fees	1,310	575
	2,334,130	**1,829,672**

b **International Capital Market (ICM) operations-Eurobond**	2023 ₦' 000	2022 ₦' 000
Fees & expenses of transaction parties	-	456,237
Roadshow expenses	-	8,216
Fees to other parties (Rating Agencies & Stock Exchange)	174,754	3,172
	174,754	**467,625**

c **Promisory notes account**	2,023 ₦' 000	2,022 ₦' 000
Local travel & transport	1,918	5,334
Postages & courier	264	340
	2,182	**5,674**

d **FGN Securities Awareness Programme (SAP)**	2023 ₦' 000	2022 ₦' 000
Bank charges	147	-
Travels	332,296	-
Advertisements	9,590	-
Govt Stockbroker fees	239,985	-
	582,019	-

19 **Return to consolidated revenue fund**	2023 ₦' 000	2022 ₦' 000
Capital fund	-	453
Overheads	2	8,519
Personnel fund	-	5,570
Remittance to CRF	102	1,016
	104	**15,559**

20 **Other receivables**	2023 ₦' 000	2022 ₦' 000
WHT on commission to receiving banks/primary dealers & market makers/distribution agents	122,133	54,217
	122,133	**54,217**

21 Prepayments

	2023 ₦' 000	2022 ₦' 000
Prepaid auction centre rent	2,640	2,640
	2,640	**2,640**

22 Cash and Cash Equivalent

	2023 ₦' 000	2022 ₦' 000
Central Bank of Nigeria (Grant & Aids)	163	163
Central Bank of Nigeria (FGN Bond account)	4,350,864	4,770,113
Central Bank of Nigeria (Capital fund-GIFMIS)	29,136	62,510
Central Bank of Nigeria (SFTAS account)	67,128	162,785
Central Bank of Nigeria (FGNSAP)	16,300	-
Total	**4,463,592**	**4,995,571**

23 Account payables and accruals

	2023 ₦' 000	2022 ₦' 000
NIBSS processing fees	813	-
CSCS fees	2,363	-
FMDQ quotation & listing fees	161,250	-
Issuance of sukuk expenses	42,770	163,622
Government stockbrokers fees	12,363	12,363
WHT on domestic securities commission (FGN Bond/SUKUK/Savings Bond)	122,133	192,637
Fiscal agency fees	-	7,176
Advertisements	3,566	3,302
Audit fee	5,280	5,280
Capacity building	4,140	-
Travel for conference, workshops	7,635	-
SFTAS payables	8,819	7,349
Roadshow expenses	-	8,215
Marketing of FGN savings bond	132	116
	371,263	**400,061**

24 Capital

	2023 ₦' 000	2022 ₦' 000
Capital funds	602,360	495,715
	602,360	**495,715**

24a Movement in Capital Fund

	2023 ₦' 000	2022 ₦' 000
Opening balance	495,715	409,080
Capital fund received during the year	106,644	86,635
Closing balance	**602,360**	**495,715**

25 Property and Equipment

	Asset under Construction ₦' 000	Motor Vehicle ₦' 000	Computer/IT Equipment ₦' 000	Office Furniture & Equipment ₦' 000	Total ₦' 000
Cost:					
As at 1 January, 2022	120,037	214,338	190,252	124,166	648,793
Additions	-	109,572	38,527	31,936	180,034
Disposal	-	-	-	-	-
As at 31 December, 2022	**120,037**	**323,910**	**228,779**	**156,102**	**828,828**
As at 1 January, 2023	120,037	323,910	228,779	156,102	828,828
Additions	-	-	62,482	14,996	77,478
Disposal	-	-	-	-	-
As at 31 December, 2023	**120,037**	**323,910**	**291,260**	**171,098**	**906,306**
Accumulated depreciation:					
As at 1 January, 2022	-	140,088	165,255	84,849	390,193
Charge for the year	-	50,285	23,508	16,013	89,806
Disposal Depreciation	-	-	-	-	-
As at 31 December 2022	**-**	**190,373**	**188,763**	**100,862**	**479,998**
As at 1 January, 2023	-	190,373	188,763	100,862	479,998
Charge for the year	-	57,482	24,454	19,701	101,637
Disposal Depreciation	-	-	-	-	-
As at 31 December 2023	**-**	**247,855**	**213,218**	**120,563**	**581,635**
NBV at 31 December 2022	**120,037**	**133,537**	**40,016**	**55,240**	**348,829**
NBV at 31 December 2023	**120,037**	**76,055**	**78,043**	**50,535**	**324,670**

