## FEDERAL GOVERNMENT OF NIGERIA

## N100 BILLION SOVEREIGN SUKUK

## FREQUENTLY ASKED QUESTIONS

What is Sukuk?

Sukuk is an investment certificate that represents the ownership interest of the holder in an asset or pool of assets. The certificate entitles the holder to receive income from the use of the assets.

Why is the Federal Government issuing Sukuk?

* To fund the construction/rehabilitation of key economic infrastructure projects across Nigeria, such as roads.
* To diversify the sources of government funding.
* To offer ethical investors an opportunity to invest in government-issued securities.
* To achieve a higher level of financial inclusion.
* To serve as a reference for pricing Sukuk issued by other bodies, especially private sector issuers.

What other countries have issued Sukuk?

* United Kingdom
* Hong Kong
* Malaysia
* Republic of South Africa
* Cote d’ivoire
* Senegal
* Saudi Arabia

How much is the Federal Government raising under this Sukuk?

* N100billion (One Hundred Billion Naira Only).

What will the Federal Government do with the funds raised?

* The funds will be used for the construction and rehabilitation of sections of key economic roads across the six geopolitical zones of Nigeria.
* Some of the roads include the Ibadan-Ilorin Road (Oyo-Ogbomoso), Kolo-Otuoke-Bayelsa-Palm Road (Yenegwe Road Junction), Enugu-Port Harcourt Expressway (Enugu-Lokpanta), Kaduna Eastern By-Pass and Kano-Maiduguri Road (Potiskum-Damaturu).

 How is Sukuk different from Conventional Bonds?

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| SUKUK  | BOND |
| Represent ownership interest in assets. | Bonds represent a pure debt obligation due from the issuer. |
| The funds raised from Sukuk issuance must be used only for ethical purposes. | Bonds can be issued to finance any legal purpose.  |
| The sale of Sukuk represents the sale of the holder’s interest in an asset. | The sale of a Bond is the sale of a debt. |

What are the key terms of this Sukuk?

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| Issuer: | FGN Roads Sukuk Company 1 PLC on behalf of the Federal Government of Nigeria |
| Description: | FGN Sovereign Sukuk due 2024 at a rental rate of 16.47% |
| Tenor | 7 Years |
| Issue Size: | N100,000,000,000 |
| Unit of Issue: | N1,000 per unit  |
| Minimum Subscription: | Minimum of N10,000 (i.e. 10 units @N1,000/unit) and in multiples of N1,000 (1unit) thereafter |
| Rental payment: | Semi-annually |
| Redemption: | Bullet payment of invested funds at maturity |
| Paying Agent/Registrar: | The Central Bank of Nigeria  |
| Security: | Backed by the full faith and credit of the Federal Government of Nigeria |

Who can invest in the Sukuk?

 All categories of investors, including:

* Retail investors
* High net worth individuals
* Institutional investors such as commercial banks, insurance/takaful companies, pension funds, asset managers, private banks and others
* Ethically inclined investors
* Cooperative Societies, Religious bodies, state investment companies
* Foreign investors

Why should I invest in the Sukuk?

* The Sukuk:
	+ provides a secure investment opportunity for ethically-minded investors.
	+ delivers attractive returns similar to conventional sovereign instruments.
	+ is backed by the full faith and credit of the Federal Government of Nigeria.
	+ may be used as collateral for securing credit facilities from financial institutions.
	+ is tradable on the Nigerian Stock Exchange or the FMDQ OTC Securities Exchange upon listing.
	+ returns are tax-free.

How can I invest?

 You can invest in 4 simple steps during the Public Offer Period:

1. **Visit the offices of the Financial Advisers to obtain the Subscription Form**

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| --- | --- |
| **FBN Merchant Bank Limited**10, Keffi StreetOff Awolowo RoadS.W. Ikoyi, LagosTel 1: +234-1-270 2290-4 | **Lotus Financial Services Limited**1b, Udi StreetOsborne Foreshore EstateOsborne Road, Ikoyi, LagosTel 1: +234-1-291 4626 |

OR

Download the Prospectus and Subscription Form at:

* + - * [www.dmo.gov.ng](http://www.dmo.gov.ng)
			* [www.fbnmerchantbank.com](http://www.fbnmerchantbank.com)
			* [www.lotuscapitallimited.com](http://www.lotuscapitallimited.com)

OR

Walk into any branch of the Collection Banks to obtain the Subscription Form.

* 1. If you do not have a Custodian Account or an account with the Central Securities Clearing System (CSCS), you may approach a licensed stockbroker to open one.
	2. Pay for the number of units you wish to purchase into any of the below Collection Banks:

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| First Bank of Nigeria Limited |
| Stanbic IBTC Bank PLC |
| Zenith Bank PLC |
| Guaranty Trust Bank PLC |
| Jaiz Bank PLC |
| Sterling Bank PLC |
| Unity Bank PLC |

*Account details will be provided at the point of payment*

* 1. Submit completed Application Form and proof of payment to any of the Financial Advisers – FBN Merchant Bank Limited or Lotus Financial Services Limited either via email (info@fbnmerchantbank.com or invest@lotuscapitallimited.com) or physically at any of their offices. You can also submit completed forms to any of the underlisted Primary Dealer Market Makers (PDMMs):
		+ - * Access Bank PLC
				* Citibank Nigeria Limited
				* Coronation Merchant Bank Limited
				* Ecobank Nigeria Limited
				* First Bank of Nigeria Limited
				* FBN Merchant Bank Limited
				* First City Monument Bank Limited
				* FSDH Merchant Bank Limited
				* Guaranty Trust Bank PLC
				* Stanbic IBTC Bank PLC
				* Standard Chartered Bank Nigeria Limited
				* United Bank for Africa PLC
				* Zenith Bank PLC

Can I sell the Sukuk Certificate in the Secondary Market?

* Yes. Trading will be done on the secondary market by licensed stockbrokers on the floor of The Nigerian Securities Exchange and the licensed dealers on FMDQ OTC Securities Exchange, in accordance with the Prospectus.

What will I get as proof of my investment?

* Your Custodian/CSCS account will be credited with the Sukuk units allotted to you and you will be duly notified of the credit through SMS/Email.

Is my investment in the Sukuk safe?

* Yes, the Sukuk is backed by the full faith and credit of the Federal Government of Nigeria.

How will I get returns from my investment?

* Returns due to you will be credited twice a year to the bank account you provided on the Application Form.
* At maturity, your principal investment will also be credited to your bank account.

What can I do if I don’t want to hold my Sukuk to maturity?

* You can request your stockbroker or securities dealer to sell your Sukuk on The Nigerian Stock Exchange or the FMDQ OTC Trading Platform upon listing.

Who can I contact if I require more information or clarification?

* FBN Merchant Bank Limited
	+ info@fbnmerchantbank.com
	+ 01 270 2290 and 01 270 2291
* Lotus Financial Services Limited
	+ invest@lotuscapitallimited.com
	+ 01 291 4626 and 01 291 4624
	+ 0908 7058 407 and 0908 705 8408

* The Debt Management Office
* enquiries@dmo.gov.ng
* 09-6725629, 09-6791088 and 09-6712769