DEBT MANAGEMENT OFFICE
NIGERIA

Another International Recognition for Nigeria

EMEA Finance 2013 Best Sovereign Bond in Africa

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Nigeria's strategies and efforts towards achieving the objectives of the Transformation Agenda, has received another international recognition. This time, the recognition is the **EMEA Finance 2013 best Sovereign Bond in Africa** for the USD1 billion Eurobonds issued by Nigeria in July 2013. The award is in recognition of the high level of subscription recorded by the Offer and the fact that the Eurobond was issued during a period of market uncertainty. Nigeria's USD1 billion Eurobond was chosen by EMEA Finance for this special award out of a total of five sovereign Eurobonds issued by African Countries in 2013.

It would be recalled that on July 2, 2013, **Nigeria successfully priced two Eurobonds in tenors of 5 and 10 years, each for USD500 million. The Total Subscription level of USD3,995 million (4 times the amount on Offer) and the competitive Coupons of 5.125% and 6.375% for the 5-year and 10-year Bond respectively, are a confirmation of the confidence of international investors in Nigeria's economic programmes.** The Eurobonds were issued specifically to finance various projects in the power sector in order to improve power supply to the Nigerian public.

The Issuance of the Eurobonds was consistent with one of the goals of public debt management, which is to diversify the sources of funding while also subjecting the Government to the discipline of the domestic and international financial markets in order to create a sovereign presence and benchmarks in these markets, which Nigerian corporates can leverage upon to access long-term capital. These were the main reasons why Nigeria made a debut entry into the International Capital Market (ICM) in January 2011 through the issuance of a USD500 million 10-year Eurobond. The success of the Issuance, as well as, the number of Nigerian corporates that accessed the market thereafter, were a confirmation of the appropriateness of Nigeria's economic strategies, and in particular, the public debt management strategy.

The need to approach the ICM again in 2013, was primarily in further pursuit of a debt management strategy that had proven successful, but also, to reduce Government's borrowing in the domestic market and reduce debt service costs. In May 2013, just before the Nigerian Delegation led by the Co-ordinating Minister for the Economy and Honourable Minister for Finance, Dr. Ngozi Okonjo-Iweala embarked on Roadshows in June 2013, the markets across the globe had become extremely volatile due to pronouncements by the United States Federal Reserve Bank of a tapering of its Quantitative Easing programme. Since the Quantitative Easing was a major source of liquidity to the markets, the success of the USD1 billion Eurobond Issuance was in great jeopardy. In spite of this adverse development, motivated by the commitment of His Excellency, President Jonathan Ebele Goodluck, GCFR, towards transforming the economy and with the strong support of His Excellency, the Vice President, Arc. Mohammed Namadi Sambo, GCON, the Delegation embarked on Roadshows to Europe and the United States at the end of June 2013. Nigeria beat the odds by successfully pricing the two Eurobonds in tenors of 5 and 10 years, each for USD500 million immediately after the Roadshows.

Following the success of the Eurobond Issuance, two Nigerian Banks and two African countries, subsequently, issued Eurobonds in 2013.

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