26 Intangible assets

	Total ₦' 000
Cost:	
At 1 January 2022	4,662
Additions during the year	-
As at 31 December 2022	**4,662**
At 1 January 2023	4,662
Additions during the year	19,957
As at 31 December 2023	**24,619**
Accumulated Amortization:	
At 1 January 2022	4,662
Charge for the year	-
As at 31 December 2022	**4,662**
At 1 January 2023	4,662
Charge for the year	2,495
As at 31 December 2023	**7,157**
NBV at 31 December 2022	**-**
NBV at 31 December 2023	**17,463**

Other national disclosures

	31 December 2023 ₦' 000	%	31 December 2022 ₦' 000	%
Income	3,662,790		3,766,655	
Cost of services rendered	(3,412,389)		(2,776,007)	
Other income	56,024		14,173	
Value added	**306,425**	**100**	**1,004,822**	**100**
Applied as follows:				
To pay employees				
Wages, salaries and other benefits	750,899	245%	650,577	65%
To provide for enhancement of assets and growth:				
Depreciation and amortisation	104,132	34%	89,806	9%
(Deficit)/Surplus for the year	(548,606)	-179%	264,440	26%
Value added	**306,425**	**100%**	**1,004,822**	**100%**

Statement of financial performance	2023 ₦' 000	2022 ₦' 000	2021 ₦' 000	2020 ₦' 000	2019 ₦' 000
Income					
Appropriation/Subventions	890,123	799,923	808,023	744,927	706,677
FGN Bond Floatation Receipts	2,772,667	2,678,773	4,241,130	1,910,321	3,166,653
Grants & Aid Receipts	-	-	2,000	2,000	4,000
Special TSA Receipts	-	-	193,551	34,047	-
SFTAS Receipts	-	287,960	-	285,018	-
	3,662,790	**3,766,655**	**5,244,703**	**2,976,313**	**3,877,330**
Other Income	56,024	14,173	13,639	149	-
Total income	**3,718,814**	**3,780,829**	**5,258,342**	**2,976,462**	**3,877,330**
Expenditure					
Operations					
Operating Expenses	285,937	250,467	175,078	166,323	111,262
Grants and Aids Expenses	-	1,201	2,638	3,575	2,474
Personnel Cost	750,899	650,577	651,067	649,601	419,544
Special TSA Expenses	-	144,941	80,643	7,380	18,071
SFTAS Expenses	136,948	150,355	148,262	135,814	-
	1,173,784	**1,197,541**	**1,057,688**	**962,694**	**551,350**
Other expenditures					
Bank Charges	447	317	4,108	6,445	13,140
FGN Bond Floatation Expenses	3,093,086	2,302,971	2,716,722	1,646,018	1,775,722
Return To Consolidated Revenue Fund	104	15,559	5,499	355	222,892
	3,093,636	**2,318,847**	**2,726,329**	**1,652,618**	**2,011,754**
Total expenditure	**4,267,420**	**3,516,388**	**3,784,017**	**2,615,312**	**2,563,105**
(Deficit)/Surplus of Income over Expenditure	**(548,606)**	**264,440**	**1,474,325**	**361,150**	**1,314,225**

Statement of financial position	2023 ₦' 000	2022 ₦' 000	2021 ₦' 000	2020 ₦' 000	2019 ₦' 000
Non-current assets					
Property, Plant & Equipment	324,670	348,830	258,601	288,373	197,510
Intangible Assets	17,463	-	-	189	1,554
	342,133	**348,830**	**258,601**	**288,562**	**199,064**
Current assets					
Other Receivables	122,133	54,217	17,147	48,793	136,683
Prepayments	2,640	2,640	2,640	2,640	2,640
Cash and Cash Equivalent	4,463,592	4,995,571	5,828,366	2,969,682	4,309,135
	4,588,365	**5,052,428**	**5,848,152**	**3,021,115**	**4,448,458**
Total assets	**4,930,498**	**5,401,258**	**6,106,753**	**3,309,877**	**4,647,522**
Net assets and liabilities					
Net assets					
Capital Grant	602,360	495,715	409,080	228,593	-
Reserves	3,956,875	4,505,481	4,240,909	2,766,586	3,640,421
Total net assets	**4,559,235**	**5,001,196**	**4,649,989**	**2,995,179**	**3,640,421**
Liabilities					
Account Payables and accruals	371,263	400,062	1,456,765	314,698	1,007,101
	371,263	**400,062**	**1,456,765**	**314,698**	**1,007,101**
Total net assets and liabilities	**4,930,498**	**5,401,258**	**6,106,753**	**3,309,877**	**4,647,522**